39th ANNUAL REPORT
2025-2026

BAJAJ FINANCE



BAJAJ FINANCE LIMITED

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Corporate Overview

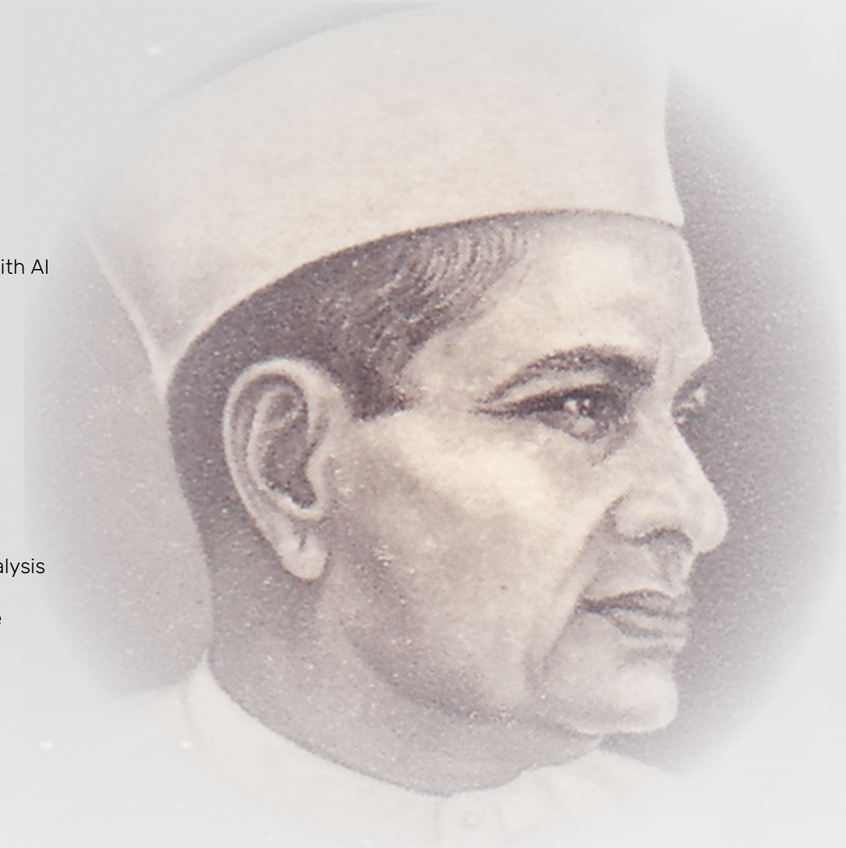
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A Founding Principle. Financial Inclusion.

In 1926, Jamnalal Bajaj, freedom fighter, social reformer, philanthropist, and considered the fifth adopted son of Mahatma Gandhi, formally established the Bajaj Group, with a belief that business must serve the nation. Nearly a century later, Bajaj Finance Ltd. (BFL) stands as the most powerful expression of that belief.

A Transformative Purpose

BFL was born in 1986-87 as a captive auto-financing unit to make mobility affordable to India's middle classes. Its first customers were school teachers from Solapur, who sought loans to buy two-wheelers to reach villages where they taught. That act of enabling aspiration became the template for the future and a steady march toward bringing millions into India's formal financial system.

Built for Scale

Today, BFL is India's largest private sector NBFC, serving 1 in 3 Indian households, disbursing a loan every second, and offering the full suite of financial products: loans, Fixed Deposits, payments, insurance, mutual funds, and wealth management, across App, Web and Pan-India locations.

And nearly 40% of our newly added customers are new-to-credit. A measure of inclusion no balance sheet can fully capture.

In FY2026, BFL crossed ₹ 5 lakh crore in AUM and disbursed over 50 million loans.

Wired for the Future

From the start, BFL has been a data-first and risk-first company. BFL 1.0 (2008-2016) built the foundation for innovation: EMI cards, Flexi loans, early cloud adoption, and data-led decision-making. BFL 2.0 deepened the digital play, bringing omnipresent strategy to life, placing the customer at the centre of every platform decision.

BFL 3.0 is now redefining financial services through FINAI. The strategy is three-pronged: deepening customer centricity, asserting technology leadership, and building towards being India's lowest-risk company.

From Cotton to Credit

A hundred years ago, in Wardha, the Bajaj story began with cotton. Built on the ideals of self-reliance, it would, in time, become woven into the fabric of a nation. Today, that same purpose lives on in Bajaj Finance, reimagined as financial inclusion. The mission remains what it always was—to fulfil the financial needs of every Indian, every day.

The Bajaj Group: 100 years in the making

1926 Bajaj Group founded

March **1987** Bajaj Auto Finance incorporated

March **1994** Bajaj Auto Finance's IPO

April **2007** Bajaj Finserv incorporated

Delivering today. Built for what's next.

February **2018** Bajaj Housing Finance became fully operational

January **2019** Bajaj Broking started operations

September **2024** Bajaj Housing Finance's IPO

2026 Bajaj Finserv: Taking Forward a 100-Year Legacy

2030 Long Range Strategy

FY2026: Highlights

Crossing Milestones, Scaling Reach

₹ 20,689 crore* Profit After Tax (24%)

0.41% NNPA

1.01% GNPA

Among the lowest in the industry

₹ 509,975 crore AUM (22%)

₹ 53,324 crore Net total income (21%)

19.2% ROE* (up from 19.1%)

119.33 million Customer franchise



Deepening Engagement

6.07 Average no. of Bajaj Finance products or services (active or closed) availed by customers



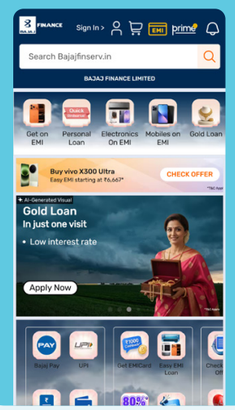
71,613 Employees (Full-time)



611 million Total web traffic

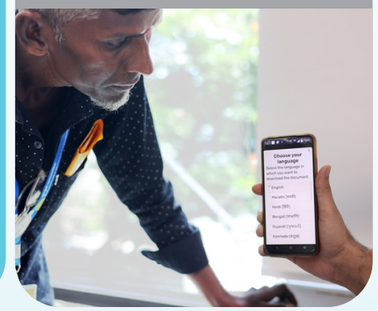
52.45 million New loans booked (up 21%)

86.6 million Net app installs



242,000+ Active Distribution Points across **4,098** locations

42 million No. of new-to-credit customers financially included in 18 years



FY2026: Delivering today.

* Excluding (i) an additional ECL provision of ₹ 1,406 crore towards strengthening balance sheet resilience, (ii) ₹ 142 crore on account of management and macro-economic overlays, and (iii) ₹ 265 crore one-time charge towards implementation of New Labour Codes, all recognised in FY2026.

Chairman's Letter



> We are building an AI-based financial services institution where intelligence is embedded in every decision through four strategic dimensions viz. Enterprise AI, Consumer AI, Agentic AI and Data AI.

Sanjiv Bajaj
Chairman

Dear Shareholder,

2025-26 (or FY2026) has been yet another successful year for your Company. However, before getting into corporate details, let me share with you some other news.

At the time of writing this letter to you, elevated geopolitical tensions in the Middle East continue to pose a measure of uncertainty for the global economy. Although diplomatic efforts are underway, conditions are likely to remain fluid until greater clarity emerges. Any prolonged disruption to traffic through the Strait of Hormuz could result in higher crude oil and gas prices, increased energy costs, and greater strain on energy-intensive industries, while also adding to wider inflationary pressures globally.

This should not directly affect your Company's performance. Nevertheless, by raising inflation in India — which has been hitherto remarkably subdued — it can affect consumer sentiments, disposable income and, hence, the amount chosen to be allocated for housing spends.

I am not saying that this necessarily will happen. What I am saying instead is that the remarkably good macroeconomic outcome that we have enjoyed in India over the last three consecutive years may come under cloud. I pray not.

Thankfully, your Company has been enjoying the sunshine. Let me first share the financial results and then take you though some key developments that ought to further increase your Company's reach, competitiveness and profitability. Here are the consolidated financial highlights.

- Customer franchise: Grew by 17% to 119.33 million.
- Number of new loans booked: 52.45 million, crossed a milestone of 50 million numbers.
- Assets under management (AUM): Crossed a milestone of ₹ 5 trillion and grew by 22% to ₹ 509,975 crore.
- Net interest income (NII): Increased by 21% to ₹ 44,110 crore.
- Net total income (NTI): Grew by 21% to ₹ 53,324 crore.
- Profit before tax (PBT): Increased by 17% to ₹ 25,817 crore.
- Profit after tax (PAT): Increased by 15% to ₹ 19,332 crore.
- Adjusted for the additional ECL provision taken towards long-term resilience and the exceptional item, PBT grew by 23% to ₹ 27,630 crore and PAT grew by 24% to ₹ 20,689 crore.
- Capital adequacy ratio (standalone) as on 31 March 2026: 21.55%, Tier-I adequacy was 20.67% — both well above the stipulated norms laid down by the Reserve Bank of India.

During the year, your Company sold 166.6 million equity shares of Bajaj Housing Finance Limited (BHFL) through a bulk transaction in the secondary market, as part of its effort to meet the SEBI mandated minimum public shareholding requirements. Consequent to this sale, BFL's shareholding in BHFL reduced by 2% to 86.70%.

These excellent results have been achieved by your Company's dedicated and result-driven employees led by its Vice Chairman and Managing Director Rajeev Jain and his team. Equally, there have been profound changes in processes that have empowered our people to robustly deliver such results. I want to touch upon three of these. First, the committed use of artificial intelligence (AI) across virtually all departments of your Company. Second, a massive investment in creating stronger risk processes. And third, our continued emphasis on customer fairness.

In FY2025, your Company embarked on a ambitious transformative journey to become a FinAI (financial AI) enterprise. This transformation has been fuelled by an advanced AI-driven technology architecture that integrates intelligence across all processes and, in turn, enhances customer engagement, boosts revenue, reduces operational costs, optimises credit risk, improves productivity and strengthens financial governance.

FinAI implementation is progressing well across each line of businesses and should start to meaningfully reflect in costs and productivity benefits. We are building an AI-based financial services institution where intelligence is embedded in every decision through four strategic dimensions viz. Enterprise AI, Consumer AI, Agentic AI and Data AI.

Without going into further detail, let me share with you that your Company has a dedicated AI team of over 200 members structured across domains — voice, text, vision, risk, operations and services — each with clear domain and AI ownership. The technological architecture has been re-designed around these domains, so that AI is deployed across every customer touchpoint and operational workflow at scale.

Let me give you a couple of examples to appreciate what AI means to your Company. Through conversational AI bots (voice and text), your Company achieved loan disbursals of over ₹ 5,500 crore in FY2026. And AI converted over 52 million voice logs into text which, in turn, enabling approximately ₹ 700 crore loan disbursals in FY2026. The AI era has well nigh begun for your Company and will rapidly intensify in the years to come. I would request everyone to read your Company's Management Discussion and Analysis for more updates on FinAI.

The second aspect I want to touch upon is your Company's single-minded emphasis of constantly enhancing its 'Risk-First Approach' by creating ever-more robust risk identification and mitigation processes — to enable timely identification of the likelihood of a risk event and facilitate appropriate mitigation.

Your Board provides clear strategic direction for risk management. The Risk Management Committee of the Board serves as the apex policy-making body, supported by senior management committees responsible for policy implementation and effective oversight of the risk framework across the organisation.

Your Company remains among the lowest risk companies in India, with GNPA of 1.01% and NNPA of 0.41%. It continues to strengthen its risk policy and framework to enhance resilience and enduring stability, in line with its growing size and scale.

Let me now dwell upon on your Company's emphasis on customer fairness. It is based on an inviolable principle that fairness always keeps customers closely allied to the Company. We have leveraged our digital and AI capabilities to create even more communicative and interactive customer service portals. These span each and every aspect of a customer's journey with your Company. We are committed to a fair, transparent and open relationship with every customer.

I am proud to share with you the excellent performance of your Company's listed subsidiary, Bajaj Housing Finance Limited ('BHFL'), a non-deposit taking housing finance company registered with the National Housing Bank to carry out housing finance.

BHFL's performance highlights for FY2026 are given below:

- Assets under management (AUM): Increased by 23% to ₹ 140,706 crore.
- Profit before tax (PBT): Increased by 20% to ₹ 3,320 crore.
- Profit after tax (PAT): Grew by 18% to ₹ 2,560 crore.
- Capital adequacy ratio on 31 March 2026 was 22.46%, well in excess of the regulatory norm.

Another subsidiary of your Company, Bajaj Financial Securities Limited ('Bajaj Broking') is registered with the SEBI and functions as a stockbroker-cum- depository participant.

Bajaj Broking's performance highlights for FY2026 are given below:

- Customer franchise: Grew by 41% to over 1.38 million.
- Assets under finance: Increased by 77% to ₹ 7,984 crore.
- Profit before tax (PBT): Grew by 49% to ₹ 273 crore.
- Profit after tax (PAT): Rose by 46% to ₹ 203 crore.

Your Company firmly believes that its people are its greatest assets. As an equal-opportunity employer, it continues to introduce people centric initiatives to attract, develop and retain talent. Its balanced talent acquisition strategy focuses on capability building, workforce expansion, early talent development and improving hiring outcomes. Your Company's culture and people practices have consistently attracted diverse, high-performing talent and strengthened the leadership pipeline required for future growth.

Rooted in a long legacy of social stewardship, the Bajaj Group has embarked on its most ambitious journey with Bajaj Beyond, a landmark corporate social responsibility commitment with an investment of ₹ 5,000 crore to touch the lives of two crore Indians over five years. We view CSR as a nation and society building imperative; and are focusing on two pillars: Youth and Children — i.e. the youth of today and that of tomorrow.

Let me end with 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 just the beginning of a double-century!

As always, many thanks for your steadfast support. We treasure this very much. And we hope that despite the grey global clouds, FY2027 will also be an excellent year for your Company.

With my best regards,

Yours sincerely,

Sanjiv Bajaj
Chairman

Our Leadership



Top Row (Left to Right):

Harjeet Toor, Deputy Chief Executive Officer

Anurag Chottani, Chief Technology Officer and Chief Operating Officer

Manish Jain, Deputy Chief Executive Officer of Bajaj Finance Ltd. and Managing Director of Bajaj Financial Securities Ltd.

Deepak Bagati, Chief Operating Officer

Sidhant Dadwal, Deputy Chief Executive Officer

Manish Jain, Deputy Chief Executive Officer

Bottom Row (Left to Right):

Sandeep Jain, Chief Financial Officer and Chief Operating Officer

Rajeev Jain, Vice Chairman and Managing Director

Sanjiv Bajaj, Chairman

Atul Jain, Managing Director, Bajaj Housing Finance Ltd.

Jennifer Fernandes, Chief Human Resources and Administration Officer

Corporate Information

Board of Directors

SANJIV BAJAJ
Chairman

RMC | NRC | SRC | SIC | CSR

RAJEEV JAIN
Vice Chairman & Managing Director

RC | RMC | IT | CSC | FMC | SIC | CSR | CC

ANAMI N ROY
Independent Director

RMC | FMC | AC | NRC | SIC | CSR | RC

DR. NAUSHAD FORBES
Independent Director

IT | CSR

PRAMIT JHAVERI
Independent Director

SIC | CC | AC | CSC

RADHIKA HARIBHAKTI
Independent Director

SRC | AC | CSC | SIC | RC | CC

DR. ARINDAM BHATTACHARYA
Independent Director

NRC | RMC | SRC | CSC

TARUN BAJAJ
Independent Director

CSC | AC | RMC | FMC

AJAY KUMAR CHOUDHARY
Independent Director

AC | RMC | IT

RAJIV BAJAJ
Non-Executive Director

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
- FMC — Special Committee for Monitoring & follow-up of cases of frauds
- SIC — Strategic Investment Committee
- 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

SANDEEP JAIN

Company Secretary

R VIJAY

Auditors

PRICE WATERHOUSE LLP
Joint Statutory Auditor

KIRTANE & PANDIT LLP
Joint Statutory Auditor

M/s. MAKARAND M. JOSHI & Co.
Secretarial Auditor

Bankers

State Bank of India
Bank of Baroda
HDFC Bank
Punjab National Bank
Canara Bank
Deutsche Bank AG
Axis Bank
Union Bank of India
Sumitomo Mitsui Banking Corporation
JP Morgan

Contact Details

Registered Office:
C/o Bajaj Auto Ltd.,
Akurdi, Pune – 411 035

Corporate Office:
4th Floor, Bajaj Finserv Corporate Office, Off Pune Ahmednagar Road, Viman Nagar,
Pune – 411 014

Tel No.: (020) 7157 6403

Email: investor.service@bajajfinserv.in

Website: https://www.aboutbajajfinserv.com/finance-about-us

CIN: L65910MH1987PLC042961

Registrar to an Issue and Share Transfer Agent

KFin Technologies Ltd.

Unit: Bajaj Finance Ltd.

Selenium Building, Tower-B,
Plot No. 31 & 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

Tel No.: (020) 6680 7200

Email ID: ComplianceCTL-Mumbai@ctltrustee.com

Website: https://catalysttrustee.com/

Our Products

Our diversified suite comprises 27 products and 46 variants with one goal: to provide financial solutions for every customer, wherever they are. From the Bajaj Finance App and website to social media and our branch network, our product suite is built for accessibility, meeting customers anytime, anywhere, on their channel of choice.



Digital-first Engagement Driving Financial Inclusion

The Bajaj Finance App is the nerve centre of our platform-first strategy. Built on a modular, cloud-native architecture, it delivers an omnichannel experience designed to make financial services more accessible. It is a single, seamless interface that brings together customer service, loans, deposits, payments, investments and insurance. We are now deploying AI-enabled experiences across every customer journey on our App and Website.

Gaining Scale and Efficiency in FY2026

The Bajaj Finance App crossed meaningful thresholds this year in terms of reach, trust and adoption.

1 million
Products on No Cost EMI on Bajaj Mall

4.8+ stars
Across 4 million+ reviews (Play Store/ App Store rating)

33%
Fall in digital service requests due to customer self-service

86.63 million
Net installs of Bajaj Finance App

Bajaj Pay Adoption

56.4 million
UPI handles

28.9 million
Bill pay transactions

The FINAI App: Intelligence Built In

The Bajaj Finance App's new chapter is already underway. **FINAI**, our AI transformation programme, is being implemented phase by phase across businesses and functions. In FY2026, we deployed 27 autonomous AI agents, with plans to scale this to 600+ in FY2027 across key functions including sales, operations, debt management, human resources, IT, and risk.

The App entered its FINAI phase this year, with three capabilities live:

Hyper-personalisation

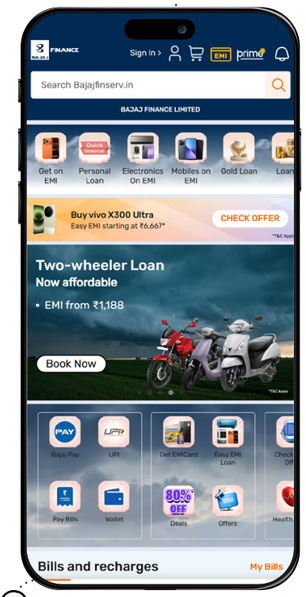
AI models drawing on multiple customer data attributes to surface the right product at the right moment, generating measurable incremental business.

Operational Efficiency

AI-based data extraction and auto-fill features have transformed onboarding, achieving near-100% straight-through processing for key loan segments.

Customer Trust by Design

Robust security protocols, transparent digital disclosures and full compliance with Digital Lending Guidelines and the Digital Personal Data Protection Act (DPDP) ensuring the highest standards of data privacy and ethical lending.



FINAI Transformation

AI is Reshaping How We Do Business

Our FINAI transformation is no longer a set of pilots. It is reshaping Bajaj Finance's business model and the way our customers experience us and is positively impacting business outcomes. This means structurally using AI across the board, in every process and across the entire lifecycle of the customer, from leveraging data for AI, using it in product and service discovery, customer onboarding and engagement, to using it at point of sale and branches. AI is now embedded in how we acquire, serve and grow with every customer.

AI at Work

Data for AI

The foundation of intelligence has led to significantly better insights on engagements and conversations with customers

52 million
Voice-to-data conversions

~2.3 million
Text-to-data conversions

Conversational AI

Engagement at scale

27
AI voice and text bots live

₹ 5,520 crore
Personal Loan disbursement via conversational bots

Agentic AI in Service

Resolution reimagined

32%
Email resolution by co-pilot service agents

27
AI agents deployed

Vision AI

Automation at the front line

43
Documents live

44%
Auto QC in file processing

The Foundation that Makes It Sustainable

Focused AI Talent

203
Dedicated employees working in AI unit

Responsible AI

- AI governance framework aligned with RBI's Framework for Responsible and Ethical Enablement of AI (FREE)-AI policy
- Dedicated AI security team
- Observability and security platform under implementation

AI Cloud Infrastructure

- Microsoft Cloud for most AI workloads
- Google Cloud Platform for voice and data
- Salesforce for native AI

This is FINAI today. What comes next is a bolder reimagination of our business, our customers' experience, and the value we create over the next five years.



FY2026: Delivering today.

Bold Reimagination of Finance with AI

Our Blueprint for Long-term Value Creation

AI is rewriting business models. Power is shifting from enterprises to consumers. At Bajaj Finance, we see this not as a disruption to navigate but as our moment to lead in the expanse of our product suite, customer franchise, technology deployment and risk management.

FY2026 marked the launch of our Long-Range Strategy 2026-30, a five-year blueprint shaped for a defining moment in financial services.

Our strategy rests on three priorities: Customer Centricity, Technology Leadership, and Lowest Risk Company in India.



Customer Centricity

As a customer-centric company that serves all needs of the customer, we focus on experience, long-term relationships, products and processes designed for customer satisfaction.

01

Our Approach

Design Thinking

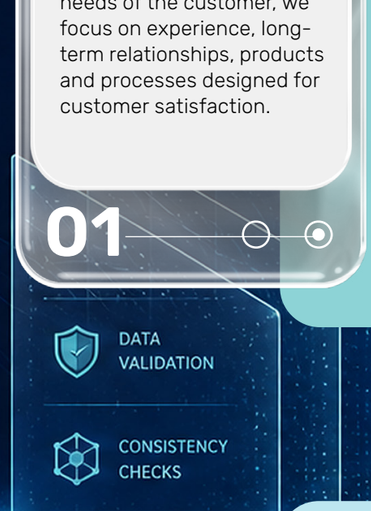
- Iterative process
- Solve unknown, ill-defined problems

Product-centric to Customer-centric

- Customer needs
- Long-term relationships
- Customer satisfaction

Our 2030 Ambition

- Reduce cost of acquisition
- Significantly improve long-term relationships and customer satisfaction
- Higher product-per-customer
- Reduce credit costs
- Higher CSAT
- Greater customer trust and loyalty
- Personalised experiences
- Grow disbursement





Technology Leadership in India

We aim to be a technology leader in financial services in India. This means a deep commitment to leverage technology as a catalyst to achieve goals and drive innovation. It is the ability to anticipate trends, envision transformation and reshape business models to make life simpler for consumers.

02

Our Approach

Data for AI

Expand intelligent data variables. Organise structured and unstructured data sets. Power AI-driven capability models.

Consumer AI

Consumer AI is the use of AI technologies designed to power everyday products and experiences that makes life simpler, more personalised and transformational for consumers. So far, we have remained focused on building enterprise AI capabilities. With consumers embracing AI rapidly, we are reimagining our existing digital platforms and building a new Consumer AI platform from the ground up.

Our 2030 Ambition

- Reduced credit costs
- Productivity gains
- Hyper-personalisation at scale
- Increase in web visitors over the next five years
- Growth in net app users over the next five years
- New AI platform to drive digital business volume
- Reduction in service requests and customer queries

Technology Leadership in India

Enterprise AI

- Deploy AI in business processes to drive scale
- Efficiency and innovation
- Transform customer experience



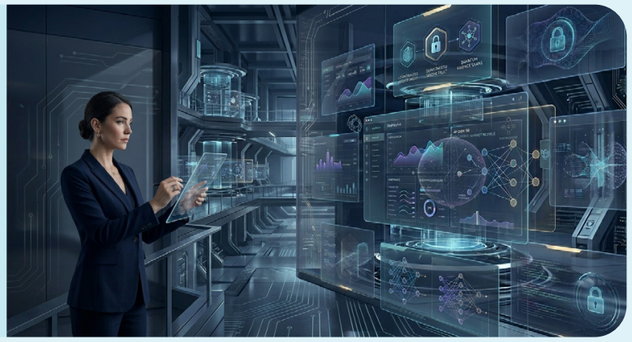


Agentic AI

- Multi-agent platform
- Agent to Agent protocol
- Autonomous task completion

Finserv Intelligence

Research & Development lab for breakthrough products in the medium and long term





Technology Solutions to Products

- Project-driven to product-driven technology delivery
- AI and middleware solution engineered for scalability and compliance

Lowest Risk Company in India

Lowest risk company is principally defined as having low tolerance across all dimensions of risk, namely credit risk, operational risk, fraud risk, compliance risk, market risk, technology risk and reputation risk while maintaining sustainable growth and profitability.

03

Our Approach

AI Augmentation to Deliver Agility in Risk

- Anomaly detection through network/graph technologies
- Document fraud identification at scale
- Risk Agent
- BI, risk modelling
- Reduction in analysis timelines

Customer-centric, AI-driven and Compliant Ops & Service

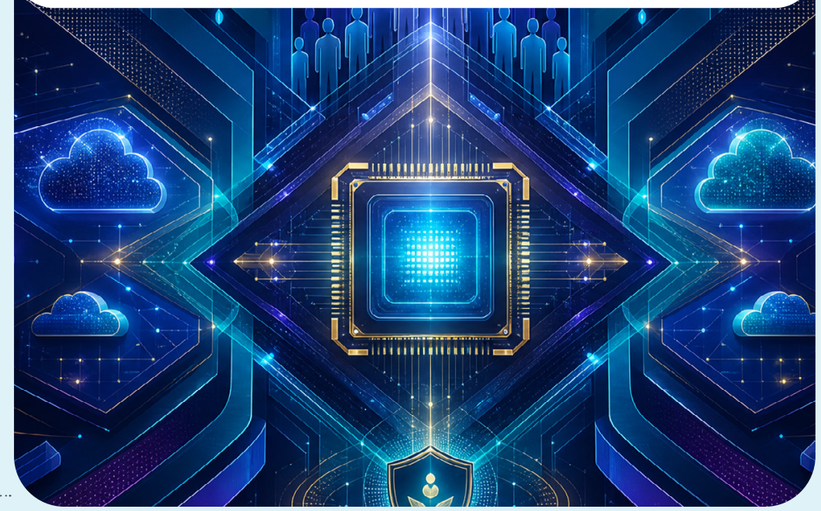
- Technology-first field and call centre processes
- Real-time data movement across platforms
- Agentic AI at the core
- Real-time orchestration across platforms
- Human-in-the-loop where judgement matters

Our 2030 Ambition

- Greater resilience and scalability
- Better compliance
- Improvement in credit cost enabling strong AUM compounding
- Reduction in analysis timelines
- Ability to manage 100 million loans annually, zero escalations and branch walk-ins
- Flawless compliance
- Reduction in operations and service costs
- High DIY adoption
- Faster resolutions
- Highest CSAT

The next decade will be defined by trust, intelligence and financial discipline. Our Long-Range Strategy makes us ready for the future.

FY26-30: Built for what's next.



People and Culture

Where Technology Advances and People Thrive

At BFL, technology and people evolve together. As we accelerate our AI transformation, we continue to invest just as deeply in our culture, creating an environment where people feel valued, empowered to learn and equipped to grow.

Our culture is built on fairness, openness and accountability. Employees at every level play an active role in shaping it, with experienced colleagues who exemplify our values recognised as 'Culture Role Holders', helping reinforce the behaviours that define Bajaj Finance.

We introduced our 15th Culture Anchor, 'Compliance First', in December 2025. This anchor reinforces ethical conduct, operational discipline, transparency and decision-making rooted in regulatory rigour, encouraging employees to view compliance not only as a requirement, but also as a mindset critical to building a trusted and sustainable institution.

Our Culture Anchors



Building from Within

We believe AI should amplify human potential, not replace it. As roles evolve, we are equipping our people with skills to thrive in an AI-enabled workplace through structured learning in Generative AI, prompt engineering, Microsoft Copilot, GitHub Copilot, and advanced AI capabilities.

This year, we built our AI function entirely through internal talent, a reflection of our belief in growing talent and leaders from within. By automating repetitive work, AI is enabling our people to focus on higher-value problem-solving, innovation and customer outcomes.

Creating an AI-ready Workforce

192
AI-focused learning batches conducted

~8,500
Colleagues trained across functions

Driving Enterprise-wide Transformation

35,000
Hours
Of learning generated

₹ 40+ crore
Invested in learning and development initiatives

An inclusive workplace

We are committed to being an equal opportunity employer where diversity, inclusion and respect for human rights are fundamental to how we work. We also take a holistic approach to employee well-being through programmes that support physical, mental, emotional and financial wellness, helping our people succeed both at work and beyond.

150+
RISE (Respectful, Inclusive & Safe Work Environment) sessions covering over 13,000 employees conducted

36,000+
Employees covered through annual health checkups

Women in Leadership

Karwaan, our platform for women leaders, brings together industry voices for quarterly conversations that inspire and accelerate growth. This year, 300+ women attended in person, thousands more joined virtually.

- 66 women supported for leadership development
- 56 leaders serving as mentors
- 18 high-potential women prepared for senior roles
- Women leaders from within Bajaj serving as trainers



Our ESG Priorities

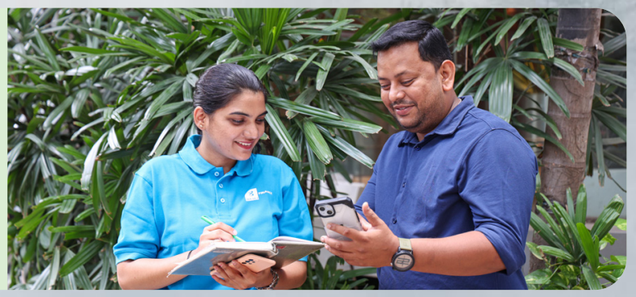
Responsible growth in Action

Customer Centricity

Innovate and invest in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings.

95% CSAT score

Across 2 crore+ customer responses



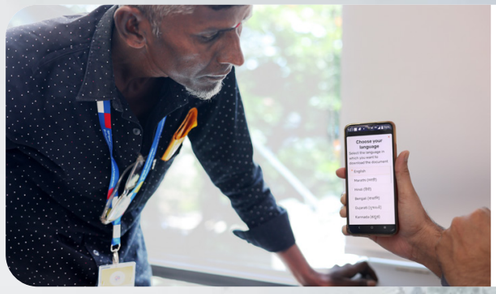
Preserving and Protecting the Environment

Strive to adopt environmental practices and processes that minimise/eliminate the adverse impacts on environment due to Company operations.

200,000+ saplings

Planted across 53 cities in 12 states under Project Aranya





Financial Inclusion

Provide access to relevant and affordable financial products and services that meet the needs of larger society.

3+ crore

New-to-credit customers in six years



Information & Cybersecurity

Adopt robust information security, cybersecurity and fraud control practices.

Zero

Incidents of data breaches in FY2026 maintained

Corporate Governance

Conduct and govern business with integrity in a manner that is ethical, transparent and accountable.

Board-approved ESG Committee



Empowering Society

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

₹ 364.48 crore

CSR spend across 217 projects in FY2026





Human Capital Management

Create a thriving, safe and inclusive workplace for employees and provide merit-based opportunities for professional development and growth.

88%

Employee engagement score



Stakeholder Engagement

Engage with relevant stakeholders for enhancing sustainable and responsible business practices.

3,100+ dealers

Engaged across 40+ regional events under 'Samvaad – Dialogues to Success'

Social Impact: A Legacy of Transforming Lives

Jamnalal Bajaj put social responsibility into practice long before the term existed and decades before it became law. Across generations, the Bajaj Group has carried forward the belief that business exists not apart from society, but in its service. In the words of Rahul Bajaj, "a society without compassion is a bleak one." At Bajaj Finance, the principles of Jamnalal Bajaj continue to inspire us. Our Corporate Social Responsibility (CSR) efforts are directed towards those most in need, with programmes designed for lasting impact.

> It is not kingdom I desire, nor heaven, nor even salvation. What I desire is the eradication of the sorrows of all living beings who are suffering."
>
> **– Jamnalal Bajaj**

The Five Pillars of our CSR Commitment



217
Projects executed

₹ 364.48 crore
Total CSR spend

536
Hours of employee volunteering

22
CSR projects underwent formal impact assessments

Youth Skilling

Self-implemented Skillserv

SKILLSERV, BFL's flagship skilling initiative, prepares the youth for careers in the financial services sector. Co-created with Bajaj Finserv's business teams, the programme combines industry-relevant curriculum, practical skills, and workplace exposure. Recognised as an Awarding and Assessing Body by NCVET, SKILLSERV stands among a select group of high-quality, industry-led skill development programmes.

In FY2026, Skillserv trained 50,475 students through its self-implemented programmes, with 45,389 enrolled in its flagship Certificate Programme in Banking, Finance and Insurance (CPBFI).

College-based: Certificate Programme in Banking, Finance & Insurance

This is a widely implemented flagship programme that builds foundation and teaches students about the fundamentals of BFSI. A 120-hour module is designed to equip youth with the knowledge and skills that make them industry-ready. CPBFI participants are mostly first-generation graduates, primarily young aspirants from Tier 2 and Tier 3 cities.

Center-based: Gold Loan, Micro-finance and Housing Finance Programmes

The Skillserv Centre-based Model is co-created by Bajaj business teams to provide comprehensive skill development and employment opportunities to the youth by leveraging independent training centres.

- **Microfinance Training Programme:** This 180-hour course prepares individuals to work in microfinance institutions that provide loans and savings services to self-help groups (SHGs) and low-income customers. The individuals are trained to manage field operations and sales, group meetings and collections and build trust with rural communities.
- **Gold Loan Training Programme:** This 180-hour course is designed specifically for graduates seeking entry-level roles. The programme provides practical expertise in gold valuation, purity assessment and safe handling techniques.
- **Housing Finance and Upcoming Programmes:** This 150-hour course is designed specifically for graduates seeking entry-level roles. The programme provides practical expertise in customer profiling, comprehensive loan documentation and professional workplace communication.

Insurance Marketing Professional Academy (IMPA)

The initiative trains individuals seeking new income opportunities by providing comprehensive knowledge of general insurance through a three-day intensive programme. Individuals above 18 years of age who have completed the 10th grade can enrol, even without any prior background.

Apart from the specific certificate programmes, the Skillserv Leap Internship was piloted this year, an on-the-job training initiative that bridges the gap between academia and the financial services industry.



Corporate Social Responsibility

Skilling through Grant Making

The projects are implemented in collaboration with multiple non-profit organisations to offer a comprehensive range of training and skilling programmes aimed at employment, enterprise development, entrepreneurship and fellowship. The initiative encompasses vocational training, job readiness, healthcare skill development, skilling for Persons with Disabilities, incubation support, as well as scholarship and fellowship programmes.

Skilling Models for Income Generation

It focuses on providing specific and diverse training and skilling programmes across varied models to help bridge the employment gap and help the participants generate a steady income.

PanIIT: Skill Development of Underprivileged Women in Culinary and Manufacturing Courses

PanIIT's programme aims to bridge the skill and employability gap among underserved youth by providing industry-aligned vocational training in trades such as culinary, manufacturing and caregiving. Focused on Scheduled Tribes, Scheduled Castes, Backward Castes and minority communities in low HDI regions, the initiative creates sustainable livelihood opportunities and improved socio-economic outcomes through skilling and placement support.

Sanjana Kamal, a young tribal woman from Jharkhand, is one such beneficiary whose life transformed through the initiative.

Coming from a low-income farming household, she pursued culinary training at Ranchi Kaushal College with support from Bajaj and secured employment in Bengaluru's hospitality sector, significantly improving her family's financial stability and living conditions.

Her journey reflects the transformative impact of skill development and opportunity creation for underserved communities. Today, nearly 240 women like Sanjana are benefitting from the programme, building pathways towards economic independence and long-term social mobility supported by Bajaj Finance.



Self-employment and Entrepreneurship Development

It focuses on strengthening the local economy by incubating micro-enterprises and supporting individual entrepreneurs. It is done through ecosystem strengthening, direct enterprise support, incubation programmes, need-based entrepreneurship and returnable grants.

Over 122,895 individuals are being supported through self-employment and entrepreneurship initiatives.

Supporting Women Employees and Entrepreneurship

Women's economic participation receives comparable attention. Through partnerships, including Mann Deshi Foundation's Deshi Udyojika programme, 5,040 women entrepreneurs received training in business management, financial literacy and market linkage.

5,040

Women entrepreneurs trained

Healthcare Skilling

In the healthcare domain, BFL supports strengthening the medical ecosystem by enhancing the capacity of frontline professionals. Through targeted skilling initiatives and specialised fellowships, the Company builds a robust workforce of nurses, paramedics and technical staff equipped to deliver high-quality clinical and preventive care.



Skill Development for Persons with Disabilities

BFL facilitates the holistic development of Persons with Disabilities (PwDs), including those with intellectual and developmental challenges, by shifting focus from basic skilling to meaningful workforce participation. As an ecosystem enabler, BFL promotes the fostering of inclusive employment, entrepreneurship and advanced career progression. It enhances vocational skills through training tailored to individual needs, specifically targeting pre-vocation, access to employment, the service industry, enterprise and advanced career progression.

Youth4Jobs Foundation: Enabling Employment for Persons with Disabilities

Persons with Disabilities (PwDs) often face limited access to skill development, workplace opportunities and guidance, restricting their ability to secure stable employment.

To address this, Youth4Jobs Foundation, in partnership with Bajaj Finance, provides targeted skilling, communication training, and placement support to enable inclusive employment. Through this initiative, 7,920 youth with disabilities have been trained and placed in jobs, improving financial independence and livelihoods.

Hitansh Gehlot's journey reflects this impact. A 22-year-old with 100% hearing impairment from Ajmer, he faced financial challenges after his family's business closure. Through structured training and placement support, he secured a role as an Assistant Team Member at TAKSHARYA Food Works, earning a stable income with added benefits.



Corporate Social Responsibility

Artisan Skilling

BFL supports ecosystem-level collaboration by partnering with like-minded CSRs, impact firms, enablers, finance players, and monitoring and evaluation organisations to design solution-oriented programmes. This involves exploring a layered approach to business development, including piloting in-depth programmes with existing partners to strengthen enterprise growth. Furthermore, the focus is on educational integration through structured 1- to 2-year programmes in design development and business management, specifically developed to build the next generation of craft leadership among artisans.

73,530
Individuals skilled for income generation

1,500
Artisans Skilled for self-employment and entrepreneurship

21,877
Individuals with disabilities skilled

848
Individuals supported under healthcare skilling

122,895
Individuals supported for self-employment and entrepreneurship



Child Development

Investing in children's well-being is essential for long-term societal progress. BFL supports several initiatives across health, education, protection and inclusion for persons with disabilities.

540,224
Children benefitted from education-related initiatives

35,912
Children benefitted from health interventions

26,072
Supported under Child Protection schemes

Child Education

BFL's 5S Model School framework: Sundar (beautiful), Safal (effective), Saksham (capable), Surakshit (safe), and Shala (school), provides a structured, holistic approach to school quality rather than isolated inputs.

The interventions are holistic, a 'whole of school' approach, centred on the 5S Model School framework (Sundar, Safal, Saksham, Surakshit, and Shala). BFL supports and strengthens foundational literacy and numeracy (FLN), vocational education, mental health, digital and tech-based education, school-led health interventions and scholarships.

In FY2026, 540,224 children benefitted from education-related initiatives, spanning digital and technology-based learning, foundational literacy and numeracy, early childhood education, mental health support and scholarship assistance. About 10,000 were supported through digital learning; 30,000 through foundational literacy; 26,326 through comprehensive school interventions; 1,000 through vocational education; and 5,453 through scholarships.

PI JAM Foundation: Enabling Experiential Learning and Student Engagement

Students from underserved backgrounds often face low confidence and disengagement in traditional classroom settings, limiting their participation and learning outcomes.

To address this, the PI JAM Foundation, in partnership with Bajaj Finance, promotes experiential and hands-on learning through problem-solving, collaboration, and innovation-based modules. Through this initiative, 10,000 students have been engaged in active learning, improving confidence, curiosity and critical thinking skills.

Sanket's journey highlights how inclusive, experiential learning environments can transform self-doubt into confidence, enabling students to take ownership of their learning. A Grade 7 student from Pune who initially showed low confidence and disengagement, he gradually became involved through a hands-on learning module.

By participating in building a simple cooler using e-waste, he shifted from passive behaviour to active contribution and problem-solving, while also developing interest in exploring technologies like Raspberry Pi.



Corporate Social Responsibility

Child Health

BFL is committed to improving long-term resilience and health outcomes for children under 18 affected by Non-Communicable Diseases (NCDs). Moving beyond isolated treatment, the 'whole-of-child' approach integrates early diagnosis, community-based screening, and infrastructure enhancement to create a sustainable support system for the most vulnerable. By acting as an ecosystem enabler, the Company collaborates with strategic partners to strengthen hospital capacity and frontline networks, ensuring specialised care is both high-quality and accessible. The focus is on Cleft Care, Type 1 Diabetes, Paediatric Healthcare, Paediatric Cancer and Epilepsy.

On the health front, 35,912 children were supported through health interventions. In collaboration with Smile Train India, Maha Smiles was launched to benefit 22,000 children. The Company's support for the Sweetlings Centre of Excellence at Jehangir Hospital has transformed a once-weekly Type 1 Diabetes clinic into a six-day-a-week, multidisciplinary facility with a 24-hour helpline and school outreach. Close to 5,666 children were supported for cancer and epilepsy care.

The Company's paediatric cardiac care programme has reached close to 1,990 children through a four-pillar model: Surgery, Screening, Capacity Building and Genomic Research. Across all Child Health programmes, the approach is consistent: not to fund isolated treatments but to strengthen the infrastructure, referral networks and workforce pipelines that make care accessible and sustainable over time.



35,912

Children supported through health initiatives

Child Protection

BFL's child protection strategy adopts an Integrated Community Approach to shield vulnerable children from trafficking, abuse, and labour. The Company combines system strengthening with a communities model to drive behavioural change. BFL utilises both Model Child Care Institutions for institutional safety and prioritised Non-Institutional Care to provide tailored rehabilitation. This holistic framework now extends to Children in Conflict with the Law, ensuring they access the development opportunities necessary to become productive citizens.

Child Protection receives close to 26,072 beneficiaries: 978 across institutional care; 2,900 across rescue and rehabilitation; 21,239 across community programmes; and awareness programmes on child sexual abuse covering 19,374 individuals.

26,072

Children received protection



Inclusion for Persons with Disabilities

BFL focuses on the wellbeing of Persons with Disabilities (PwDs) by facilitating their inclusion into mainstream society. BFL addresses a variety of challenges, including intellectual, developmental, physical, and locomotor disabilities, with a strong emphasis on early identification, intervention, and counselling. The interventions are across therapies, medical rehabilitation, inclusive education, assistive technology, community-based interventions and fellowships and scholarships.

BFL supported 390,369 Persons with Disabilities across rehabilitation, medical aids, assistive technology, educational inclusion and community-based programmes in partnership with BFL.

390,369

Persons with Disabilities supported



Employee Volunteering

BFL's employee volunteering initiatives are designed to create shared value for employees, NGO partners and communities. The programmes focus on strengthening partner capacities, supporting beneficiaries through knowledge-sharing, and enabling employees to gain exposure, empathy and leadership experience through meaningful engagement. 435 BFL employees contributed to volunteering 536.5 hours.

The volunteering framework is centred around two key themes:

- **Awareness Generation:** Promoting social causes and responsible citizenship
- **Capability Building:** Mentoring, training and guiding NGO partners and beneficiaries



Key flagship initiatives included:

- **Career Guidance and Mentorship for Students** Employees conducted sessions for students from Grades 8 to 10, introducing them to diverse career pathways, future opportunities, and personal growth journeys. These sessions were aimed at ensuring equitable access to career awareness and informed decision-making.
- **Learning Modules on AI, BFSI and Interview Readiness** Employees, supported by internal Learning & Development teams, delivered curated modules on emerging technologies, banking and financial services and interview preparedness to enhance employability outcomes for youth.
- **Awareness Initiatives** Employees actively participated in awareness campaigns on themes such as inclusion of persons with disabilities, child safety, the POCSO Act, etc. These initiatives were implemented through workplace activities, inclusive runs, wall-painting drives and external outreach programmes.

Our Refreshed Brand Identity

In FY2026, we opened a new chapter in the Bajaj Finserv journey. One that honours our legacy while embracing the future with renewed clarity and purpose. Under the new Bajaj brand architecture, Bajaj Finance has a distinct identity, while staying aligned to the holding company. The logo is reimagined creating symbols that are familiar yet fresh – anchored in trust but sharpened for the future.

Our Purpose

We began with one purpose. Serving the financial needs of every Indian.

Our Mission

To empower every Indian with responsible financial solutions by leveraging an AI-first technology approach, underpinned by accountable empowerment, strong governance, and disciplined risk management.

Our Vision

To be India's most trusted and innovative financial institution, anchored in customer-centricity and entrepreneurial culture, to deliver long-term sustainable outperformance.

Management Discussion and Analysis

Bajaj Finance Limited ('BFL', 'Bajaj Finance', or 'the Company') is a subsidiary of Bajaj Finserv Limited. It is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as a NBFC-Investment and Credit Company (NBFC-ICC). The Company is classified as NBFC-UL (upper layer) by the RBI.

BFL is engaged in the business of lending, partnership and services, payments and acceptance of deposits. It has a diversified lending portfolio across retail, MSMEs (Micro, Small, and Medium sized Enterprises) and commercial customers with deep presence in both urban and rural India. It accepts public and corporate deposits and offers a variety of financial services products to its customers.

BFL was originally incorporated as Bajaj Auto Finance Private Limited on 25 March 1987 as a Non-Banking Financial Company primarily focused on providing two- and three-wheeler finance. It launched an initial public offering of equity shares and was listed on the Bombay Stock Exchange (BSE) on 7 June 1994. Thereafter, it got listed on National Stock Exchange of India (NSE) on 1 April 2003. Subsequently, BFL ventured into consumer lending, MSME lending, commercial lending, rural lending, partnership and services, payments and deposits. Over the years, Bajaj Finance has emerged as a leading player in the country's NBFC sector.

Bajaj Finance has two subsidiaries and two associate companies:

i) Bajaj Housing Finance Limited (BHFL or Bajaj Housing), which is registered with the National Housing Bank as a Housing Finance Company (HFC).

ii) Bajaj Financial Securities Limited (BFSL, BFinsec, or Bajaj Broking), which is registered with the Securities and Exchange Board of India (SEBI) as a Stock Broker and Depository Participant.

iii) Snapwork Technologies Private Limited (STPL), which provides digital transformation solutions with a focus on cloud, platform engineering, and scalable mobile apps for BFSI.

iv) Pennant Technologies Private Limited (PTPL), which provides loan management system for banks and financial institutions.

BFL at a glance:

- On a consolidated basis, BFL has a franchise of 119.33 million customers.
- Number of new loans booked crossed a milestone of 50 million in FY2026 and were 52.45 million.
- Its consolidated Assets Under Management (AUM) crossed a milestone of ₹ 5 trillion and stood at ₹ 509,975 crore as on 31 March 2026, a growth of 22%.
- Consolidated Profit After Tax (before one-time actions) of ₹ 20,689 crore for FY2026, a growth of 24%.
- Consolidated Profit After Tax (after one-time actions) of ₹ 19,332 crore for FY2026, a growth of 15%.
- BFL has a capital adequacy of 21.55% on a standalone basis, which is well above the RBI norms.
- Before one-time actions, Return on Average Assets (RoA) of 4.56% in FY2026 and Return on Average Equity (ROE) of 19.22%.
- After one-time actions, Return on Average Assets (RoA) of 4.26% in FY2026 and Return on Average Equity (ROE) of 18.05%.

52.45 million
New loans booked
Crossed a milestone of 50 million

₹ 509,975 crore
Assets Under Management (AUM)
Crossed a milestone of ₹ 5 trillion

Macroeconomic Overview

Global macroeconomic conditions remain broadly resilient but uneven, amid elevated policy and geopolitical uncertainty. According to the International Monetary Fund's (IMF) World Economic Outlook (April 2026), global growth is projected at 3.1% in 2026, improve marginally to 3.2% in 2027, under the assumption that the Middle East conflict remains limited in duration and scope. Global headline inflation is expected to increase to 4.4% in 2026 before declining to 3.7% in 2027, reflecting renewed commodity prices pressures, firmer inflation expectations and tighter financial conditions. However, the external environment remains fragile, with higher trade barriers, geopolitical fragmentation and renewed trade tensions continuing to shape risk sentiments, supply chains and capital flow.

Geopolitical risks have intensified, particularly due to escalating tensions in the Middle East, including Iran-related developments, which pose upside risks to energy prices and could reignite global inflationary pressures and may adversely affect trade flows as well as overall economic activity.

Simultaneously, US–China trade relations remain uncertain, shaped by selective tariff adjustments, export controls in strategic sectors such as semiconductors and rare earths and evolving bilateral arrangements. While recent truces have helped avert a broader escalation, the risk of renewed trade tensions remains material. Such tensions could weigh on global trade volumes, disrupt supply chains and tighten financial conditions, particularly for open economies and commodity-importing countries.

Against this backdrop, India continues to exhibit relative macroeconomic resilience. As per IMF projections, India's growth is expected to moderate to 6.5% in both 2026 and 2027, following an estimated 7.3% expansion in 2025. Domestically, the Second Advance Estimates released by the National Statistical Office (NSO) in February 2026 place real Gross Domestic Product (GDP) growth at 7.6% in FY2026, up from 7.1% in FY2025, driven by the twin engines of private consumption and investment.

Real GDP expanded to ₹ 322.6 trillion in FY2026, while real Gross Value Added (GVA) reached ₹ 294.4 trillion, supported by services-led growth and a recovery in manufacturing. India remains the fastest-growing major economy, underpinned by resilient domestic demand, with private final consumption expenditure accounting for nearly 55.7% of GDP.

Inflation dynamics in India have been benign, which has created space for calibrated monetary easing. Consumer Price Index (CPI) declined sharply through 2025, reaching a trough of 0.25% in October 2025 before inching up to 1.33% in December 2025, well below the inflation target band, aided by food price deflation and favourable base effects. In response, the RBI reduced the repo rate cumulatively from 6.50% in December 2024 to 5.25% by December 2025, while maintaining a neutral stance, reflecting limited but targeted policy space. On the external front, the current account deficit narrowed to 0.8% of GDP in the first half of FY2026, supported by strong services exports, providing a buffer against global volatility. Key risks stem from geopolitical led commodity price shocks and renewed trade disruptions, while low inflation, a narrowing Current Account Deficit (CAD), and robust domestic demand remain critical macroeconomic buffers.

Table 1: India, Real Gross Domestic Product (GDP) and Gross Value Added (GVA) at constant prices

	FY2023 (FE)	FY2024 (FE)	FY2025 (1st FRE)	FY2026 (2nd AE)
Real GDP (₹ in trillion)	261.2	280.0	299.9	322.6
Real GVA (₹ in trillion)	237.6	254.8	273.4	294.4
Real GDP growth*	NA	7.2%	7.1%	7.6%
Real GVA growth*	NA	7.2%	7.3%	7.7%

*The Ministry of Statistics and Programme Implementation (MoSPI) has released the New Series of Annual and Quarterly National Accounts Estimates with base year 2022–23, which replaces the previous series with base year of 2011–12. Therefore GDP and GVA growth are not populated for FY2023.

Source: Government of India, National Statistical Office (NSO). AE denotes advance estimate, FE denotes final estimate, FRE denotes first revised estimate and PE denotes provisional estimate.

Constructed upon baseline assumptions, survey indicators and model forecasts, real GDP growth is projected at 6.9% in FY2027. This reflects a gradual strengthening in economic momentum over the year. While the baseline outlook is supported by resilient domestic demand, the balance of risks remains tilted to the downside, primarily due to global economic uncertainty and commodity price volatility. However, higher crude oil prices than that estimated for baseline scenario real GDP growth is estimated at 6.7%.

NBFCs: An Industry Overview

NBFCs are key pillars of India's financial intermediation ecosystem. They complement scheduled commercial banks (SCBs) by extending credit to customer segments and geographies where conventional channels are less penetrated. Their specialised underwriting, product innovation and last-mile delivery capabilities — supported by increasing digital origination and servicing — have facilitated greater access to finance for micro and small enterprises, self-employed borrowers, affordable housing customers and microfinance-linked households, thereby advancing financial inclusion and supporting broad-based economic activity.

In line with this expanding role, NBFC credit as a proportion of GDP has increased steadily over the past decade from 8.9% in FY2015 to 14.6% in FY2025.

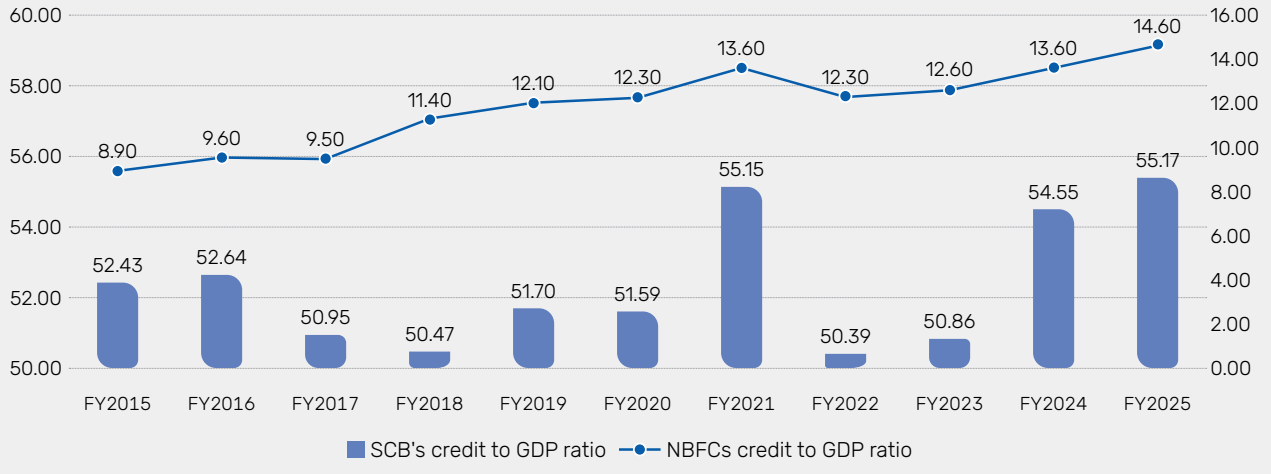
The regulatory landscape for NBFCs has continued to evolve towards a more proportionate, risk-aligned framework under the Reserve Bank of India's (RBI's) scale-based regulation (SBR), which applies differentiated requirements based on size, complexity, activity profile and systemic importance across base, middle, upper and top layers, with enhanced governance, prudential and disclosure expectations for upper-layer entities.

In addition to statutory oversight, greater emphasis is being placed on industry-led standard setting through self-regulation initiatives, intended to strengthen best practices, transparency and consumer protection. In May 2025, the RBI issued digital lending directions that formalise and consolidate regulatory expectations for the digital credit ecosystem. These measures reinforce conduct standards and customer safeguards by improving transparency, accountability and controls over data practices and servicing as digital first lending models expand.

During the year the Reserve Bank of India has undertaken a significant rationalisation of its regulatory framework, including the consolidation of over 9,000 regulatory instructions into 238 Master Directions out of which 35 Master Directions were issued for Non-Banking Finance Companies (NBFCs). The RBI further completed a similar consolidation exercise covering all supervisory instructions, reinforcing consistency and ease of compliance across regulated entities. This simplification enhances regulatory clarity, reduces interpretational complexity and supports more efficient engagement with the regulator. We view these measures as strengthening the operating environment for well-governed NBFCs and as being aligned with our disciplined approach to compliance, governance and risk management.

The NBFC sector performance indicators have remained supportive of GDP growth. Credit growth for NBFCs in the aggregate upper and middle layers reached 21.3% year-on-year as of September 2025. Asset quality has further improved, with the overall gross non-performing assets (GNPA) ratio declining to 2.9% as of September 2025 from 3.4% a year earlier — which reflects continued strengthening in portfolio performance, underwriting discipline and collection outcomes.

Chart A: NBFC and SCB Credit as a % of GDP



The Company

Bajaj Finance Limited ranks among the largest and most diversified NBFCs in India offering payments and lending solutions to customers. It has established a diversified business model which enables optimal balance of risk and profitability to deliver a sustainable business. The model is focused on acquisition of millions of customers and offering multiple loans and services on a cross-sell basis to meet their financial service needs.

BFL is focused on continuous innovation to transform customer experience and create sustainable and profitable growth opportunities. Pursuant to scale-based regulation of the RBI, BFL and one of its subsidiaries, BHFL, are classified as upper layer NBFC's and are subject to an enhanced regulatory framework by the RBI.

The Company is present in 4,098 locations across the country, including 2,571 in rural/smaller towns and villages. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of Bajaj Finance's growth.

Bajaj Finance focuses on 11 broad categories. These are:

1. Consumer Lending
2. Personal Loans
3. MSME Lending (secured and unsecured)
4. Wheels Financing
5. Rural Lending
6. Gold Loans
7. Microfinance Business
8. Commercial Lending
9. Loan against Securities
10. Deposits; and
11. Partnerships and Services

The Company remains well capitalised with a Capital-to-Risk Weighted Asset ratio (CRAR) of 21.55% as on 31 March 2026, making it among the best capitalised large NBFCs in India.

BFL realised a gain of ₹ 1,416 crore (net of selling expenses) on sale of 166,600,000 equity shares of Bajaj Housing Finance Limited (BHFL), through the open market mechanism by executing a bulk deal in secondary market at an average price of ₹ 95.31 each on 2 December 2025 as a step towards achieving minimum public shareholding requirement in BHFL. Consequently, BFL's shareholding in BHFL reduced from 88.75% to 86.70%.

On the liability side, Bajaj Finance continues to maintain conservative liquidity buffers. The consolidated liquidity buffer was ₹ 15,020 crore as on 31 March 2026. As on 31 March 2026, BFL's consolidated borrowings stood at ₹ 435,112 crore. In FY2026, it raised approximately USD 615 million of fully hedged External Commercial Borrowings (ECB) as term loans from multiple banks.

BFL's consolidated average cost of funds for FY2026 was 7.54% and exit cost of funds as on 31 March 2026 was 7.41%.

As on 31 March 2026, BFL's consolidated gross NPA at 1.01% and net NPA at 0.41% were among the lowest in the industry. This validates BFL's deeply embedded risk culture and robust risk management practices which have ensured low NPA despite the volatile economic environment.

During the year, to enhance balance sheet resilience amidst a volatile global economic environment, the Company has further strengthened its provisioning framework by implementing a minimum Loss Given Default (LGD) floor across all businesses. As such an accelerated ECL provision of ₹ 1,406 crore was made.

Consolidated performance highlights, FY2026

- Customer franchise grew by 17% to 119.33 million.
- Number of new loans booked crossed a milestone of 50 million and were 52.45 million.
- Number of customers on Bajaj Finserv App was 86.63 million.
- Assets under management (AUM) crossed a milestone of ₹ 5 trillion and increased by 22% to ₹ 509,975 crore.
- Net interest income (NII) increased by 21% to ₹ 44,110 crore.
- Net total income (NTI) grew by 21% to ₹ 53,324 crore.
- Total operating expenses (Opex) grew by 19% to ₹ 17,776 crore.
- Opex to net total income (NTI) stood at 33%.
- Pre-impairment operating profit increased by 22% to ₹ 35,548 crore.
- Impairment on financial instruments increased by 34% to ₹ 9,482 crore.
- Profit before tax (PBT) increased by 17% to ₹ 25,817 crore.
- Profit after tax (PAT) increased by 15% to ₹ 19,332 crore.
- Adjusted for the additional ECL provision taken towards long-term resilience and the exceptional item, PBT grew by 23% to ₹ 27,630 crore and PAT grew by 24% to ₹ 20,689 crore.
- Adjusted for the additional ECL provision taken towards long-term resilience and the exceptional item, Return on Average Assets (RoA) was 4.56% in FY2026 and Return on Average Equity (ROE) was 19.22%.
- Return on Average Assets (RoA) of 4.26% in FY2026 and Return on Average Equity (ROE) of 18.05%.
- Loan loss to Average Assets under finance (AUF) 2.09%.
- Capital adequacy ratio (standalone) as on 31 March 2026 remains strong at 21.55%, including Tier-I capital of 20.67% which is well above the RBI norms.

With its strong financial position, low NPAs, growth momentum, well provisioned Balance Sheet, strong capital adequacy, omnichannel business approach and strong start into FY2027, BFL is optimistic about its growth potential in the future years.

1.01% Gross NPA | **0.41%** Net NPA

Among the lowest in the industry

86.63 million

Number of customers on Bajaj Finserv App

₹ 27,630 crore

Adjusted Profit Before Tax (PBT) growth of 23%

4.56% Adjusted ROA | **19.22%** Adjusted ROE

Long Range Strategy (LRS)

LRS FY2026–30

Execution outcomes of FY2025–29 LRS have expanded the product footprint, strengthened the platform and distribution ecosystem, and embedded AI-led transformation. These outcomes form the foundation for the FY2026–30 LRS, which is anchored on three strategic pillars: (i) building a customer-centric company serving all needs of the customer; (ii) establishing technology leadership in financial services through scaled data and AI capabilities; and (iii) positioning BFL as the lowest risk company through tighter risk tolerance across credit, fraud, compliance, operations and technology.

LRS FY2026–30 strategic snapshot

1. **Customer-centric company:**
   - Company aims to reposition itself from a product-centric organisation to a truly customer-centric company by embedding design thinking across the value chain and building a deeper understanding of customer needs, behaviours and lifetime potential.
   - This will be enabled through product propensity models, channel affinity models across Web, App, Social, Point of Sale (POS) and call centre.
   - Complete its product portfolio and launch wealth management.
   - A strong structured data information architecture, supported by multidisciplinary execution teams, and
   - A comprehensive rewards framework, will help deliver more personalised, relevant and long term engagement with customers.
   - The expected outcomes are higher wallet share, reduced credit cost, lower customer acquisition cost, higher product per customer (PPC of 6.5–7.5), and improved customer satisfaction.

2. **Technology leadership:**
   - Company seeks to establish technology leadership by building a robust AI and data-led digital foundation that supports scale, agility and innovation.
   - This includes creating capabilities for unstructured data discovery, tagging and labelling infrastructure, feature stores, vector databases and an enterprise knowledge graph to significantly expand data variables and improve decisioning.
   - On the consumer side, build a next-generation Consumer AI platform, offer products on AI platforms such as ChatGPT enabling chat-based loan origination and seamless transactions, enable multimodal AI experiences across our Digital Platforms (App and Web), and create a secure data exchange framework to power AI.
   - Across data, consumer, enterprise and agentic AI, as well as Finserv Intelligence and technology products, the objective is to drive scale, improve productivity, build robust compliance by design and stronger digital adoption.
   - By FY2030, this is expected to translate into significantly higher traffic and users on our digital platforms, 50% of total digital platform volumes from the new AI platform, lower credit costs, and 12%–15% productivity improvement.

3. **Lowest risk company:**
   - Company aims to become the lowest-risk company in its segment by embedding AI into risk, fraud, compliance, operations, service and debt management.
   - In risk, AI augmentation supported by AI-ready data architecture and risk agents will improve agility, strengthen underwriting and reduce analysis timelines from 10–15 days to 1 day, while also delivering meaningful improvement in credit costs.
   - In fraud, advanced anomaly detection, graph/network technologies and document fraud identification will strengthen prevention and detection capabilities.

- In operations and service, enable real-time data architecture and deploy hyper-personalised agentic AI platform with Voice of Customer (VOC)–led design. Integrating regulatory compliance using AI-driven observability, keeping human-in-the-loop will improve both efficiency and control.
- This integrated approach is expected to enable management of 100 million loans annually, reduce operations and service costs by 50% by FY2030, increase Do it yourself (DIY) adoption to 97%, and improve CSAT from 96% to 99%, while positioning debt management services as technology-led and scalable.

Key strategic measures

- Customer-centric execution through design thinking and propensity-led engagement, supported by channel affinity models and rewards-led retention.
- Data and AI foundations scaled through structured and unstructured dataset augmentation, feature stores, vector databases and knowledge graph development.
- New Consumer AI platform and distribution extension to third-party AI platforms, supported by secure data exchange frameworks.
- Enterprise and agentic AI deployment across workflows, with governance, auditability and human-in-the-loop controls.
- Build AI technology products to improve reusability, scalability and compliance-by-design.
- AI-enabled risk, fraud and compliance controls to support a lower risk posture alongside growth.

Table 2: LRS FY2030 Assessment

Metric	FY2026	FY2030
Customer franchise	119.33 MM	200–220 MM
Cross-sell franchise	75.51 MM	120–130 MM
India payments Gross Merchandise Value (GMV)	0.17%	0.4%–0.5%
Location presence	4,098	4,600–4,900
App – net installs	86.6 MM	160–180 MM
Web – visitors	611 MM	3,500–4,500 MM
Return on equity	18.1%	19%–21%
AUM per cross-sell franchise	₹ 67,500	₹ 85,000 - ₹ 90,000
PAT per cross-sell franchise	₹ 2,740	₹ 3,700 - ₹ 3,900
Profit per customer (PPC)	6.07	6.5–7.5

Progress update on LRS FY2025-29

LRS FY2025–29 envisaged transforming BFL into a FINAI company that would offer a full product suite to its 200 million customers by FY2029 as their pre-eminent choice. Its AI-enabled technology architecture was designed to integrate AI across all processes and deliver significant operating leverage and growth.

The Company remains committed to robust planning and rigorous execution. Key priorities progressed across business expansion, platform-led distribution and AI capabilities. Growth was supported by targeted scaling in secured and unsecured segments, deeper ecosystem reach and early-vintage monitoring. AI initiatives moved from development to deployment across origination, service, content and technology.

Key highlights

- Distribution expanded through strategic partnerships and platform integrations, strengthening customer acquisition and servicing.
- Business build-out progressed across MSME, mortgages, secured lending and rural portfolios, supported by dedicated operating constructs.
- Unsecured personal loan journeys strengthened through faster fulfilment, higher automation and continued product and channel refinement.
- AI adoption expanded across customer onboarding, engagement, content generation, operations, service, debt management services and technology delivery, supported by defined governance and security frameworks.
- Risk oversight strengthened through sharper early-vintage monitoring, disciplined operational risk execution and product-level threshold tracking.

LRS FY2025–29 execution snapshot-financial strategies

Strategic partnerships

9 Products went live on Airtel app; over 700,000 Airtel EMI Cards are now in force; loan over ₹ 700 crore disbursed.

MSME and mortgages

All mortgage loans brought under a Strategic Business Unit (SBU) to build the mortgage domain.

Personal loans

'EMI Card = PL' disbursed ₹ 4,662 crore; fastest SALPL with 27% STP and 53% same-day disbursal.

Gold loan

Opened 313 new branches during the year taking total branches to 1,507, AUM grew by 115% to ₹ 17,831 crore.

MFI

Total MFI Branches 447; AUM grew by 75% to ₹ 2,198 crore.

Open market Two-wheeler

Dealer count crossed 10,000; AUM grew by 36% to ₹ 6,136 crore.

Auto loans

Dealer count crossed 2,000; AUM grew by 60% to ₹ 8,245 crore; credit performance within threshold.

Payments

FASTag franchise count crossed 2.5 million in FY2026.

Green financing – solar

Established business in FY2026; achieved volume of 14,500 loans.

Corporate leasing

Business launched in FY2026. FY2027 will be the year to scale the business.

Risk and controls

3, 6, 9 Month on Book (MOB) 0+ positioned as core risk metrics; early MOB performance tracking in line with pre-Covid metrics.

Operational risk

206 Operational Risk Management (ORM) projects implemented in FY2026.

LRS FY2025-29 execution snapshot-AI and digital capabilities strategies

Conversational AI POD

27 conversational AI BOTs are live which resulted in disbursal of over ₹ 5,500 crore; Consumer AI BOT is live on App and Web.

Vision AI POD

43 documents live; 44% auto QC of documents; 70 Face recognition cameras installed across branches/partner stores.

Content AI POD

Created over 520,000 banners, 1.5 million videos and 126,000 pages across App, Web and Bajaj Mall.

Tech AI POD

Over 22,600 BRDs raised through ReqEase, 77,300+ test cases generated on TestGenie, and 24% developer efficiency via GitHub Copilot.

AI Data POD

5.2 crore voice logs converted to data enabling over ₹ 697 crore annual disbursal; over 2.3 million historical Personal Discussion (PD) notes converted into structured data.

Agentic AI POD

27 AI Agents are now live.

Custom AI POD

Framework for Custom AI model for Consumer lending (B2B) business established.

Responsible AI

Board approved AI policy established in January 2026; dedicated AI security team.

AI cloud infrastructure

Live with - Microsoft cloud for most AI workload; Google cloud platform for voice and data; Salesforce for native AI.

LRS FY2025-29 execution snapshot- FINAI outcome

During FY2026, the Company launched its FINAI initiatives, laying the foundation for accelerated value realisation in FY2027. A summary of the outcomes delivered under FINAI in FY2026 is presented in the table below:

S. No.	Stage	Metric	Unit	FY2026
1	People	Dedicated employees working in AI unit	#	203
2	Data for AI	Voice to data conversion for customer interactions	# in MM	52
		Text to data conversion for customer interactions	# in MM	2.3
		New loan offers generated from Voice and Text AI initiatives	# in MM	0.4
3	Product and service discovery	Videos generated	# in MM	1.5
		Banners generated	# in MM	0.5
		Podcasts	#	852
4	Customer engagement	Outbound and Inbound AI Voice BOTs live	# as of	10
		AI Text BOTs live	# as of	17
5	Branch and point-of-sale	Face recognition cameras in stores	# as of	60
		Face recognition cameras in branches	# as of	10
6	Customer onboarding	Documents processed for application	# in MM	69.1
		Existing customer face match	# in MM	12.2
7	Disbursement	Disbursal from leads generated by voice and text AI BOTs	₹ in crore	5,520
		Disbursal from leads generated through voice log processing	₹ in crore	697
8	Servicing	DIY Customers servicing through AI Voice and Text BOTs	%	65%
9	Debt management service	Receipts through AI Text BOTs	#	6,632
		Receipts through AI Voice BOTs	# in MM	0.3
10	Technology	Business Requirement Document (BRD) generated by AI	%	71%
		Test cases generated by AI	%	39%
		Software developer efficiency	%	24%
		AI Agents	# as of	27

Update on omnichannel strategy

Bajaj Finance Limited's strategy continues to remain anchored in being an 'omnipresent' financial services company, dominant across all vectors of consumer presence spanning physical, app, web and social. This omnichannel construct has reinforced the Company's shift from a product and process centric model to a customer first approach, with sustained investments over the last few years in building digital platforms (App, Web and Social) that have now scaled meaningfully in adoption and usage. BFL tracks omnipresence through a defined set of geography, digital and payments indicators to ensure that the physical network, digital platforms and payment rails expand in a coordinated manner and deliver a consistent customer experience across touchpoints.

Geographic expansion

Geographic expansion remains a foundational pillar of omnichannel execution, combining physical reach with digitally enabled origination, servicing and collections journeys. As at 31 March 2026, BFL's locations stood at 4,098. The growth in location count reflects calibrated footprint actions undertaken during the year, aligned to the Company's broader omnichannel design. Alongside the overall footprint, BFL continued to strengthen product specific physical presence, with standalone gold loan branches at 1,314 as at 31 March 2026 versus 964 as at 31 March 2025 — thus supporting deeper fulfilment capability in this secured product line.

Bajaj Finserv App and Website

- Digital platforms continue to serve as a critical growth engine, contributing 16.32% to overall business. During the period, these channels enabled disbursements of ₹ 40,142 crore, comprising ₹ 21,500 crore in personal loans, ₹ 3,900 crore in gold loans, and ₹ 1,300 crore in mortgage loans. The B2B lending platform facilitated 6.2 million transactions. Additionally, insurance premium collections reached ₹ 75 crore, and 150,000 demat accounts were opened. Engagement across ancillary services remained strong. Debt Management Services (DMS) recorded 31.69 million receipts, while flexi products enabled 9.06 million transactions through the Company's digital interfaces, including its website and mobile application. Digital channels also contributed to deposit mobilisation of ₹ 497 crore during the period.
- Bajaj Finance continued to improve its digital platforms by engaging with a net user base of over 86 million on its app, complemented by 611 million website visits. We continued to maintain our PlayStore rating at 4.8. We have now made the platform personalised and easier to use. The app and website will show more relevant content through a dynamic homepage and smarter personalisation, helping customers find the right products and services faster. Customer onboarding will become quicker and safer with face recognition and biometric verification.
- For engaging with users in the deeper geographies of the country, BFL will expand vernacular support to five more regional Indian languages in FY2027 along with the current offering in Hindi and English. This will allow users to browse, apply and get service in their preferred language.
- To improve intuitiveness, we now use AI capabilities to create and refresh the banners on the app at a much faster pace. We now refresh 60,000 banners across 8,000 banner slots within 5-6 hours. This has improved banner click rates by 2X.
- Our video generation platform was extended to dealers enabling them with a DIY solution to create personalised videos in their preferred language(s) with an onboarded celebrity, 1.5 million videos were created in FY2026.
- To further enhance customer experience, the platform will now integrate with 32 conversational AI BOTs to enable faster decision making and conversion. We would thus offer a conversational journey in addition to the traditional form-based journey to customers. Additionally, 99% of customer service queries raised via conversational AI BOTs are resolved successfully.
- The App is now enabled with a host of AI features like (i) AI overview/summary of the details of the various loan products; (ii) in-page search capabilities, and (iii) scan-to-prefill personal details on the form using vision AI capabilities.
- Social platforms will be used more actively to drive discovery, engagement and commerce through influencers and interactive content for driving digital business.
- In addition to our own digital platform, we have also extended the loan offerings on the Open Network for Digital Commerce (ONDC) network. Currently, personal loans and gold loans are offered through this platform. The offerings would be scaled up as and when the platform supports more loan products.

Payments

BFL has built a full-stack payments business across consumer payments and merchant acquiring encompassing UPI, Wallet, FASTag, Bharat Connect bill pay service, UPI QR and Soundbox, EDC and single payment gateway powering BFL businesses. Payments is central to deliver engagement of customers on BFL App, with 9.8 million monthly transacting users, 11.3 million monthly active users. The Company is on track to introduce the Central Bank Digital Currency (CBDC) wallet and commence the distribution of National Common Mobility Card (NCMC) in FY2027.

As of 31 March 2026, (i) 129.29 crore transactions processed across consumer payments and merchant acquiring; (ii) 37.08 million wallet customers; and (iii) 56.4 million UPI handles, (iv) 106.2 million bill payment transactions, (v) 22.29 million Bajaj Pay UPI loan mandates and (vi) FASTag issuance stood at 2.62 million.

On the merchant side; in partnership with PayU & Worldline, the Company has deployed payments acquiring at small, medium and large-format retail partners. As on 31 March 2026, it has portfolio of 4.06 million QR merchants and over 510,000 devices (Soundboxes and EDC) deployed.

Productivity Apps

Productivity apps continue to strengthen execution, engagement and controllership across the omnichannel ecosystem. BFL has suite of productivity apps — Sales One, DMS One, Merchant One and Partner One. These provide a unified operating layer for sales teams, DMS teams, merchants and sourcing partners; these also support digitised workflows, performance dashboards, training, and governance. The platforms are designed to improve productivity and standardise processes at scale, while enabling faster turnaround on customer journeys and tighter compliance controls.

Customer Data Platform (CDP)

Technology investments focused on building trust in customer data, strengthening regulatory compliance and enabling consistent engagement across channels. Centralised platforms were created to ensure data accuracy, transparency, and responsible use. Some examples are given below:

- **Centralised consent management:** A single enterprise-wide consent framework ensured customers' communication preferences and regulatory requirements were consistently honoured across all digital and messaging channels.
- **Improved credit bureau reporting:** Automated checks and standardised reporting improved accuracy and reduced rework, strengthening compliance and data quality.
- **Unified campaign execution:** Customer communication channels such as SMS, email, messaging apps and notifications were brought onto a single platform – unified campaign management — improving reach, multichannel coverage, reducing costs and enhancing personalised communication.
- **Customer data streaming:** Near real time data flows enabled faster insights, timely engagement and quicker decision making across digital journeys.
- **Data platform resilience:** Strong recovery and continuity capabilities ensured uninterrupted availability of critical analytics and data services, supporting seamless customer engagement and business operations.

Social platforms

Social media continues to be the go-to channel for both discovery and purchase decisions among consumers. Notably, 81% of consumers use Meta platforms during the discovery phase of financial products. In order to leverage this, BFL has expanded its community to 7.51 million followers and achieved over 514 million video views on social platforms in FY2026.

Table 3: Some Key Outcomes of the Omnipresent Strategy

Particulars		Unit	FY2026	FY2025
(i)	**Geography**			
	Locations as at 31 March	#	4,098*	4,263
	Standalone gold loan branches as at 31 March	#	1,314	964
(ii)	**App+Web metrics**			
	Downloads	# in MM	87.46	75.90
	Net installs as at 31 March	# in MM	86.63	70.57
	Total traffic on Web	# in MM	611	603
	Web domain authority	#	69	62
(iii)	**App payments metrics**			
	UPI handles till 31 March	# in MM	56.37	40.09
	Bill pay transactions	# in MM	28.89	32.66
	QRs at merchant Point of Sales (PoS) as at 31 March	# in MM	3.97	3.72
	Rewards issued	# in MM	95.6	106.44
(iv)	**App+Web business metrics**			
	EMI cards acquired	# in MM	0.64	0.91
	Personal loan disbursed	₹ in crore	21.2k	20k
	Flexi loan transactions	# in MM	12.10	11.62
	DMS receipts	# in MM	10.28	7.69

Particulars		Unit	FY2026	FY2025
(v)	**Digital EMI card metrics**			
	EMI cards acquired digitally	# in MM	3.51	3.63
	EMI cards acquired digitally – cards in force as at 31 March	# in MM	12.0	7.60
	B2B loans from digital EMI cards as at 31 March	# in MM	2.45	1.30

*Alongside our branch-led operating model, we leverage a franchise network to deepen customer reach, we proactively rationalised non-viable franchises through integration with nearby BFL branches to drive operational efficiency and strengthen service delivery.

Business Update

In FY2026:

- Number of new loans booked crossed a milestone of 50 million in FY2026 and were 52.45 million.
- BFL is present in 4,098 locations across the country, including 2,571 locations in rural/smaller towns and villages.
- It operates through more than 242,000 distribution points across India.
- It acquired a record 17.51 million new customers in FY2026 taking its existing customer franchise to 119 million as on 31 March 2026, a growth of 17% over 31 March 2025.

As part of its product strategy, BFL continued to expand its product offering for customers. Some new launches were: (i) vehicle leasing for corporates, (ii) industrial equipment financing, (iii) solar financing, (iv) commercial vehicles financing, and (v) affordable mortgages.

Consumer Lending: consumer electronics, furniture, digital products, e-commerce purchases, two-wheelers, three-wheelers and daily spends financing

BFL, through its Consumer Finance business is a leading lender for financing of discretionary spends across consumer electronics, furniture, digital products, two-wheelers, lifestyle products, lifecare services, retail products and e-commerce purchases in India.

This business is conducted under two verticals, viz. urban consumer finance and rural consumer finance. The volumes of which are tabulated below:

Table 4: Consumer finance volumes

(in million)

Particulars	FY2026	FY2025	Growth
Urban consumer finance	32.20	26.84	19.95%
Rural consumer finance	11.41	9.63	18.44%
Total consumer finance	**43.61**	**36.47**	**19.55%**

During the year Consumer Finance business witnessed an increase in loan ticket size due to increase in the underlying product prices. As a result, the disbursements grew by 24% to ₹ 115,161 crore as against the volume increase of 19.55%.

The Existing Member Identification (EMI) card base increased to 94.43 million cards-in-force in FY2026 from 58.91 million in FY2025, reflecting a growth of 60%. The PoS network for instant finance expanded to 222,500 in FY2026 from 210,300 in FY2025. EMI Card enabled financing contribution increased to 59% in FY2026 versus 58% in FY2025 of the overall Consumer Finance business.

Non-Bajaj two-wheeler financing volumes increased to over 534,000 units in FY2026 from over 454,000 units in FY2025, representing growth of approximately 18%. The business operated across 1,591 locations in FY2026. The retailer network expanded to 17,972 in FY2026 from over 14,000 in FY2025, while OEM coverage increased to 40 in FY2026 from 35 in FY2025.

Overall, Consumer Lending recorded healthy expansion in consumer finance volumes, supported by growth in both urban and rural channels and continued scaling of the existing member identification base and the PoS network. The portfolio also witnessed growth in non-Bajaj two-wheeler financing, alongside a recalibration in Bajaj Auto captive financing, reflecting diversification of product and channel mix during the year.

Personal Loans

The Personal Loan Cross Sell (PLCS) business is a pre-approved loan origination programme for existing customers of BFL. It is driven by risk analytics, dynamic campaign management and a focus on precise customer targeting. The business delivered a healthy performance in FY2026, supported by continued scale-up in customer franchise, digital sourcing, and process-led execution. During FY2026, PLCS disbursement grew by 20% to ₹ 40,102 crore. Assets Under Management (AUM) rose to ₹ 63,603 crore from ₹ 50,313 crore in the previous year, a growth of 26%, highlighting sustained demand momentum and deeper customer penetration.

The business continued to strengthen its digital capabilities during the year. AI driven voice initiative generated leads leading to disbursement of approximately ₹ 3,300 crore of personal loans, 8% of the overall business. Digital as a pull channel contributed 19% of the overall business, while 41% of the business was delivered through Straight-Through Processing (STP), highlighting our progress in automation, faster decision-making and improved operating efficiency.

The Salaried Personal Loans business caters to affluent salaried customers. Its Assets Under Management (AUM) stood at ₹ 38,962 crore as of 31 March 2026. During the year, BFL introduced a Straight-Through Processing (STP) framework for real-time eligibility assessment, enhancing customer convenience and operational efficiency, with 35% of salaried customers qualifying under the framework. The Company also improved turnaround time (TAT), with same-day disbursals increasing to 52% in FY2026 from 33% in FY2025. The Salaried Personal Loans business recorded a 16% growth in disbursements to ₹ 23,472 crore in FY2026.

In FY2027, the business will continue to prioritise digital simplification and process re-engineering to improve conversion and reduce friction across the customer journey. Continued focus on digital capabilities, STP-led fulfilment and customer experience is expected to further strengthen execution and support sustainable growth.

MSME Lending and Allied Businesses

MSME Lending: Unsecured and Secured Loans to MSME and Professionals

MSME lending provides essential financial support to Micro, Small and Medium Enterprises (MSMEs), professionals, tractor financing and new/used car financing and commercial vehicle financing.

BFL's MSME lending business continues to play a pivotal role in supporting the growth of MSMEs and self-employed professionals through a comprehensive suite of unsecured and secured loans. These offerings are tailored to meet diverse business requirements, including working capital and term loan needs of the borrowers. The secured loans are backed by immovable properties such as residential, commercial and mixed-use assets. The business operates on a robust, data-driven underwriting model that leverages comprehensive banking information across products. In addition, the use of the Account Aggregator framework enables consent-based access to customer transaction data, supporting sharper underwriting, more targeted product structuring and stronger credit monitoring.

The Company witnessed incipient stress in MSME business in first half of FY2026 and has responded with relevant remediation measures in the business by repivoting its Business Loan credit policies to further enhance its underwriting protocols. As a result, MSME lending portfolio registered a modest growth of 6% over to close FY2026 with AUM of ₹ 51,473 crore as against AUM of ₹ 48,583 crore in FY2025.

Business Loans to MSMEs

BFL's unsecured MSME loan products have a presence across 2,298 locations in India. The MSME portfolio began showing early signs of stress in the final quarter of FY2025. In view of this emerging trend, the Company adopted a risk-first approach, including tighter credit filters and a calibrated reduction in MSME loan originations, resulting in an overall volume decline of approximately 25%. These timely corrective actions helped mitigate portfolio stress and safeguard asset quality. As a result, the MSME segment closed FY2026 with an AUM of ₹ 33,458 crore, representing a modest year-on-year growth of 4%.

Professional Lending

BFL offers both secured and unsecured lending solutions to self-employed professionals, including doctors, chartered accountants, lawyers and professors, supporting their working capital and term loan requirements. The AUM grew by 7% to ₹ 17,542 crore in FY2026.

Secured Loans for MSMEs and Professionals

BFL provides secured loans against residential, commercial and mixed-use properties to MSMEs and self-employed professionals. This segment registered strong growth during the year, with AUM increasing by 25% to ₹ 12,606 crore in FY2026.

Affordable Housing Loans

Launched in FY2025, the Affordable Housing Loans business continued to scale up and has built a portfolio of ₹ 252 crore within two years of operations.

Equipment Financing

The MSME lending portfolio also includes financing solutions for both medical and industrial equipment. During the year, the Company carved out a dedicated Equipment Finance vertical catering to these segments, further strengthening its product suite for business customers. Supported by field distribution, Original Equipment Manufacturer (OEM) partnerships and dealer networks, the equipment financing business continued to scale up during FY2026. The portfolio grew by 30% to ₹ 1,108 crore in FY2026. BFL had launched dedicated Industrial Equipment Finance business in FY2025. It closed FY2026 with AUM of ₹ 405 crore.

Wheels Financing

Car Financing

The new car finance business is operational across 59 locations, covering over 3,000 dealer outlets and 24 automotive manufacturers. Corporate vehicle leasing, launched under the New Car Finance business in FY2025, continued to gain traction during FY2026, with the Company partnering with over 150 corporates. The vehicle leasing portfolio closed FY2026 at ₹ 260 crore, while the overall New Car Finance AUM stood at ₹ 8,644 crore, compared with ₹ 5,281 crore as of 31 March 2025.

In Used Car Finance, the focus was to increase the contribution of Sale Purchase (SP) financing as against refinancing. The business was able to achieve a SP mix of 90% by March 2026 up from 75% in March 2025. Used car financing is operational across 57 locations covering over 1,000 channels and dealer outlets. It ended FY2026 with an AUM of ₹ 6,368 crore.

Tractor Financing

Tractor loans are offered to individuals and businesses for purchase and refinance of new/used tractors, harvesters, and standalone Implements. In its second year, FY2026, the business continued to scale strongly while maintaining portfolio performance in line with expectations. AUM grew 117% to ₹ 1,529 crore from ₹ 705 crore in FY2025.

BFL now operates across nearly 400 locations in five states, compared with 200 locations in four states in the previous year. The Company has built relationships with eight OEMs and expanded its network to over 3,200 dealers and major aggregators, driving growth in both new and used tractor financing. BFL also offers financing across a wide range of farm equipment, providing an end-to-end agricultural financing solution. The new tractor industry grew 23% during the year, and the recent GST reduction on agricultural tractors is expected to support positive momentum going forward.

Commercial Vehicle Financing

The Company's Commercial Vehicle financing business provides funding solutions for both large fleet and small retail operators across new and pre-owned commercial vehicles. The commercial vehicle business today operates in 13 core markets with a network of 165 dealers. As of 31 March 2026, the portfolio stood at ₹ 2,352 crore, up 150% from ₹ 942 crore in FY2025.

Rural Lending

With operations across 2,571 rural locations in 22 states and 2 union territories as of 31 March 2026, the Rural Lending business remained a key driver of credit access in India's hinterland. While the physical footprint was rationalised to enhance operating efficiency and risk alignment, the underlying rural personal franchise delivered healthy growth momentum, recording year-on-year growth in disbursement of approximately 25%.

Calibrated optimisation of locations was accompanied by deeper market engagement and sharper portfolio selection. The business demonstrated a strong improvement in portfolio quality through the year enabling a steady acceleration in disbursements. The focus on controlled growth, supported by strengthened underwriting and collections, contributed to reduced loss metrics.

Rural Lending AUM grew by 27% to ₹ 35,793 crore as of 31 March 2026. A continued shift towards lower-ticket, affordable EMI segments further strengthened portfolio resilience and collection efficiency, reinforcing the long-term sustainability of the rural lending franchise.

Gold Loan

The Gold loan business recorded robust growth during the year, supported by accelerated branch expansion and disciplined execution. During the year, 350 standalone gold loan branches were added, taking the total standalone branch network to 1,314 as of 31 March 2026, versus 964 at the end of the previous year. Including branches offering gold loans as part of a broader product suite, the overall gold loan branch network increased to 1,507 branches. This expanded distribution footprint, combined with improved process efficiency and customer-centric offerings, translated into a significant scale-up of the portfolio.

Gold loan AUM grew by 115% to ₹ 17,831 crore as of 31 March 2026. Strong customer demand, prudent collateral management and robust operational controls, which supported profitable growth while maintaining risk discipline. The portfolio maintains a prudent average LTV of approximately 61%, providing adequate protection against short-term volatility in gold prices; further, effective 1 April 2026, RBI guidelines require LTV computation for gold loans with bullet repayment to be based on the maturity value inclusive of interest, thereby strengthening collateral coverage and offering additional insulation against adverse movements in gold prices.

The business remains fully aligned with the evolving regulatory framework. All regulatory and policy changes issued by the Reserve Bank of India were implemented in a timely manner, ensuring full compliance as of 31 March 2026. The Gold loan business remains well-positioned for responsible growth, supported by a strengthened branch network, robust governance standards and a continued emphasis on portfolio quality.

Microfinance Business

The Microfinance group lending business, launched its pilot in September 2023 across Uttar Pradesh and Karnataka, continued its strong expansion through FY2026. By year-end, operations have scaled to 11 states, covering 41,266 villages through 447 branches, with an AUM of ₹ 2,198 crore.

The business provides small-ticket group loans ranging from ₹ 20,000 to ₹ 100,000 to women in low-income households who are typically excluded from formal banking. The model supports income generation, primarily in agriculture allied activities in remote rural areas. All sourcing and collections are carried out by branch personnel at central village locations, ensuring high quality, transparent doorstep service, supported by communication in customers' preferred languages.

Customer protection remains a key focus, with robust mechanisms to assess household income and obligations and prevent over indebtedness. As of FY2026, close to 50% of customers were exclusively with BFL, while 31% had exposure to only one other lender.

Since inception, the business has disbursed over 700,000 loans totalling ₹ 3,577 crore, including approximately 395,000 loans amounting to ₹ 2,040 crore in FY2026 alone. Network expansion and portfolio growth remained strong, with villages covered rising 53%, disbursements up 43%, and AUM growing 75% year on year.

Portfolio quality remains healthy with GNPA at 0.55% and NNPA at 0.10% as of 31 March 2026, reflecting disciplined underwriting and a robust collections infrastructure.

Commercial Lending

Commercial Lending focuses on mid-sized corporates in sectors such as auto component manufacturing, light engineering, specialty chemicals, pharma, packaging, financial institutions, etc. It operates through four distinct verticals, viz, Mid-Corporate, Financial Institutions Group, Large Corporates and Emerging Corporates — each driven by dedicated teams. It offers term loans for general corporate purposes, capital expenditure, acquisition funding, structured transactions, lease rental discounting, etc. with sourcing led by relationship managers across India. The Company remained focused on acquiring quality corporate clients, maintaining disciplined portfolio management and delivering sustainable growth.

During FY2026, the business closed with AUM of ₹ 33,839 crore, reflecting a year-on-year growth of 20%.

Loan Against Securities

Loan against securities offers short to medium term financing against shares, bonds, mutual funds, insurance policies and deposits to customers across retail, High Net Worth Individuals (HNIs) and promoter categories. The business operates across 21 locations via physical branches and also delivers financing solutions through digital channels.

Along with its wholly owned subsidiary, Bajaj Financial Securities Limited, BFL offers an integrated product suite to its retail and HNI customer.

In FY2026, the business delivered healthy growth and with AUM rising by 23% to ₹ 25,576 crore.

Amid heightened market volatility driven by geopolitical developments, BFL strengthened portfolio risk management through tighter stock classification, continuous margin monitoring, and scenario-based stress testing. The diversified collateral pool helped absorb market movements, avoiding unusual or excessive margin calls.

Deposits

The Company accepts deposits from retail and corporate clients. In FY2026, deposit mobilisation was calibrated to optimise its borrowing mix and manage funding costs, given the relatively higher cost of deposits. As a result, the deposit book declined by 4%, from ₹ 71,403 crore in FY2025 to ₹ 68,533 crore in FY2026. As at 31 March 2026, deposits comprised 21% of standalone borrowings and 16% of consolidated borrowings.

Partnerships and Services

BFL offers a diverse suite of life, health, general insurance, and extended warranty products—individually or bundled—as value-added services during and post loan onboarding. As a registered Corporate Agent with the Insurance Regulatory and Development Authority of India (IRDAI), it distributes insurance products across categories.

As of FY2026, BFL had tie-ups with 9 general, 4 health, and 3 life insurers, enabling a broad range of solutions aligned to diverse customer needs. This enhances its cross-sell proposition by complementing core lending relationships with relevant risk protection offerings.

In FY2026, Bajaj Finance's strategic partnership with Bharti Airtel scaled meaningfully, with a suite of Bajaj Finance products now live on the Airtel Thanks App. These include the co-branded Insta EMI Card, Personal Loan, Gold Loan, Two-Wheeler Loan, Loan Against Mutual Funds, and Demat Accounts.

During FY2026, the partnership disbursed approximately ₹ 700 crore of loans and issued around 700,000 Insta EMI Cards, building a cumulative franchise of over 670,000 customers.

Assets Under Management (AUM): A Snapshot In FY2026

BFL crossed a milestone of ₹ 500,000 crore of consolidated AUM and closed FY2026 with an AUM of ₹ 509,975 crore versus ₹ 416,661 crore as at the end of FY2025, a growth of 22%.

Chart B depicts BFL's consolidated AUM over the last five years. Table 5 gives more granular data based upon lines of business.

Chart B: Consolidated Asset Under Management (₹ in crore)

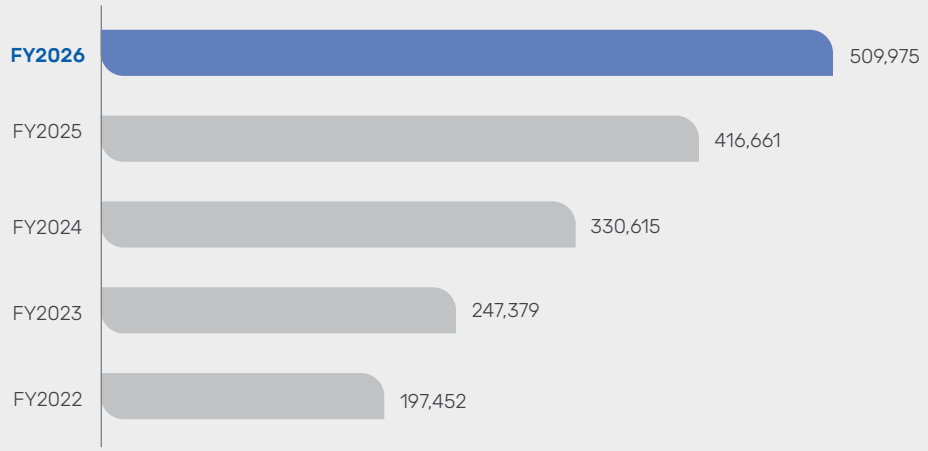


Table 5: Asset Under Management

(₹ in crore)

	Standalone			Consolidated		
Particulars	**FY2026**	**FY2025**	**Growth**	**FY2026**	**FY2025**	**Growth**
Captive 2W and 3W Finance	4,288	10,691	(60%)	4,288	10,691	(60%)
Open Market 2W and 3W Finance	8,325	6,628	26%	8,325	6,628	26%
Urban Consumer Finance	37,430	29,109	29%	37,430	29,109	29%
Urban Personal Loans	102,566	86,096	19%	104,485	87,696	19%
Rural Consumer Finance	10,559	7,944	33%	10,559	7,944	33%
Rural Personal Loans	25,234	20,209	25%	25,234	20,209	25%
MSME Lending	51,473	48,583	6%	51,570	48,698	6%
Loan Against Securities	25,576	20,872	23%	33,247	25,377	31%
Commercial Lending	33,839	28,285	20%	33,839	27,760	22%
Mortgages	34,775	27,327	27%	162,077	129,461	25%
Gold Loans	17,831	8,307	115%	17,831	8,307	115%
Car Loans	15,011	11,876	26%	15,011	11,876	26%
CV & Tractor Finance	3,881	1,647	136%	3,881	1,647	136%
MFI Business	2,198	1,258	75%	2,198	1,258	75%
Total	**372,986**	**308,832**	**21%**	**509,975**	**416,661**	**22%**

Financial Performance

Table 6 gives BFL's financial performance for FY2026 and FY2025.

Table 6: BFL's Financial Performance

(₹ in crore)

	Standalone			Consolidated		
Particulars	**FY2026**	**FY2025**	**Growth**	**FY2026**	**FY2025**	**Growth**
Interest income	61,357	51,549	19%	72,776	61,164	19%
Interest and finance charges	21,417	18,436	16%	28,666	24,770	16%
Net interest income (NII)	**39,940**	**33,113**	**21%**	**44,110**	**36,394**	**21%**
Fees and commission income	7,319	5,641	30%	7,754	5,983	30%
Net gain on fair value changes	337	344	(2%)	471	539	(13%)
Sale of services and Income on de-recognise loans	11	18	(39%)	16	27	(41%)
Income on derecognised (assigned) loans	364	459	(21%)	465	552	(16%)
Others	466	553	(16%)	508	582	(13%)
Net total income (NTI)	**48,437**	**40,128**	**21%**	**53,324**	**44,077**	**21%**
Employee benefit expenses	8,286	6,907	20%	8,979	7,508	20%
Depreciation and amortisation	942	822	15%	1,009	881	15%
Other expenses	7,413	6,240	19%	7,788	6,538	19%
Pre-impairment operating profit	**31,796**	**26,159**	**22%**	**35,548**	**29,150**	**22%**
Impairment on financial instruments	9,290	7,027	32%	9,482	7,088	34%
Share of profit from associates	-	-		16	18	(8%)
Exceptional Items	1,166	2,544	(54%)	(265)	-	
Profit before tax (PBT)	**23,672**	**21,676**	**9%**	**25,817**	**22,080**	**17%**
Profit after tax (PAT)	**17,804**	**16,662**	**7%**	**19,332**	**16,779**	**15%**
Other comprehensive income/ (expenses)	(39)	(78)	(50%)	(61)	(67)	(10%)
Total comprehensive income	**17,765**	**16,583**	**7%**	**19,272**	**16,712**	**15%**
Earnings per share (EPS) basic, in ₹	28.65	26.93	6%	30.60	26.89	14%
Earnings per share (EPS) diluted, in ₹	28.56	26.86	6%	30.51	26.82	14%
Book value per share, in ₹	165.85	142.09	17%	183.34	156.09	17%

Chart C depicts growth of BFL's consolidated PAT.

Chart C: Consolidated PAT (₹ in crore)

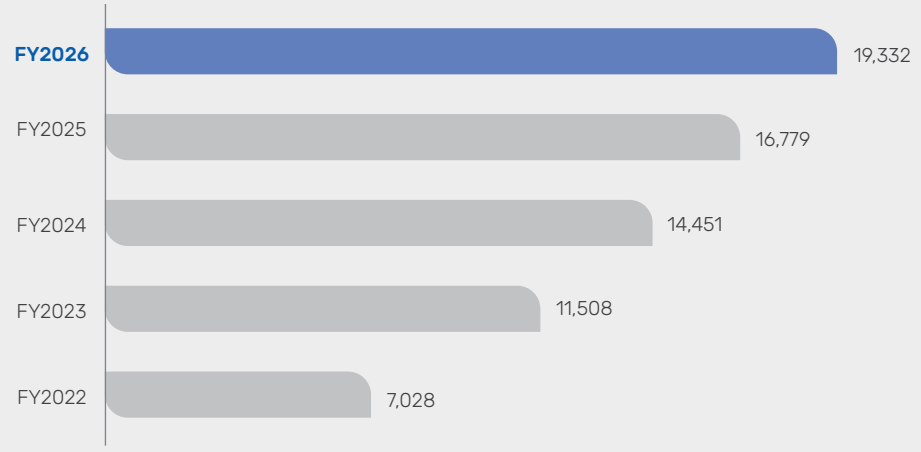


Chart D depicts consolidated return on average assets (ROA) and return on average equity (ROE) over the last 12 years.

Chart D: Consolidated ROA and ROE

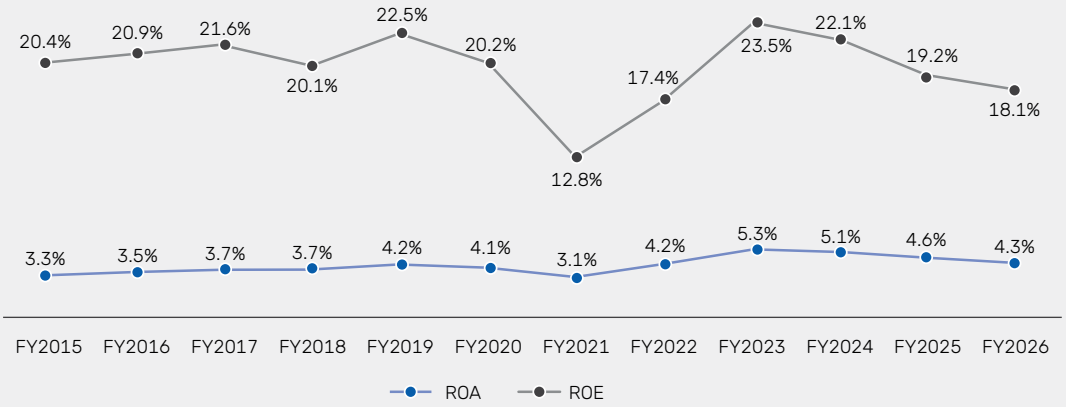


Table 7: Key Ratios on Consolidated basis

Ratios	FY2026	FY2025
Net interest income (NII) to average loans receivable	9.73%	9.91%
Total operating expenses to NTI	33.34%	33.86%
Adjusted return on average loans receivable (ROA)	4.56%	4.55%
Return on average loans receivable (ROA)	4.26%	4.57%
Adjusted return on average equity (ROE)	19.22%	19.11%
Return on average equity (ROE)	18.05%	19.19%
Capital to risk-weighted assets ratio (CRAR) *	21.55%	21.93%
Tier I *	20.67%	21.09%
Tier II *	0.88%	0.84%
Gross NPA	1.01%	0.96%
Net NPA	0.41%	0.44%
Provisioning coverage ratio (PCR)	60%	54%
EPS - Basic (₹)	30.60	26.89
Diluted (₹)	30.51	26.82

*These ratios are on standalone basis.

Risk Management, Debt Management and Portfolio Quality

Risk Management

As an NBFC, the Company is exposed to credit, liquidity, operational and market risks, and continues to invest in talent, processes and emerging technologies to strengthen its risk management capabilities. These efforts have supported stable risk metrics despite a challenging operating environment.

BFL promotes a strong risk culture across the organisation. At the highest level, the Board of Directors has constituted a Risk Management Committee (RMC), which assists the Board in overseeing risk management principles, policies, strategies, risk appetite, processes and controls.

During the year, inflationary trends, elevated leverage, higher interest rates, asset quality concerns and tighter systemic liquidity posed challenges. The Company has risk framework ensured that net interest income, NPAs and liquidity were not materially impacted. The Company has also maintained a robust asset-liability management framework and sufficient liquidity buffers to meet repayment obligations and emerging credit demand.

As per the RBI's Scale Based Regulation (SBR) framework, NBFCs in the middle and upper layers are required to undertake an internal assessment of capital adequacy commensurate with their risk profile under the Internal Capital Adequacy Assessment Process (ICAAP), aligned with Pillar 2 of Basel guidelines. Accordingly, BFL has institutionalised a Board-approved ICAAP policy and framework, covering the assessment of material risks and associated mitigation measures. The Company has completed its ICAAP for FY2025 in line with this policy.

Based on the assessment of material risks and the effectiveness of existing controls and mitigation frameworks, BFL is not required to maintain additional capital. Further details on the risk management framework are provided in note no. 49 of the standalone and consolidated financial statements.

Credit Risk

Credit risk is the risk of financial loss arising from customers or counterparties failing to meet their repayment obligations.

BFL has a robust governance framework, with the Board of Directors and its committees approving risk strategies and delegate appropriate credit authorities. Strong underwriting standards and continuous risk monitoring ensure portfolios remains within acceptable risk levels. The Company also has a Board approved 'Sustainable business strategy policy' which outlines its core business and risk management principles of the Company.

The Company has made deep investments in its risk organisation, with dedicated credit risk units for each business vertical, supported by specialised teams for underwriting, risk containment and fraud control, payment risk, horizontal risk analytics, business intelligence, and operational risk. It has also continued to strengthen its debt management services capacity.

The risk containment and fraud control function focuses on preventing fraud by customers, sourcing channels, and employees through strong preventive and deterrent measures. Advanced fraud control analytics are embedded within the loan origination system to ensure checks are completed prior to disbursal, with rules periodically updated based on emerging learnings.

BFL has enabled all its employees and agencies to flag any suspicious activity or transaction on the core lending system which then goes through extensive checks by the fraud control unit.

BFL's robust underwriting process and vigilance on portfolio quality have ensured that risk at an overall level is within the defined corridor thresholds.

The Company's well-established risk management framework enabled early identification of incipient stress in the MSME business. Acting promptly, the Company pruned MSME loan originations to protect long-term asset quality and arrest potential losses.

During the year, the Company further strengthened its underwriting standards and discontinued lending to customers with multiple unsecured loans, reducing the risk of potential losses from such segments.

Loan loss provisions for FY2026 stood at ₹ 9,482 crore, versus ₹ 7,088 crore in FY2025.

During the year, in response to heightened global macroeconomic volatility and a continued focus on balance sheet resilience, the Company strengthened its provisioning framework by instituting a minimum Loss Given Default (LGD) floor across all businesses. Accordingly, an accelerated Expected Credit Loss (ECL) provision of ₹ 1,406 crore was recognised, increasing the Stage 3 provisioning coverage ratio from 54% in FY2025 to 60% in FY2026, and standard asset provisioning from 118 basis points to 144 basis points, thereby reinforcing prudential risk buffers.

Higher provisioning was driven by multiple factors, including AUM growth, emerging macroeconomic stress, losses from the wind-down of captive two- and three-wheeler portfolios, increased leverage in unsecured lending, and rising stress across the broader banking system.

To further enhance resilience against potential macroeconomic headwinds, the Company recognised an additional macroeconomic overlay of ₹ 67 crore at the consolidated level during the year, taking the total overlay to ₹ 134 crore.

The Company's balance sheet continues to diversify towards lower-risk products such as mortgages, auto loans and other secured segments. BFL also has a Board-approved policy defining exposure limits across the consumer retail portfolio, including unsecured segments, which are regularly reviewed by the Risk Management Committee.

A balanced portfolio approach, supported by rigorous reviews and advanced analytics, enables early identification of risk signals and timely corrective action, while maintaining strong new business portfolio quality.

BFL secures guarantee cover for its Personal loans, MSME and three-wheeler portfolios under the Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI. Additionally, the Company is registered with the Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC) to extend guarantee cover for its Personal loans and MSME portfolio.

Liquidity Risk

BFL manages liquidity risk in line with its Board-approved Liquidity Risk Management Framework and ALM Policy, aligned with RBI guidelines. The framework and operational parameters are regularly reviewed by the Asset and Liability Management Committee (ALCO) to prevent material imbalances or concentration risks across the Balance Sheet.

The Company regularly monitors the gap between maturing assets and liabilities across time buckets and maintains adequate liquidity buffers to withstand stressed market conditions. Its liquidity management framework ensured adequate liquidity throughout the year to meet debt service obligations and support Balance Sheet growth even in a tight liquidity environment. As on 31 March 2026, the Liquidity Coverage Ratio (LCR) stood at 128%, compared to 125% as on 31 March 2025, and remained above the regulatory requirement of 100%. The liquidity buffer stood at ₹ 15,020 crore.

The Company's liquidity management is further elaborated in the section "Credit Rating and Asset Liability Management (ALM)".

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, human factors or external events. BFL's operational risk framework is designed to identify, assess, monitor and mitigate such risks across its operations. This is further elaborated in the section "Operational Risk Management".

Market Risk

Market risk arises from fluctuations in the fair value of future cash flows of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.

To effectively manage market risk on its investment portfolio, BFL follows a prudent investment policy which guides its investment decisions. BFL has invested its surplus funds mainly in government securities, state development loans, treasury bills, liquid funds and deposits with banks and money market instruments of highly rated financial institutions and banks. It calibrates the duration of investment portfolio to balance the twin objectives of maintaining liquidity for businesses and minimum impact of fair value changes on its investment portfolio.

Interest Rate Risk

BFL is exposed to interest rate risk on its investment portfolio and interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles. BFL raises funds from diversified sources like deposits, money market borrowings, term loans and short-term borrowings from banks and financial institutions, foreign currency borrowings, among others. Fluctuations in interest rates can occur due to both internal and external factors. Internal factors include composition of assets and liabilities, maturity profile, pricing of borrowings and fixed and floating nature of assets and liabilities. External factors include macroeconomic developments, competitive pressures, regulatory developments and global factors.

BFL monitors the impact of fair value changes on its investment book using Value at Risk (VaR), PV01, modified duration, and these parameters are defined in its Board approved investment policy. Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis to measure the impact of such interest rate movements on its Balance Sheet. This is computed monthly and sensitivity of the market value of equity assuming varying changes in interest rates is presented and monitored by ALCO.

BFL continues to follow a prudent, well-calibrated interest rate risk management framework that ensures interest rate volatility does not materially affect its investment portfolio or its net interest margin.

Price Risk

Quoted equity investments carry exposure to price risk. BFL manages this through periodic monitoring of the investment portfolio and performance of investee companies. Mark-to-market gains and losses are measured at each reporting date.

Foreign Currency Risk

BFL is exposed to foreign currency fluctuation risk mainly for its External Commercial Borrowings (ECB). BFL's borrowings in foreign currency are governed by RBI guidelines which requires entities raising ECB for a maturity less than five years to hedge minimum 70% of its ECB principal and coupon. As a matter of prudence, BFL has always hedged the entire ECB exposure for the full tenure as per Board approved interest rate risk, currency risk and hedging policy.

Bajaj Finance considers foreign currency exchange rates, tenure of ECB and its fully hedged costs while raising funds through ECB. It manages currency risks by executing Over the Counter (OTC) derivative contracts as hedge positions. These are governed through the Board approved interest rate risk, currency risk and hedging policy.

Emerging Risk

The Company continues to monitor emerging risks arising from geopolitical developments, macroeconomic conditions, climate-related factors and evolving technology adoption, including artificial intelligence. These risks may, over time, have implications for growth, asset quality, funding conditions and operational resilience. The Company remains focused on managing such risks through an appropriate governance and risk management framework. Following are the emerging risks that may have impact on Company and its operations:

Geopolitical Risk:

Geopolitical developments continue to evolve rapidly and may influence inflation, interest rates, liquidity conditions, capital flows and overall market confidence. Rising global tensions, policy realignments and disruptions in trade or commodity markets can create volatility that affects credit demand, funding costs and borrower repayment behaviour. The Company manages this risk through diversified funding, prudent treasury practices, strong liquidity and capital buffers, calibrated underwriting and a well-diversified portfolio across customer segments and geographies.

Macroeconomic Risk:

Macroeconomic conditions such as changes in economic growth, inflation, interest rates and global financial stability can influence credit demand, borrower cash flows, asset quality and funding costs. Economic slowdowns or inflationary pressures may weaken repayment capacity and compress margins. The Company mitigates these risks through a forward-looking risk management framework, strong capital and liquidity buffers, dynamic underwriting standards and integration of macroeconomic scenarios within the ECL framework.

Climate and ESG-Related Risk:

Climate-related physical and transition risks may impact borrower livelihoods, collateral values and sectoral credit profiles, particularly in regions vulnerable to extreme weather events. Transition risks arising from regulatory changes, technological shifts and evolving sustainability expectations may also affect counterparties. The Company incorporates climate risk considerations into its enterprise risk management framework through stress testing, vulnerability assessments and ongoing measures to enhance portfolio resilience in line with regulatory and sustainability requirements.

AI Risk:

The increasing adoption of AI introduces risks related to data quality, model bias, explainability, privacy, cybersecurity, and third-party dependencies. Unmanaged risks may lead to adverse customer outcomes, regulatory non-compliance and reputational impact. The Company has implemented a responsible AI governance framework encompassing strong oversight, risk-based classification of AI use cases, human-in-the-loop controls, robust model validation, monitoring and enhanced privacy and security safeguards.

Debt Management

Apart from risk management, the Company continues to focus on a robust debt management strategy to keep delinquent debt at minimal levels. Debt management forms an important part of the Company's portfolio management strategy, supported by a dedicated structure and strict servicing protocols for missed payments. BFL considers debt management as a customer service function aimed at enabling fair and ethical recovery of delinquent accounts and past-due payments.

BFL continues to invest in its debt management structure, service organisation, processes, employee and agency training, and compliance controls. It follows a strong governance model and ensures strict adherence to regulatory and internal policies, code of conduct and fair practice code. Customers are offered multiple payment channels, including digital options, branch walk-ins, retailer points and doorstep debt management services.

The debt management journey begins before an instalment falls due, with advance intimations sent five to six days prior to the due date. This helps customers maintain adequate balances and avoid unintentional defaults. The journey is further supported through post-overdue counselling to encourage stronger repayment behaviour.

BFL follows a graded communication approach across the delinquency lifecycle, clearly communicating the importance of timely payment, avoidance of penal charges, available payment channels and payment confirmation. These communications are delivered through SMS, e-mail, tele-calling in vernacular languages and in-person visits.

The Company has a dedicated servicing structure aligned with business verticals for customers with current month outstanding, early delinquency, and NPA/write-off stage accounts. It leverages internal employees, call centres, digital channels, field agencies and legal channels for debt management.

To support non-intrusive debt management, the Company provided 30 digital payment options in FY2026. These include NEFT, RTGS, BBPS, UPI, wallets and other payment mechanisms. Such digital channels, together with branch walk-ins, accounted for approximately 67% of debt management volume. BFL has also strengthened its physical service infrastructure, with dedicated debt management service desks across 38 branches.

In November 2022, the Company received accreditation from the Indian Institute of Banking and Finance (IIBF) to conduct Debt Recovery Agent (DRA) training. As part of its continued investment in certification and capability building, the number of employees certified under the DRA process increased to 43,628 in FY2026 from 32,258 in FY2025. It plans to add 20,000 trained agents and 15,000 DRA-certified agents.

BFL has established a structured learning ecosystem for its collection agents, comprising 223 situational training videos, with an additional 41 videos developed in 10 vernacular languages during FY2026. These are deployed through the DMSOne App to reinforce fair, compliant and customer-sensitive recovery practices. During the year, the Company further strengthened its debt management services (DMS) function by adding over 2,182 resources to enhance geographical reach and recovery effectiveness. For certain segment of delinquent customers physical interaction has been reduced and replaced by automated payment notifications to nudge them towards honouring their dues.

Portfolio Quality

BFL has lending and servicing experience across 119 million customers. Its business model remains focused on acquiring mass affluent customers who typically offer larger wallets, better cross-sell opportunities and more acceptable risk profiles.

- As of FY2026, the Company had a presence across 4,098 locations, including 2,571 rural and 1,527 urban locations.
- The portfolio mix continued to shift toward secured lending, with the secured pool accounting for 63% of consolidated AUM in FY2026, up from 61% in FY2025. Mortgages remained the largest secured contributor at ~31.78% of consolidated AUM in FY2026 (FY2025: ~31.07%). In parallel, the Company further reduced exposure to relatively higher-risk two- and three-wheeler finance, which declined to ~2.47% of consolidated AUM in FY2026 from ~4.16% in FY2025. Overall, this rebalancing underscores BFL's continued pivot toward lower-risk, collateral-backed assets and a more resilient portfolio profile.
- BFL continues to execute its 'acquire and cross-sell' strategy, anchored in the demonstrably lower credit risk of existing customers versus new-to-company customers, supporting stable portfolio risk outcomes across cycles. On a consolidated basis, gross NPA stood at 1.01% as on 31 March 2026 (31 March 2025: 0.96%), while net NPA improved to 0.41% (31 March 2025: 0.44%), reflecting sustained portfolio quality and disciplined risk management.

- Provision coverage on non NPA (standard) assets improved by 26 bps, increasing from 118 bps to 144 bps, primarily driven by the implementation of Loss Given Default (LGD) flooring during the year. In addition, the Company recognised an incremental management/macroeconomic overlay of ₹ 67 crore, taking the total macroeconomic overlay to ₹ 134 crore, further strengthening forward looking buffers against potential macroeconomic volatility.
- Overall, the Company's diversified portfolio, calibrated risk appetite, continued pivot toward lower risk asset classes, and disciplined portfolio monitoring remain key pillars underpinning resilient asset quality and sustainable long-term growth.
- The Company's provision coverage ratio (PCR) strengthened to 60% in FY2026 from 54% in FY2025, reflecting a more conservative and resilient provisioning stance.

Table 8: Business-group-wise snapshot of provisioning coverage is presented below

Business Group	Gross AR	GNPA	ECL Prov	NNPA	Std. Prov.	Standard Account mix%	Std. Prov%	GNPA%	NNPA%	PCR
Captive 2W & 3W Finance	4,726	678	322	356	116	85.65%	2.86%	14.37%	8.09%	46%
Open Market 2W & 3W Finance	8,506	138	62	76	120	98.38%	1.43%	1.62%	0.90%	45%
Urban Consumer Finance	38,090	161	139	22	521	99.58%	1.37%	0.42%	0.06%	86%
Urban Personal Loans	106,478	1,308	906	402	3,006	98.77%	2.86%	1.23%	0.38%	69%
MSME Lending	51,216	1,358	854	505	1,332	97.35%	2.67%	2.65%	1.00%	63%
CV & Tractor Finance	3,923	31	15	16	27	99.21%	0.70%	0.78%	0.41%	48%
Commercial Lending	33,890	26	13	13	38	99.23%	0.11%	0.08%	0.04%	51%
Loan Against Securities	33,574	7	3	4	10	99.98%	0.03%	0.02%	0.02%	21%
Mortgages	156,257	846	402	443	663	99.46%	0.43%	0.54%	0.28%	48%
Rural Consumer Finance	10,725	42	36	6	130	99.61%	1.21%	0.39%	0.05%	86%
Rural Personal Loans	26,601	250	218	32	1,149	99.06%	4.36%	0.94%	0.12%	87%
Gold Loans	17,837	58	3	55	3	99.67%	0.02%	0.33%	0.31%	5%
MFI Business	2,248	13	10	2	40	99.47%	1.80%	0.55%	0.10%	83%
Car Loans	15,173	203	74	130	88	98.66%	0.59%	1.34%	0.86%	36%
Total Consolidated	**509,244**	**5,119**	**3,057**	**2,062**	**7,243**	**98.99%**	**1.44%**	**1.01%**	**0.41%**	**60%**

Operational Risk Management (ORM)

Operational risk is 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 in BFL's business activities, as well as in the related support functions. The goal is to keep it at an appropriate level relative to the characteristics of BFL's businesses, the markets in which it operates and the regulatory environment.

The Company has implemented the Operational Risk Management & Operational Resilience guidelines issued by RBI. The Company besides ensuring a robust implementation of board approved Risk Management Policy has also scaled up in the implementation of Operational Risk Management Policy approved by the Board. The execution of both the policies is in line with RBI's directions and ensures that the risk assessment and risk monitoring is done very closely.

The ORM Framework of BFL enables systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the operational risks. The Risk Management tools of RCSA and KRI Monitoring are being used regularly to ensure that the risks identified as a part of self-assessment and validation frame are being tracked and reported to the Top Management and the Board on regular intervals. Basis the risk processes identified, the Company is taking proactive steps by translating them into actionable to ensure improvement in the identified metrics. 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.

In the current financial year, the Company has also moved to an Integrated Risk Management Governance, Risk and Compliance(GRC) Platform, which acts as a central platform for operational risk management (ORM). The Company has enabled the operational risk management tools in the platform to ensure that assessment, measurement, monitoring, mitigation and reporting of the operational risks moves into a consolidated risk information, allowing for a 360-degree view of risk exposure across departments. The tool evaluates and provides valuation of inherent risks, control effectiveness, and residual risk. The monitoring of KRIs helps defining risk thresholds and monitors key risk indicators (KRIs) in real-time, preventing operational issues.

BFL uses '3 lines of defence model' as a key component to manage its operational risks. As per this regulatory frame -

- The businesses and functions play a critical part in managing operational risk daily.
- BFL has also defined internal control practices across all processes, units and functions for the management of its day-to-day activities. It has established a 'Customer Complaints Root Cause Analysis' team to fix policy and process gaps that lead to customer complaints. In addition, it has cross-functional teams to identify and implement process changes keeping customer expectations in mind.
- The operations unit has a dedicated process compliance team for concurrent audits to monitor adherence to laid down policies and processes. Controls on operations processes executed from branches and the Head Office are managed through defined processes to be adhered to by customer facing and operations staff.
- Frauds are investigated to identify the root cause and relevant corrective steps are recommended to prevent recurrence. The risk team deliberates with senior management on high value fraud events and advises preventive actions.
- Risk identification and continuous monitoring of risk is carried out at multiple levels through the tracking of key indicators (KRIs/KPIs).
- Operational risks and controls are identified and assessed through Risk and Control Self-Assessments (RCSA).
- BFL has opted for a bottoms-up approach to risk identification, where internal compliance teams embedded across businesses and functions drive ownership and culture of minimising operational risk by developing a strong control culture and, hence, making it the first line of defence. These units also monitor adherence to policies and processes laid down by the organisation which cover the length and breadth of the customer life cycle.

In BFL, internal compliance consists of following units which cover the length and breadth of the customer life cycle.

- **Sales Compliance unit:** Embedded in business units with focus on controls in the sales units around onboarding of customers across areas like information security, process lapse, misinformation, and mis-selling.
- **DMS Compliance unit:** Embedded in debt management services ensuring strict adherence of code of conduct policy and fair practice code by the debt management services agencies. It also enforces a penal staircase for non-compliance. BFL investigates every customer complaint pertaining to debt management services and takes appropriate corrective, preventive and penal action.
- **Process Compliance unit:** Embedded in operations to monitor processes focused on customer transactions, services and all customer interactions.
- **Technology Compliance unit:** Embedded in the information technology unit with focus on internal and external environment consisting of network, applications, quality, cloud services, data management, security and review of rules and regulations.
- **Risk unit:** Focus on product programme and related credit policy adherence in the loan book. The activity aims at making sure that loans which are disbursed adhere to the policies and procedures put in place by the organisation.

Operational Resilience

BFL applies a range of risk management practices to effectively manage operational risks and strengthen operational resilience. It has put in place policies and procedures governing key areas such as Business Continuity Planning (BCP), Change Management and Outsourcing Risk, which are overseen by the respective committees.

Technology

In FY2026, technology played a pivotal role in driving enterprise-wide transformation, resilience, and scale across BFL. The organisation modernised core platforms, strengthened cyber and operational resilience, and enabled data-driven, customer-centric digital journeys. Key programs focused on platform consolidation, cloud and API scalability, zero-trust security, real-time digital visibility, and AI-led personalisation. These resulted in faster time-to-market, improved customer experience, cost optimisation and stronger regulatory compliance. Collectively, these initiatives have established a secure, scalable, and future-ready technology foundation to support business growth and innovation.

Business Applications

During the year, core business applications were simplified and modernised to improve speed, reliability, and scalability. Several customer facing and internal journeys were redesigned to reduce turnaround time, enable straight through processing, and support growth without adding complexity.

- **Faster sourcing and servicing journeys:** B2B onboarding and sourcing journeys were redesigned with AI interventions and automations resulting in a 50% reduction in turnaround time—from 26 minutes to 13 minutes for both new and existing customers loan processing, improving overall experience.
- **Stronger integration and system connectivity:** System for hosting APIs for application integrations was upgraded to handle higher volumes securely and reliably to a new platform ensuring smooth data exchange between systems.
- **Modern enterprise workflow platform:** Core internal workflows were migrated to a unified cloud-based platform, improving process standardisation, audit readiness, and response time across teams. IT also manages entire lifecycle of outsourcing partners from onboarding to offboarding, enabling information availability in one platform.
- **Smart lease platform:** Developed leasing platform, enabling all business needs from onboarding of corporate customers to product journeys for new and used cars and lease transfers.
- **Real time digital visibility:** End-to-end visibility across mobile and web journeys has been delivered to a platform called Digital 360 that enables quicker detection of issues and faster resolution, thus reducing customer impact and improving service stability.
- **Platform consolidation:** Multiple core platforms have been consolidated into fewer, standardised systems — lowering operating costs, reducing duplication, and improving system performance and scalability.

50%
Faster loan processing Enabled through AI-led onboarding and automation

Consumer APP & Web

Digital platforms have been enhanced to support faster content updates, improved discovery and better conversion across customer touchpoints. The emphasis is on agility, performance, and consistency.

- **Reusable digital components:** A shared library of standardised components enabled faster development and more consistent customer experience across applications and websites.
- **Independent and faster releases:** With componentisation, teams are able to launch updates independently without disrupting the full platform, improving release speed and flexibility.
- **Enhanced content management:** Content management system has been upgraded enabling increased and quicker content creation or updates, reducing dependence on large releases and enabling timely customer communication.
- **Bajaj Mall platform modernisation:** Improvements in scalability and discoverability helped support higher traffic, better performance, and improved customer engagement.

Tech Infrastructure

Infrastructure upgrades in FY2026 focused on building a resilient, scalable, and cost-efficient foundation, supporting business growth while ensuring uninterrupted availability of critical systems. A key area of differentiation during the year was a conscious move towards a true multi-cloud strategy, not only for scale but also for disaster recovery and long-term resilience.

- **Multi-cloud adoption at scale:** The organisation now operates a diversified computing footprint across multiple cloud service providers, enabling flexibility, vendor resilience, and optimised workload placement.
- **Cloud agnostic application strategy:** The goal is to distribute applications across multiple cloud platforms to reduce dependency on any single provider and improve resilience. 10 applications are live on a multi-cloud setup, with a further 6 applications currently in progress. This is effectively strengthening portability, recovery flexibility, and long-term operational resilience.
- **Network and access modernisation:** Office and branch connectivity upgrades have been implemented which have improved application performance and reliability while optimising infrastructure costs.

Cyber Security

Cyber security remained a priority, with strong emphasis on protecting customer data, strengthening system defences and improving threat monitoring. These involve:

- **Zero trust security model:** A comprehensive zero trust approach has been implemented across users, data, applications, networks, and devices, ensuring access is granted strictly based on identity and context.
- **Security Operations Centre (SOC):** Centralised security monitoring capabilities were strengthened to enable continuous threat detection, faster incident response and improved visibility across digital and cloud environments.
- **Multi-factor authentication (MFA):** Strong authentication controls were expanded across critical enterprise systems, significantly reducing the risk of unauthorised access.
- **Cyber insurance:** Cyber insurance has been revised with increased inclusions, enhanced coverage on account of our increased digital footprint.
- **Responsible use of AI:** Dedicated controls ensure that AI solutions are deployed responsibly, securely and in alignment with regulatory, ethical, and risk management expectations.

IT Compliance

Governance and compliance capabilities have been strengthened to ensure that systems operate responsibly, securely and in line with regulatory expectations. These involve:

- **Defined process ownership:** A dedicated process owner model has been implemented across key IT processes such as change management, access control, incident handling and vendor management, ensuring clear accountability, consistent execution, and stronger regulatory alignment.
- **Outsourcing governance:** Structured governance and oversight mechanisms have been established for outsourced technology services, strengthening third party risk management, compliance adherence and service continuity.
- **AI compliance and governance:** Dedicated AI compliance frameworks and controls have been established to ensure AI solutions meet regulatory, ethical, and risk management expectations, working closely with security and business teams to support responsible adoption at scale.

Technology Innovation & Collaboration Centre (TICC)

BFL's Technology Innovation & Collaboration Centre (TICC) strengthened its role as the organisation's innovation and technology acceleration hub. Over the year, it expanded start-up partnerships, global collaborations and OEM engagements, driving AI led digital transformation. TICC also emerged as a knowledge and thought leadership centre through curated content, innovation forums, and large scale tech showcases.

Artificial Intelligence (AI)

AI has become a cornerstone of innovation, fundamentally reshaping industries by driving automation, enabling data-driven decision-making and unlocking new levels of personalisation. In December 2025, BFL introduced the 3.0 strategy, embarking on a transformative journey to become a FINAI company. This evolution is fuelled by an advanced AI-driven technology architecture that integrates intelligence across all processes, enhancing customer engagement, boosting revenue, reducing operational costs, optimising credit risk, improving productivity and strengthening financial governance. In this journey, BFL remains committed to responsible AI principles — ones that ensure fairness, transparency, privacy and security.

Strategic AI Pillars: Enterprise, Consumer, Data, and Agentic

In the LRS FY2026-30, we have identified that technology leadership will be the primary catalyst to transition BFL into a truly customer-centric FINAI company. FINAI implementation is underway across each line of businesses and should start to reflect in costs and productivity benefits in the next 12-18 months. We are building an AI-native financial services institution where intelligence is embedded into every decision through the following strategic dimensions:

1. **Enterprise AI**

   70 use cases have been identified under the Enterprise AI framework, structured around specialised teams to drive focused execution and operational excellence. Voice AI, Text AI, Vision AI, Content AI, Tech AI, and AI for BI together form an end-to-end AI portfolio. These together enable human-like voice and text conversations, data extraction from images and documents, on-demand content creation, accelerated software development and testing, and intelligent, conversational enterprise analytics powered by autonomous agents.

2. **Consumer AI** is the use of AI technologies designed to power everyday products and experiences that make the consumers' life simpler, more personalised and transformational. The following initiatives are planned for FY2027 to further scale and embed Consumer AI capabilities.

   - Re-architect 22 business and 2 service journeys; inject AI features like AI-summaries, AI in-page search, AI vision for document scans on existing digital platforms.
   - Deploy AI-enabled experiences across App and Website covering all business and service journeys.
   - Enable customer discovery across leading AI platforms such as ChatGPT and Gemini build a new consumer AI platform with "Explore" as a core capability for business and service journeys.

3. **Agentic AI** represents the next frontier in automation, where autonomous, intelligent agents go beyond predefined workflows and rule-based automation. These agents can reason, plan, adapt, and collaborate across systems and processes. It enables a shift from process-centric automation to goal-oriented autonomy.

   - Dedicated 40-member multi-disciplinary team has been created across domains, technology and data in the Agentic AI team.
   - We have finalised two agentic platforms, with 27 agents deployed in FY2026 across 16 identified use cases spanning Service, Operations, HR, and IT.
   - For FY2027, over 100 use cases have been identified across businesses and functions with a total of over 600 agents to be created.
   - We will be creating Enterprise BLU - an AI powered enterprise assistant that can answer general purpose queries, personalised queries and help resolving transaction queries with respect to sales helpline requests, IT helpdesk and service desk requests, processing claims, applying leaves, analysing data and generating reports for all employees.

4. **Data AI**

   The Data AI, Data Tagging, and Custom Model AI together enable scalable data intelligence by transforming unstructured data into structured form, generating behavioural insights from digital and voice signals, and building custom models for credit risk, personalisation and propensity scoring.

AI Domain Team

The Company have a dedicated 200 plus member AI organisation, structured across domains — voice, text, vision, risk, ops and services — each with clear domain and AI ownership. Our technological architecture has been re-designed around these domains, so AI can be deployed across every customer touchpoint and operational workflow at scale.

Update on AI capabilities in FY2026

In FY2026 further investment would be made in building and usage of AI capabilities. A total of 131 high impact use cases across businesses and functions were identified, of which 84 went live in the same year, delivering the following benefits:

1. Conversational Voice and Text BOTs:
   - Through our Conversational AI BOTs (voice and text), we achieved over ₹ 5,520 crore in loan disbursals in FY2026.
   - Currently, 17 conversational text BOTs are live with a target of reaching 32 BOT in FY2027.
   - Nearly 65% of customer service resolutions across Interactive Voice Response (IVR) and Chat BOT were handled via AI in FY2026.
2. Data AI:
   - At the enterprise level, our Data AI is unlocking structural value. Over 52 million voice logs were converted into text, enabling ₹ 697 crore annual disbursals.
   - We also transformed 2.3 million of underwriter personal discussion notes into structured datasets. This foundational shift strengthened underwriting quality and cut turnaround time during the year.
3. Vision AI:
   - On processing automation, Vision AI is live across 43 document types. We are on track to cover all document types by FY2027.
   - This AI-enabled processing eliminated manual verification for over 6.9 crore documents, achieving 44% auto-QC in file processing.
4. Agentic AI:
   - It reflects the future of our operating model. In FY2026, 32% of service emails were autonomously processed through Customer Relationship Management (CRM) AI agents.
5. Tech AI:
   - AI-Coding assistant in Software Development Life Cycle (SDLC) helps us achieve 24% developer efficiency.
6. Content AI:
   - Generative AI for content creation resulted in creation of 520,000 banners and 1.5 million videos.

The Company now have a Board-approved AI governance framework in place that emphasises safety, fairness, transparency and accountability across the full model lifecycle.

Analytics

The Company continues to strengthen its risk analytics capabilities through a modern, scalable data platform built on Microsoft Azure and Databricks. The platform supports large-scale data processing, well-governed pipelines, and consistent access to high-quality enterprise data. It enables risk, analytics, and business teams to work on unified datasets and supports the disciplined development and deployment of analytical models and insights.

The Company draws on a wide range of customer-level data to improve credit risk assessment. Internal repayment behaviour, bureau credit histories, and consent-based banking data from the Account Aggregator ecosystem together provide a comprehensive view of customer creditworthiness. These are further enriched with demographic, transactional, and product-level attributes to create stronger predictive features. The integration of these data sources significantly improves risk differentiation, particularly for thin-file and new-to-credit customers.

Risk managers rely on these data assets for continuous portfolio monitoring and risk assessment. Cohort tracking, flow-rate analysis, and early detection of emerging stress signals help identify both resilient and vulnerable customer segments. These insights enable timely refinements to credit policies, including swap-in and swap-out decisions, eligibility criteria, and exposure strategies, supporting disciplined growth while protecting portfolio quality.

BFL has also advanced its credit risk models through modern machine learning techniques, particularly gradient boosting algorithms that capture complex interactions across bureau, banking, and behavioural variables. These models are used across acquisition and behavioural scorecards to improve predictive accuracy. The Company has also strengthened model explainability through techniques such as SHAP (SHapley Additive exPlanations) and feature contribution analysis, which provide clearer insight into model decisions and enhance stakeholder transparency.

All risk models operate under the Board-approved Model Risk Management (MRM) Policy and undergo rigorous validation by independent internal teams and external partners. Performance testing, stability checks, and regular monitoring help ensure that models remain robust, well controlled, and fully compliant with the MRM framework.

Further, at the enterprise level, Company's Data AI unlocked structural value, over 52 million voice logs were converted into text, enabling ₹ 697 crore annual disbursals.

Company also transformed 2.3 million of underwriter personal discussion notes into structured datasets. This foundational shift strengthened underwriting quality and cut turnaround time during the year.

Customer Service

BFL continues to focus on delivering superior customer experience by proactively addressing and reducing customer queries and complaints. As an omnipresent financial services organisation, the Company has significantly invested in automating customer journeys to deliver seamless, intuitive and consistent experiences across touchpoints. Artificial intelligence (AI) has been central to this transformation, with capabilities embedded across service journeys to enhance efficiency, accuracy and personalisation.

Dedicated teams manage customer resolution and automation initiatives, supported by continuous monitoring of key service parameters and systematic collection of Voice of Customer (VOC) feedback. The Company evaluates the performance of customer-facing channels through transactional Customer Satisfaction (CSAT) tracking across multiple service interactions. As at 31 March 2026, BFL received over 21.85 million responses and achieved a strong CSAT score of 95%, reflecting sustained service quality and customer satisfaction.

To ensure alignment between customer experience, compliance and governance, BFL has established a centralised Customer Centric & Compliance Office (CCCO). The CCCO ensures that customer experience design, product updates and technology changes are customer-focused, compliant from inception and governed consistently. This is particularly important as the Company expands its products, channels and partnerships within an increasingly complex regulatory environment.

Digital self-service

BFL continues to strengthen its digital self service capabilities, with over 29 service modules and over 345 service processes now available across the app and website. Initiatives taken during the year such as the launch of the "Seva Kendra" service section and enhanced informational pages have improved customer awareness and enabled faster self-resolution, contributing to an approximately 20% reduction in service requests.

During the year, the Company accelerated adoption of Generative AI to enhance both customer experience and operational efficiency. This included refreshing ~17,700 banners using image-based AI, launching a GenAI chat feature serving ~5.7 million monthly users and enabling a "Chat First" approach across 56 request and resolution types, which drove approximately 90% reduction in service volumes.

BFL's "App = Web = IVR" strategy enabled a unified servicing experience by standardising journeys across key channels, thereby reducing friction and improving ease of resolution. This supported a continued shift towards digital-first servicing, reflected in lower branch walk-ins (0.70% vs. 0.95%) and higher digital payment adoption at branches (94% in urban and 82% in rural locations). The organisation also deepened automation, enabling over 2.7 million customers to update demographic details digitally without human intervention. Further, vernacularisation initiatives such as offering No Due Certificate (NDC) and Foreclosure Letter (FCR) in 19 languages enhanced accessibility and inclusivity.

The Company strengthened customer data governance in line with the Digital Personal Data Protection (DPDP) Rules, 2025 by implementing a comprehensive digital consent management framework. This allows customers to manage privacy preferences, including consent revocation, data deletion and account closure, thereby enhancing transparency and trust. Additionally, servicing journeys were extended to co-applicants, ensuring consistent access to information.

BFL also enhanced its IVR channel, which handles approximately 19 million calls annually, by introducing 35 new Do-It-Yourself (DIY) modules, UPI-enabled collection capabilities (₹ 183 crore) and an AI-powered voice BOT. These initiatives led to a 94% DIY resolution rate, a reduction in agent transfers (from ~75,000 to ~31,000) and headcount optimisation (from 91 to 30 agents), while maintaining a strong voice channel CSAT of 93%.

Overall, self-service adoption remains robust at 96%, with 98% on the app, 95% on the web and 94% on IVR, reinforcing BFL's digital-first servicing strategy and delivering scalable efficiency alongside high customer satisfaction.

Fair Practice Code (FPC)

FPC is at the core of dealing with customer and to reinforce its commitment to regulatory compliance and customer-centricity. This unit actively collaborates with all businesses and functions to ensure adherence to regulatory guidelines and proactively identify opportunities for improvement. An approved Product Program and Audit Framework, underpinned by baseline FPC metrics, tracks the charges levied and guarantees precision in every loan processed. Through continuous oversight and timely interventions, the FPC unit ensures transparency, fairness and accountability across all operational processes.

To further strengthened the Company's product approval governance framework, the Company instituted a comprehensive Product Approval Policy and governing committee(s) for the introduction, modification, and discontinuation of products. The Product Approval Committee (PAC) operates through a structured and well-documented process, supported by specialised sub-committees such as the Credit Risk Policy Committee (CRPC) and the Product Operations Process Committee (POPC), thereby ensuring oversight from risk, process, and customer fairness perspectives.

To promote transparency and informed customer choice, a separate OTP-based consent was implemented across all cross-sell and bundled product offerings. In line with its customer-centric approach, the Company discontinued various contingent fees and charges such as switch fees, duplicate NOC charges, EMI card annual fees, etc. A Concurrent Audit Framework has been implemented to mitigate exceptions in loan booking as against customer consented collaterals. This framework introduces enhanced controls and ensures the timely implementation of corrective and preventive actions for any identified issues.

The Company has a well-established process of half-yearly review of bottom-up pricing across PPG for timely transmission of interest rate and operating leverage benefits to customers. The bottom-up pricing is periodically reviewed by Product Approval Committee (PAC) and presented to Risk Management Committee (RMC) and also independently verified by Internal Audit.

RBI Ombudsman and Internal Ombudsman

Internal Ombudsman (IO)

BFL has implemented the Internal Ombudsman (IO) mechanism to provide an independent review of complaints that are wholly or partly rejected by the Regulated Entity (RE), in line with the RBI Master Direction.

In January 2026, the RBI issued revised directions for NBFCs — Reserve Bank of India (Non-Banking Financial Companies – Internal Ombudsman) Directions, 2026. The changes prescribed thereunder have been successfully implemented by BFL.

The Office of the Internal Ombudsman works closely with internal teams on complaints and escalations received and collaborates with relevant departments and stakeholders to ensure timely closure of actionable items identified during the review process.

BFL has three Internal Ombudsmen, supported by a dedicated secretarial team responsible for case screening, review support, secretarial coordination and examination of resolutions in cases falling within the IO framework.

All customer allegations and RBI escalations are reviewed and validated by the Internal Ombudsman before responses are issued to customers and submissions are made to the RBI Ombudsman offices, respectively. The IO referral process is managed through the BFL CRM system and is now fully automated. During the year, no decision of the Internal Ombudsman was overridden by BFL. The referral process is now fully automated within the CRM.

The Internal Ombudsmen are permanent invitees to the Customer Service Committee of the Board (CSCB) and to various internal review forums involving customer service and grievance redressal.

RBI Ombudsman

BFL has a dedicated team to manage customer complaints and escalations received from RBI offices, including the RBI Ombudsman, the Consumer Education and Protection Department (CEPD), and the Department of Supervision (DoS). The team ensures timely and appropriate responses to all such escalations in line with prescribed timelines.

The RBI escalation handling team comprises 11 members and is responsible for resolving customer escalations in a timely manner and liaising with the RBI Ombudsman offices to provide clarifications and supporting information for closure.

To strengthen responsiveness and coordination, BFL has established a localised presence in Chennai, Kolkata, Chandigarh, Hyderabad and Lucknow.

All 24 RBI Ombudsman offices are internally mapped to designated nodal officers within BFL to ensure seamless handling and timely resolution of escalations.

The team also focuses on reducing customer escalations through data analysis, customer interactions and root-cause identification.

In coordination with, and under the guidance of, the RBI Ombudsman offices, BFL also undertakes customer awareness and education programmes. During FY2026, five offline programmes were organised with participation of over 1,200 individuals.

Initiatives to Reduce Customer Complaints

- Complaint Root Cause Resolution (CRCR): A dedicated CRCR team has been operational since January 2021 on a suo motu basis to conduct detailed analyses of customer complaints, identify process and system gaps, and implement corrective and preventive actions.
- *Grahak Sampark:* Launched in April 2024 under the guidance of the Managing Director, this initiative has also been recommended on the RBI Daksh portal for monitoring the quality of grievance resolution by regulated entities, in line with RBI guidelines issued on 13 March 2025. In FY2026, 24 meetings were conducted across 117 branches, covering 229 customers.
- Customer Service Committee framework: During FY2026, meetings were conducted across 588 branches with participation from 6,597 customers, including 1,806 women and 218 senior citizens. The branch coverage included FD, urban, rural, gold loan and MFI locations.

Following are some of the BFL's processes initiated to meet RBI Expectations

- The Company converts all RBI directives into clearly identifiable actions and compare them against the process followed by the Company to ensure complete compliance with RBI directions.
- Constituted a Product and Process Approval Committee (PAC), supported by CRPC and POPC sub-committees, to evaluate and approve new products and changes to existing products/processes through a structured governance and review mechanism.
- Implemented a robust three-member Internal Ombudsman structure, backed by an expanded support team, to enable faster, more effective and impartial customer grievance resolution.
- Increased digital KYC penetration to ~94%, enabling a paperless, seamless and quicker onboarding experience while reducing identity fraud risk and improving overall customer experience.
- Digitisation and technology are leveraged for data analysis and continuous improvement in service quality.
- Customer awareness programmes and campaigns continue to be undertaken on an ongoing basis.

Customer Communication

BFL manages customer communications through a dedicated unit that continuously reviews, strengthens and governs communication content across the customer lifecycle, supported by self-service videos to encourage customers to resolve routine enquiries digitally and reduce reliance on assisted channels. In parallel, BFL has institutionalised an enterprise-wide communication governance model through a centralised team that standardises lifecycle communication content in line with governance standards and works closely

with product, business, operations, service and debt management teams to ensure consistent, compliant communication across pre- and post-acquisition stages.

Key initiatives

- Recon setup for regulatory communications to ensure zero communication failure.
- B2B Message Centre improved communication delivery from 96% to 99%.
- Rollout of Statement of Account, Foreclosure Letter and Repayment Schedule communications are now available in 19 vernacular languages to enhance accessibility and customer understanding.

Online Educational Campaigns

During FY2026, BFL conducted extensive awareness campaigns across social media platforms such as Facebook, X, Instagram and YouTube, covering app adoption, the benefits of timely EMI payments, self-service options and cyber security awareness. Under RBI's seven customer awareness cohorts — Account Operations, Avenues of Redressal, Charter of Customer Rights, Digital Banking, Digital Frauds, Remittances/Facilities for Senior Citizens and Loans — 2,230 campaigns were rolled out, resulting in 3,459 posts comprising 825 static creatives and 2,634 videos. These initiatives generated approximately 1.7 million impressions and 2.2 million video views.

Customer Service Channels

Customers can connect with BFL through multiple assisted and self-service channels to access services, raise requests and register complaints relating to loans, products and services. These channels include the mobile app, My Account (website), e-mail, dedicated service branches, call centre, branch visits and chatbot.

Credit Rating and Asset Liability Management (ALM)

BFL continues to enjoy the highest credit ratings for its borrowing programmes, reflecting the confidence of rating agencies in the Company's financial strength, governance standards and liability management practices.

Its long-term debt programme is rated AAA/Stable by CRISIL, ICRA, CARE and India Ratings, while its short-term debt programme carries the highest A1+ rating from CRISIL, ICRA and India Ratings. BFL's deposits programme is also rated at the highest level, with CRISIL AAA/Stable and ICRA AAA/Stable.

AAA/Stable
CRISIL, ICRA, CARE and India Ratings in FY2026 long-term

A1+
Highest rating from CRISIL, ICRA and India Ratings short-term

Further strengthening its international credit profile, on 14 August 2025, S&P Global Ratings upgraded the Company's long-term issuer rating from BBB-/Positive to BBB/Stable and its short-term issuer rating from A-3 to A-2, following the upgrade in India's sovereign rating.

On 4 August 2025, Moody's Ratings assigned BFL a Baa3 Corporate Family Rating with a Stable outlook and simultaneously withdrew the earlier Baa3/P-3 long-term and short-term foreign and local currency issuer ratings.

Baa3
Moody's Corporate Family Rating assigned in FY2026

BBB/Stable
S&P Global Upgrades Company Rating in FY2026

BFL's consolidated borrowings stood at ₹ 435,112 crore as on 31 March 2026.

The Company's Asset Liability Committee (ALCO), constituted in line with RBI guidelines, continues to monitor asset-liability mismatches closely to ensure that there are no undue imbalances or concentration risks on either side of the balance sheet. BFL's business model inherently provides an ALM advantage, supported by steady EMI inflows from its short-tenor businesses, which place it in a favourable position to service near-term liabilities.

BFL meets its liquidity requirements through a diversified funding mix encompassing market instruments, bank borrowings, external commercial borrowings, securitisation and public deposits. In parallel, the Company maintains a prudent asset–liability maturity profile and preserves adequate on balance sheet liquidity buffers over and above statutory and regulatory requirements, including the RBI-prescribed Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR). As part of its liability diversification agenda, BFL is progressively scaling borrowings via Pass Through Certificates (PTCs) to complement conventional funding sources and also undertakes select portfolio assignments. This disciplined approach to liquidity management and resource mobilisation enabled the Company to comfortably meet debt servicing obligations and support business growth, even amid tight systemic liquidity conditions during FY2026.

At the consolidated level, BFL maintained an average liquidity buffer of ₹ 26,340 crore during FY2026, while the consolidated liquidity buffer as on 31 March 2026 also stood at ₹ 15,020 crore. These represented 3.77% of average outstanding borrowings and 3.45% of outstanding borrowings, respectively.

During FY2026, BFL also raised approximately USD 615 million of fully hedged external commercial borrowings (ECB) as term loans from multiple lenders and further strengthened alternate funding channels such as securitisation through pass-through certificates and resource mobilisation for Priority Sector Lending (PSL) on-lending. These further helped diversify the Company's borrowing profile and strengthened its overall asset liability management framework.

Reserve Bank of India has recently allowed inclusion of non-bank entities in the term money market. It is expected to deepen market liquidity while providing NBFCs with an additional avenue for short-term funding and improve liquidity management.

BFL continues to remain well above the regulatory requirement for Liquidity Coverage Ratio (LCR) applicable to deposit-taking NBFCs. As on 31 March 2026, BFL maintained an LCR of 128.38%, while BHFL maintained an LCR of 152.52%, both comfortably above the RBI's stipulated norm of 100%.

BFL maintains its stock of high-quality liquid assets primarily in the form of treasury bills, government securities and cash, enabling it to withstand potential liquidity stress events.

For liquidity and investment management, BFL operates through both Subsidiary General Ledger and Constituents' Subsidiary General Ledger accounts. These structures provide operational flexibility and improve the Company's ability to generate high-quality liquidity through repo operations. Government securities maintained for liquidity management are held in the Subsidiary General Ledger account, while securities maintained for Statutory Liquidity Ratio purposes are held through the Constituents' Subsidiary General Ledger account, thereby ensuring efficient monitoring and strong adherence to regulatory requirements applicable to a deposit-taking NBFC.

The behavioural maturity profile of BFL's assets and liabilities continues to reflect a prudent and conservative asset liability management stance. It has maintained a positive ALM position in the 1–7 days bucket against the RBI's permitted negative ALM mismatch of up to 10%. Likewise, in the cumulative buckets of 8–14 days and 15–30/31 days, BFL has maintained cumulative positive balances, as against the RBI's permitted cumulative negative ALM mismatches of up to 10% and 20%, respectively.

As on 31 March 2026, the assigned portfolio outstanding stood at ₹ 5,760 crore on a standalone basis and ₹ 11,425 crore on a consolidated basis. BFL's strategy of maintaining a relatively longer duration for liabilities than assets, together with an optimal mix of borrowings across banks, money markets, external commercial borrowings and deposits, has supported effective ALM management and helped the Company manage its net interest margin through FY2026.

Table 9: Behaviouralised ALM snapshot as on 31 March 2026

(₹ in crore)

Statement of Structural Liquidity as on: - 31 March 2026	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 to 5 years	Over 5 years	Total
Capital and Reserves and Surplus	-	-	-	-	-	-	-	-	-	103,122	103,122
Deposits	1,089	568	1,580	4,083	3,460	10,055	14,707	31,654	1,289	-	68,486
Borrowings from Commercial Paper	-	-	4,073	4,779	6,334	1,310	2,595	-	-	-	19,092
Borrowings from Banks/FI	3,582	3,916	1,653	1,167	5,936	6,669	26,957	48,179	11,520	173	109,753
Borrowings from Debentures	540	220	181	3,494	1,164	3,498	11,454	32,285	26,727	38,027	117,590
TREPS/REPO	14,988	-	-	-	-	-	-	-	-	-	14,988
Other Outflows	4,434	1,552	2,695	2,028	649	948	1,864	2,756	3,773	2,406	23,106
Total Outflows (A)	**24,632**	**6,256**	**10,183**	**15,550**	**17,543**	**22,481**	**57,578**	**114,874**	**43,309**	**143,729**	**456,137**
Cumulative Total Outflows (B)	**24,632**	**30,889**	**41,071**	**56,621**	**74,165**	**96,646**	**154,223**	**269,098**	**312,407**	**456,137**	
Cash, Cash Equivalents & Investments	11,082	40	12,605	18	3	2,668	8,162	1,572	493	14,531	51,174
Advances (Receivables under financing activities)	12,252	2,806	8,708	20,344	17,902	43,533	77,542	137,198	37,734	25,965	383,983
Other inflows	7,210	109	895	810	449	282	2,038	3,256	268	5,663	20,979
Total Inflows (C)	**30,545**	**2,955**	**22,208**	**21,172**	**18,354**	**46,483**	**87,742**	**142,026**	**38,494**	**46,159**	**456,137**
Cumulative Total Inflows (D)	**30,545**	**33,500**	**55,708**	**76,880**	**95,234**	**141,717**	**229,459**	**371,484**	**409,978**	**456,137**	
E. Mismatch (C - A)	**5,912**	**(3,301)**	**12,025**	**5,622**	**811**	**24,002**	**30,164**	**27,151**	**(4,816)**	**(97,571)**	
F. Cumulative mismatch (D-B)	**5,912**	**2,611**	**14,636**	**20,258**	**21,069**	**45,071**	**75,235**	**102,386**	**97,571**	**-**	
G. F as percentage Of B	**24%**	**8%**	**36%**	**36%**	**28%**	**47%**	**49%**	**38%**	**31%**	**-**	

Human Resources

BFL believes its people are its most important asset and a foundational source of long-term strength. As an equal-opportunity employer, the Company continues to strengthen people practices that help attract, develop and retain talent in a competitive environment. Its culture fosters entrepreneurial thinking, continuous learning and innovation, enabling employees to contribute meaningfully, grow and build fulfilling careers.

Attract, Retain and Nurture Talent

BFL continued to follow a balanced talent acquisition strategy focused on capability building, workforce expansion, early talent development and improved hiring outcomes. Campus and lateral hiring, supported by structured HR culture interviews, helped assess long-term potential and cultural alignment, attract diverse high-performing talent and strengthen the future leadership pipeline.

During FY2026, BFL onboarded approximately 7,473 full-time employees and transitioned 36,402 fixed-term contractual employees from outsourced roles into the organisation, improving controllership, reducing attrition and creating clearer pathways to full-time employment. Even as campus volumes moderated, the Company continued hiring Functional Trainees, Centre for Development of Advanced Computing (CDAC) IT freshers, Design Trainees from premier institutes and Management Trainees, while expanding AI and Data Science hiring. Improved post-offer engagement strengthened offered-to-joined conversion. BFL also plans to refine talent acquisition and HR culture interviews and launch a Field Management Trainee programme across megapolis and Tier 1 locations.

Employee Engagement

FY2026 deepened BFL's people promise — to listen actively, engage meaningfully, support employees holistically and create stronger growth pathways. BFL institutionalised Stay Interviews, conducting over 10,000 structured conversations every four months, supported by pulse connects, onboarding check-ins, skip-level interactions and E360 insights. The Stay Interview Blue Book standardised conversation quality and helped convert people insights into policies, leadership interventions and managerial practices.

BFL Social evolved as a vibrant internal digital workplace, with over 31,000 daily active users, 60,000 monthly active users, 73% engagement, more than 29,000 conversations, 340 active internal influencers against a target of 300, and approximately 3.68 million content views. Career mobility also remained a focus, with job rotation formalised organisation-wide for certain grades after specified tenure, strengthening capability depth, succession readiness and workforce agility.

Employee Benefits and Well-being

BFL continued to operate its Pure Life and Wellness ecosystem, integrating physical, mental and financial well-being into the employee experience. During the year, over 36,000 employees across India underwent annual health check-ups, and 10,075 employees with high or medium health risk enrolled in curated risk management programmes. Participation remained strong, with 7,203 stepathon participants, 1,858 marathon registrations, 23,585 yoga and Zumba attendees, mental health floor interactions with over 16,140 employees and 13,232 financial literacy webinar participants.

The wellbeing commitment was supported by a robust safety and crisis response framework. Through R.I.S.E. (Respect, Inclusivity and Safe Environment), standardised safety norms were implemented across 170 major locations, covering nearly 13,000 on-roll and contractual staff. Under CESD, BFL issued 215 safety advisories, coordinated insurance and ambulance support for 239 employees and family members, extended relocation and essential supply support to 120 colleagues, and completed 26 evacuations, backed by 24/7 multilingual assistance and the Guardian Angel protocol.

BFL's life-stage and care-oriented policies also evolved. Under SPECTRUM, the Company offers six months of post-maternity work-from-home support, reserved parking and travel allowances for expecting mothers. The iCare programme, supported by a 50% Company matching contribution, has crossed 65,000 registered contributors and extended critical financial support to over 195 employees, reinforcing psychological safety, empathy and institutional support.

Implementation of the new Labour Codes on 21 November 2025 marked a significant advancement in modernising India's employment framework by consolidating legacy labour laws and improving clarity, consistency and compliance. As rules are enforced, the framework is expected to promote workforce formalisation, stronger social security and welfare standards, and greater transparency. For BFL, this resulted in a one-time consolidated charge of ₹ 265 crore in FY2026, primarily due to increased gratuity liabilities. More than 44,500 employees were also newly covered under ESIC, supplementing the Company's existing medical coverage.

Culture: Strengthening "The BFL Way"

BFL's culture remains anchored in "The BFL Way", a distinct organisational differentiator. Its 15 culture anchors guide how employees work, collaborate and make decisions. During FY2026, the Company strengthened the last-mile cascade by integrating these anchors across four pillars — Communicate, Role Model, Recognise and Build — with over 900 Culture Marshals and Culture Ambassadors mentoring teams and modelling desired behaviours.

Recognising the importance of governance and regulatory discipline, BFL introduced its 15th Culture Anchor, "Compliance First", in December 2025, reinforcing ethical conduct, operational discipline, transparency and decision-making rooted in regulatory rigour. The first The BFL Way Survey, covering around 52,000 employees, generated insights on cultural strengths, opportunities and alignment, now being used for role-holder interventions, targeted nudges and leadership development actions.

Learning and Development

At BFL, learning is continuous, inclusive and aligned to different employee segments, including new joiners, first-time managers, senior leaders and women leaders. During FY2026, 84 women employees were trained through Navigator and Ascent. The Company introduced On Demand Learning (ODL) on the internal social platform, enabling learning posts, short multilingual webinars and query resolution for an active community of 60,000 learners, supported by over 3,750 certified trainer influencers.

New employees undergo a seven-day onboarding process, including functional induction by certified trainers covering culture, policies, practices and technology platforms. Existing employees continued to receive technical, functional and soft-skill programmes, while prompt engineering capability was built for AI readiness. In FY2026, BFL translated more than 7.9 million words of learning and customer-facing content into six languages and launched organisational induction for all FTCEs effective 1 November 2026.

Overall, more than 68,000 employees benefited from Instructor Led Training (ILT), Virtual Instructor Led Training (VILT) and self-learning formats. By March 2026, BFL had over 2,150 certified trainers who delivered more than 11,437 sessions, and employees invested over 2.9 million learning hours. Partnerships with Coursera, Go1, Percipio and Harvard University, along with company-sponsored MBA programmes under the Distance Learning Programme, continued to strengthen capability building and career progression.

Diversity and Inclusion

BFL views diversity and inclusion as integral to growth and organisational resilience. Its diversified business model enables employees across identities, locations and life stages to access equitable opportunities for capability building and career advancement. During the year, transparent, merit-led systems included onboarding of 19,248 new employees, capability enhancement for over 7,400 colleagues, an internal job posting marketplace enabling 2,649 role transitions, and Auto-Promotion advancement for 7,953 employees using objective performance metrics.

Leadership interventions such as PROPEL, SUMMIT, 30 Under 30, the Group Young Leaders Programme and the Finance Associate Programme strengthened the future talent pipeline. Inclusion platforms such as Her Alliance, Dhvani, Spectrum and PwD enablement initiatives kept support systems accessible across the lifecycle. Navigator and Ascent supported 66 emerging women leaders and contributed to 18 career advancements among senior women leaders. Together with life-stage policies for post-maternity support and expecting mothers, these initiatives helped make inclusion a lived reality and supported a high-performance culture grounded in capability, care and fairness.

Employee Celebrations

BFL promoted community, belonging and cultural inclusivity through organisation-wide celebrations. In FY2026, it hosted 14 regional festivals across 30 states and 1,971 locations, drawing over 90,766 attendees, including over 19,411 family members. These celebrations strengthened connection across geographies and reflected the Company's commitment to performance and community. BFL Social further supported this by linking over 64,000 employees across India.

Rewards and Recognition

BFL's rewards and recognition programmes reinforced a culture of excellence by celebrating exceptional performance and initiative. In FY2026, more than 13,240 employees were recognised and rewarded for exemplary contributions, strengthening motivation, desired behaviours and acknowledgement of high-impact work across teams.

Giving Back to Society

BFL's commitment to society was reflected through employee-led environmental stewardship. Under Aranya, the Company contributed to the plantation of 202,000 trees across 53 cities. A behavioural change programme to reduce single-use plastics eliminated over 3.5 crore paper cups since April 2025, embedding sustainability into everyday employee behaviour across a workforce of over 69,000 people.

Awards and Recognition

In FY2026, the organisation received several prestigious recognitions across HR, Marketing and IT.

- Great Place to Work® (GPTW) recognition across six categories, strengthening employer brand and talent positioning.
- Won Gold at IAMAI 16th Digital Awards for Best AI-Powered Product/Service, highlighting AI-led innovation.
- Received marketing accolades for Best Use of AI/ML (Adgully) and Best Customer Experience Strategy (AFAQS! Bankfin 360), reflecting strong digital marketing and CX execution.
- Awarded Gold for Best Data Quality in the Commercial Segment (NBFC) by TransUnion CIBIL, underscoring robust data governance and quality standards.
- Best Large NBFC at the BT Best Banks Awards 2026.
- Best NBFC in BFSI Sector for "Face Authentication" by the Unique Identification Authority of India.

As of 31 March 2026, BFL and its subsidiaries employed 155,369 individuals, comprising 71,613 full-time employees and 83,756 fixed-term contract employees. During the year, the group increased its full-time workforce by 7,521 employees.

Internal control systems and their adequacy

BFL has robust internal control systems in place, underpinned by established procedures and policies that are periodically reviewed and tested across processes, units and functions. The Company's risk and credit teams have embedded processes to identify existing and emerging risks and to mitigate these. Senior management also regularly monitors the mitigation measures. BFL has various committees, including the Risk Management Committee and the Asset and Liability Committee, with participation from multiple functions, to review and oversee critical aspects of BFL's operations.

The Company has instituted the "3 lines of defence" model, viz.

- First Line of Defence: Internal operations management and management controls.
- Second Line of Defence: Risk and Compliance function.
- Third Line of Defence: Internal audit function.

BFL has a dedicated team for regularly testing the design and operating effectiveness of Internal Control Over Financial Reporting (ICOFR), as well as ensuring timely remediation of control deficiencies identified, if any. Further, it monitors Information and Technology General Controls (ITGC) on a periodic basis. It has specialised units within IT and operations to carry out regular checks and ensure that the processes established for these functions are adhered to and that gaps identified, if any, are addressed on a timely basis. The control functions implement, review and monitor the standards, policies and procedures through which the entity manages risks, including compliance with regulatory guidelines and applicable laws, adherence to operational controls and relevant standards of conduct.

Compliance is fundamental to BFL's business operations. The compliance philosophy is centred on strict adherence to laws, regulations and ethical standards in order to maintain the trust of stakeholders, namely the regulators, customers, investors and employees.

BFL's compliance philosophy revolves around the following principles:

- **Regulatory Compliance:** It is committed to complying with all applicable laws, regulations and guidelines prescribed by the regulatory authorities.
- **Customer Protection:** It prioritises the protection of its customers' interests and data. Robust data protection measures are maintained, and privacy laws and regulations are strictly adhered to.
- **Ethical Conduct:** BFL expects all employees to uphold the highest ethical standards in their dealings with customers, partners and colleagues.
- **Risk Management:** BFL has implemented robust risk management frameworks and processes to identify, assess and mitigate risks associated with its operations.
- **Employee Training and Awareness:** Comprehensive training programmes have been rolled out to enhance employees' compliance knowledge and awareness.

BFL has a dedicated Chief Compliance Officer (CCO) and a robust compliance unit. Under the supervision of the CCO, the compliance function is responsible for identifying and assessing compliance risks, providing guidance on related matters, and monitoring and testing compliance across the organisation.

The Company has implemented controls through well defined systems and processes. In line with the RBI's notification dated 3 February 2021, BFL and BHFL implemented Risk-Based Internal Audit (RBIA) with effect from 1 April 2021. RBIA is linked to the overall risk management framework and provides assurance to the Board of Directors and Senior Management regarding the quality and effectiveness of the organisation's internal controls, risk management and governance-related systems and processes.

The Internal Audit (IA) function reviews the adherence of business and functional units to internal policies and regulatory requirements, thereby providing timely feedback to management for taking necessary corrective and preventive actions.

The Company strengthened its Internal Audit (IA) function by establishing dedicated teams comprising domain experts for information security audits and setting up a concurrent review team to monitor and assess critical parameters on an ongoing basis. The scope of concurrent reviews was expanded to cover 12 additional areas, enhancing assurance over key operational aspects as well as scheme-related processes such as CGTMSE, CGFMU and PIDF. Technology continues to be leveraged extensively across business, functional and concurrent audits to improve audit coverage, efficiency, and timeliness of issue identification and remediation tracking. In addition, the IA function's capacity was augmented through team strengthening to support the expanded audit

universe and heightened oversight requirements. The team also initiated rapid reviews in response to relevant industry events and triggers, enabling proactive assessment of BFL's position and readiness, and reinforcing the overall control environment and governance framework.

BFL's Risk Management, Operational Risk Management, Information Technology and Cyber Security practices have been already elaborated in earlier sections.

The Audit Committee of the Board reviews the performance of the audit and compliance functions, the effectiveness of controls, and compliance with regulatory guidelines. In the opinion of the Board and Senior Management, the internal control systems are adequately designed, effectively implemented and operating satisfactorily.

Fulfilment of the RBI's norms and standards

During the year, the RBI reinforced its commitment to customer centricity, transparency and robust governance. The Framework for Formulation of Regulations has enabled a structured and consultative rule-making process, incorporating impact assessments, periodic reviews and enhanced stakeholder engagement. In parallel, the RBI undertook regulatory rationalisation to improve clarity and eliminate overlaps, redundancies and duplications. Below are the few initiatives taken by RBI towards this:

- Public Directory of Digital Lending Apps (DLAs): The list of DLAs is being made available on RBI website for the purpose of aiding the customers in verifying the claim of a DLA's association with a RE.
- Consolidated Master Directions: RBI has consolidated the instructions administered by the Department of Regulation (DoR). The consolidation exercise will enhance clarity and ease of access, reduce compliance burden and improve ease of doing business.
- Weekly Credit Information submission: Effective 1 July 2026, RBI has directed transition to weekly credit information submission by Credit Institutions (CIs) to Credit Information Companies (CICs). This will ensure more frequent, accurate and timely reporting of credit information by CIs to CICs, thereby improving the quality and recency of credit information reports used in credit underwriting and monitoring.
- New Internal Ombudsman (IO) guidelines: The updated IO directions strengthen the Internal Grievance Redress mechanism within a Regulated Entity and ensure a speedy and meaningful resolution of customer complaints.

BFL not only meets but often surpasses RBI regulations regarding Stage III (qualifying non-performing) asset recognition and provisioning, capital adequacy, statutory liquidity ratio, and liquidity coverage ratio. The following Table 10 outlines BFL's and BHFL's careful practices by comparing their performance ratios with RBI's minimum requirements.

Table 10: BFL and BHFL's regulatory ratios compared to the minimum requirements of the RBI

	Bajaj Finance Limited		Bajaj Housing Finance Limited	
Particulars	**As of 31 March 2026**	**RBI stipulation**	**As of 31 March 2026**	**RBI stipulation**
Capital to Risk-weighted Assets Ratio (CRAR)	21.55%	15.00%	22.46%	15.00%
Of which Tier-I	20.67%	10.00%	22.01%	10.00%
Statutory Liquidity Ratio	15.11%	15%	NA	NA
Liquidity Coverage Ratio	128.38%	100%	152.52%	100%
Asset liability mismatch				
1-7 days	24%	(10%)	48%	(10%)
8-14 days	8%	(10%)	30%	(10%)
15-30 days	36%	(20%)	12%	(20%)

In FY2026, the RBI issued following important circulars

- RBI (Digital Lending) Directions, 2025 (Now consolidated under RBI (NBFC – Credit Facilities) Directions, 2025): These directions issued on 8 May 2025 consolidate the earlier instructions on Digital Lending and introduces certain new measures for arrangements involving Lending Service Providers partnering with multiple regulated entities, and for creation of a directory of digital lending apps. BFL has in place a Board-approved "Digital Lending Policy".

- RBI (Lending Against Gold and Silver Collateral) Directions, 2025 (Now consolidated under RBI (NBFC – Credit Facilities) Directions, 2025): These directions issued on 6 June 2025 have put in place a harmonised regulatory framework for lending against gold and silver collateral, address the concerns observed relating to some of the lending practices being followed, provide necessary clarity on certain aspects and strengthen the conduct-related aspects. BFL has in place a Board-approved "Loan Against Gold Collateral Policy".
- RBI KYC (Amendment) Directions, 2025 (Now consolidated under RBI (NBFC – Know Your Customer) Directions, 2025): These directions issued on 12 June 2025 require REs to give at least three advance intimations, including at least one intimation by letter, and at least three reminders, including at least one reminder by letter, at appropriate intervals, to customers for complying with the requirement of periodic updation of KYC. BFL has updated its Board-approved "Know Your Customer (KYC) Policy" in line with the requirements of the circular and Standard Operating Procedure (SOP) has been put in place for implementation of the same.
- RBI (Co-Lending Arrangements) Directions, 2025 (Now consolidated under RBI (NBFC - Transfer and Distribution of Credit Risk) Directions, 2025): These directions issued on 6 August 2025 provide specific regulatory clarity on the permissibility of Co-Lending arrangements, while addressing some of the prudential as well as conduct related aspects. BFL has in place a Board-approved "Co-Lending Policy".
- Consolidated Master Directions: RBI has issued 244 Master Directions on 28 November 2025 consolidating the instructions currently administered by Department of Regulation (DoR). These instructions have been issued separately for 11 types of regulated entities and are cohesively organised across various regulatory areas. For NBFCs, RBI DoR has consolidated regulatory instructions to 35 Master Directions, of which 25 Master Directions are applicable for BFL. BFL has in place/updated its Board-approved Policies in line with the requirements of the circular.
- RBI (NBFC – Credit Risk Management) Amendment Directions, 2026 (Directions on Lending to Related Parties): These directions issued on 5 January 2026 provides a harmonised, principle-based framework to be adopted by REs while lending to related parties. BFL has in place a Board-approved "Lending to Related Parties Policy".
- RBI (NBFC - Internal Ombudsman) Directions, 2026: These directions issued on 14 January 2026 strengthen the Internal Grievance Redress mechanism within a NBFC and ensure a speedy and meaningful resolution of customer complaints. BFL has in place a robust Internal Ombudsman framework.
- Reserve Bank of India (Non Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, notified on 28 November 2025, replaces the earlier logic of Tier I Capital by Common Equity Tier 1 (CET 1) and preference shares which are compulsorily convertible into equity. The said change has been implemented.

Strengths, Risks and Opportunities

Analysis of BFL's strengths, risks and opportunities are given below:

Strengths

- Diversified scale and reach: As India's largest and most diversified NBFC, BFL leverages a comprehensive product suite and an extensive pan-India footprint (4,098 locations) to drive customer acquisition while maintaining an optimal balance between risk and profitability to support sustainable growth.
- AI and technology adoption: Early and strategic adoption of AI and emerging technologies enables the Company to deliver a superior customer experience to its 119 million customer franchise, strengthening engagement and significantly enhancing cross-sell across products and services.
- Strong credit ratings: BFL enjoys AAA/stable ratings from CRISIL, ICRA, CARE, and India Ratings for its long-term debt programme, and A1+ ratings from CRISIL, ICRA, and India Ratings for its short-term debt program. Its deposit program is also rated the highest with CRISIL AAA/Stable and ICRA AAA/Stable. Additionally, BFL has a 'BBB/stable' issuer rating from S&P Global, which has also assigned a standalone rating of 'BBB' to BFL. Further, Moody's Ratings assigned BFL a Baa3 Corporate Family Rating with a Stable outlook.
- Brand and financial performance: Strong brand pedigree and consistent financial track record help diversify borrowings across banks, corporates, and retail customers at lower costs.
- Healthy profitability and capital buffer: Strong margins and capital position provide resilience to absorb market volatility and pursue growth opportunities.

- Debt management capabilities: A robust debt management framework and disciplined execution enable strong portfolio quality.
- Distinguished and seasoned leadership team: The Company benefits from a highly experienced and stable leadership team that drives strategic focus, operational excellence, and disciplined risk management, ensuring sustained performance through varying business cycles.

Risks

- Borrowing costs: These are influenced by macro-economic cycles and systemic liquidity conditions, which in turn can impact net interest margins.
- Credit costs: These are driven by a combination of internal factors—such as underwriting policies, portfolio mix and collection efficiency—and external factors including GDP growth, macroeconomic stability, and policy environment, which may affect asset quality and provisioning levels.
- Regulatory changes: Evolving regulatory frameworks may necessitate business and process adjustments, potentially resulting in transitional impacts on operations and profitability.
- Geopolitical risk: Global geopolitical developments may disrupt supply chains and drive inflationary pressures, including volatility in fuel and critical import prices, potentially leading to policy actions that could impact customer repayment capacity, credit demand and funding conditions.
- Climate and environmental risk: Climate variability and extreme weather events may disrupt operations and adversely impact certain geographies or customer segments, with consequent effects on portfolio performance.

Opportunities

- Cross-sell expansion: With BFL's share around 3% of India's overall credit market, there remains significant headroom to enhance cross-sell by offering a full suite of products across all customer touchpoints and geographies.
- MSME growth: Significant opportunity to expand in the MSME segment by delivering tailored financing solutions to businesses that face constraints in accessing credit from traditional banking channels.
- Scaling new businesses: Continued focus on building scale in new lines of businesses such as Gold Loans, Micro Finance Loans, Vehicle Financing, Tractor Financing and Auto Leasing, to drive incremental growth and diversification.
- GenAI-led transformation: Opportunity to accelerate adoption of Generative AI use cases to enhance operational efficiency, strengthen customer experience and enable more granular, data-driven risk management across segments.

Bajaj Housing Finance Limited (BHFL)

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

BHFL offers a complete mortgage product suite spanning across:

i) Home Loans;

ii) Loans Against Property;

iii) Lease Rental Discounting;

iv) Developer Financing; and

v) Others, covering non-collateralised loans.

In 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) product on commercial, retail, warehousing and industrial properties to commercial clients spanning across developers, High Net worth Individuals ('HNI') and corporates; and 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 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 which enable lower GNPA at overall level.

Home Loans

Home loans are an anchor product of the Company for delivering scale as well as low risk construct 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 developer financing ecosystem to source under construction home loans from developer financing relationships coupled with Approved Project Finance (APF) 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 ₹ 4.8 million and average customer salary of ₹ 1.50 million. 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 while also acting as a return enhancer for the Company.

Overall home loans AUM grew by 18% on year-on-year 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 SBU. This SBU is currently operational across 73 urban locations and 72 tier-4/rural locations and 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 having separate differentiators and business approaches:

Particulars	Near Prime	Affordable
Operating markets	Top 36 markets	Deeper geographies of top 36 markets & tier-4/rural locations
Target 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 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 one to two years to strengthen the structure and for geographical expansion.

Loan Against Property (LAP)

LAP product acts 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 from 74 locations with average loan value of ₹ 8.8 million.

BHFL offers this product to diverse customer base right from prime customers to near prime and affordable customer segment. In terms of customer segmentation mix, higher composition comes from self-employed customers at 79% of overall portfolio. Moreover, this product has higher contribution of relatively low-risk self-occupied residential properties which constitute some 70% of the portfolio. As of 31 March 2026, LAP AUM grew 24%, reaching ₹ 15,191 crore.

Lease Rental Discounting (LRD)

LRD is the second anchor product of the Company which delivers scale, low risk and reasonable return. BHFL offers this 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.

It has 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 ~67% of overall LRD portfolio. This product has diverse lessee base including MNCs and large Indian corporates with relationship-driven sourcing and servicing model.

This product delivers low risk since it has dual security of cash flow and collateral backed exposures while having nil collateral execution risk. The 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, a year-on-year growth of 44%.

Developer Finance

Developer/Construction finance plays an important role in expanding funnel for retail home loans and enhancing returns for the Company. BHFL offers construction finance product to real estate developers through micro market approach wherein these developers are evaluated based on their proven track record of "ability to build and sell" in the 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. Construction finance book spans across 885 projects and 601 developers. 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 underwriting team as well as a dedicated portfolio monitoring team to assess any emanating concern area and implement corrective action.

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.

BHFL Performance Highlights, FY2026

- Assets under management (AUM) increased by 23% to ₹ 140,706 crore.
- Net interest income (NII) increased by 25% to ₹ 3,752 crore.
- Net total income (NTI) grew by 23% to ₹ 4,391 crore.
- Impairment on financial instruments rose by 229% to ₹ 191 crore.
- Profit before tax (PBT) increased by 20% to ₹ 3,320 crore.
- Profit after tax (PAT) grew by 18% to ₹ 2,560 crore.
- Capital adequacy ratio as on 31 March 2026 was 22.46% (including Tier-II capital).

Table 11: BHFL's Assets Under Management

(₹ in crore)

Particulars	FY2026	FY2025	Growth
Housing loans (including top ups)	76,055	64,447	18%
Loan against property	15,191	12,262	24%
Lease rental discounting	31,531	21,913	44%
Developer finance	16,226	14,346	13%
Other loans	1,703	1,716	(1%)
Total	**140,706**	**114,684**	**23%**

Table 12: BHFL's Standalone financials

(₹ in crore)

Particulars	FY2026	FY2025	Growth
Total income	11,151	9,554	17%
Interest and finance charges	6,760	5,979	13%
Net total income (NTI)	**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%
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, in ₹	3.07	2.67	15%

Bajaj Financial Securities Limited or Bajaj Broking

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

In FY2026, Bajaj Broking sustained its strong growth momentum, with over 1.38 million retail and branch clients with a comprehensive suite of offerings, including broking, DP services, margin trade facility (MTF), IPO, and distribution of financial products. During the year, BFSL further strengthened its product portfolio with the introduction of ESOP financing.

Bajaj Broking: Performance Highlights, FY2026

- Customer franchise grew by 41% to over 1.38 million.
- Asset under finance increased by 77% to ₹ 7,984 crore.
- Net interest income (NII) increased by 53% to ₹ 380 crore.
- Net total income (NTI) increased by 31% to ₹ 578 crore.
- Profit before tax (PBT) increased by 49% to ₹ 273 crore.
- Profit after tax (PAT) increased by 46% to ₹ 203 crore.

Branch Broking

Bajaj Broking offers specialised broking services tailored to the needs of its customers. A dedicated call-and-trade service, supported by experienced dealers, ensures swift and efficient execution while providing clients with the flexibility they require. During FY2026, the branch business recorded steady customer additions of 24,000, increasing the total client base to approximately 90,000, supported by a branch network across 43 locations.

The Company also operates through an Authorised Partner channel, which helps expand its reach and serve clients across different locations. Partners are supported with technology and operational assistance to ensure smooth and consistent service delivery.

During the year, it launched Bajaj Broking Privé, a dedicated service for the Ultra High Net Worth Individual (UHNI) segment, aimed at providing curated investment solutions and personalised engagement.

Retail Broking

Bajaj Broking provides a comprehensive digital broking solution designed to meet the diverse needs of retail clients. Through flexible discount broking plans, it delivers economic value without compromising service quality, enabling clients to access a wide range of investment products, including stocks, F&O, margin trade facility (MTF), IPOs, US stocks, bonds and research tools.

In FY2026, the retail broking business successfully onboarded 0.38 million new users, increasing its total client base to 1.29 million. The mobile app has over 4 million downloads with an app rating of 4.6 out of 5.

Proprietary Trading

The Company operates a dedicated Proprietary Trading division focused on generating consistent risk-adjusted returns across market cycles through diversified, well-tested market strategies supported by disciplined risk management. The Company has allocated ₹ 251 crore of capital towards proprietary trading, aligned with market opportunities and internal risk parameters.

Margin Trade Facility (MTF)

Bajaj Broking provides Margin Trade Facility (MTF) to HNIs and retail clients, offering leverage up to 4X of margin. This facility can be availed on more than 1,000 approved securities. MTF book grew by 51% to ₹ 6,783 crore as of 31 March 2026 versus ₹ 4,505 crore as of 31 March 2025.

ESOP Financing

The Company provides ESOP financing to customers, secured against shares issued under their employer's ESOP plans, through a seamless and industry-leading process. As of 31 March 2026, the ESOP book stood at ₹ 1,201 crore within one year of launch.

Table 13: BFSL's Financial Performance

(₹ in crore)

Particulars	FY2026	FY2025	Growth
Asset under finance	7,984	4,505	77%
Total revenue	1,069	801	33%
Profit before tax	273	183	49%
Profit after tax	203	139	46%

Update on the performance of associates

Snapwork Technologies Private Limited

Snapwork is a digital solutions company offering capabilities across digital transformation, cloud services, platform engineering, agile development, UI/UX, and mobile application development, with a strong track record in scalable digital platforms for the BFSI sector. Incorporated in 2008, the company serves leading financial services institutions in India and has been recognised for its execution excellence and award-winning mobile applications. Snapwork continues to partner with BFL on key technology priorities, including scalability, user experience and performance, and has developed the Bajaj Finserv App. During FY2026, the company expanded its international footprint with the addition of new clients in the Philippines. BFL holds a 41.5% stake in Snapwork on a fully diluted basis.

Table 14: Financial performance highlights of Snapwork are given below

(₹ in crore)

Particulars	FY2026	FY2025	Growth
Total revenue	111	83	34%
Total expenses	95	65	46%
Profit after tax	13	14	(9%)
Net worth	140	127	10%

Pennant Technologies Private Limited

Pennant Technologies is a fast-growing financial technology company enabling banks and financial institutions to transition into digital-first enterprises. It provides end-to-end lending solutions across Loan Origination, Loan Management, Collections, CRM and digital enablers, with the PennApps Lending Factory (PLF) as a scalable, configurable platform that streamlines the full loan lifecycle.

Incorporated in 2005, Pennant has executed over 250 projects for more than 40 clients, including leading banks, NBFCs and housing finance companies. The Company has received global recognition through Forrester's Global Banking Platform recognition, IDC Market Glance and the Asia Fintech Awards' "Lendtech of the Year."

A key strategic focus is on AI-led innovation to enhance platform differentiation, scalability and efficiency. PenAppStudio 2.0 integrates AI co-worker capabilities to support developers in application design, workflow configuration, integration setup and automated documentation, improving productivity and accelerating development. Collections 2.0 leverages advanced analytics, automation and AI-driven delinquency management, including predictive prioritisation and intelligent workflows, to improve recovery outcomes and engagement.

Pennant is a key Loan Management System provider to BFL, with most of BFL's portfolio on its platform. In FY2026, BFL completed full migration to Pennant LMS. BFL holds a 26.53% stake, reflecting strong strategic alignment.

Table 15: Financial performance highlights of Pennant are given below

(₹ in crore)

Particulars	FY2026	FY2025	Growth
Total revenue	171	153	12%
Total expenses	112	92	22%
Profit after tax	42	46	(9%)
Net worth	329	288	14%

Table 16: Consolidated key financial indicators: last 19 years

Financials snapshot	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	CAGR
AUM	2,478	2,539	4,032	7,573	13,107	17,517	24,061	32,410	44,229	60,196	82,422	115,888	147,153	152,947	197,452	247,379	330,615	416,661	509,975	25%
Total income	503	599	916	1,406	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	26,683	31,648	41,418	54,983	69,725	82,789	33%
Interest expenses	170	164	201	371	746	1,206	1,573	2,248	2,927	3,803	4,614	6,623	9,473	9,414	9,754	12,560	18,725	24,770	28,666	33%
Net total income	332	435	715	1,035	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	17,269	21,894	28,858	36,258	44,954	54,123	33%
Operating expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	7,587	10,142	12,325	14,926	17,776	29%
Loan losses & provision	109	164	261	205	154	182	258	385	543	804	1,030	1,501	3,929	5,969	4,803	3,190	4,631	7,966	10,282	29%
Profit before tax	30	51	134	370	602	872	1,091	1,357	1,965	2,818	3,843	6,179	7,322	5,992	9,504	15,528	19,310	22,080	25,817	46%
Profit after tax	21	34	89	247	406	591	719	898	1,279	1,837	2,496	3,995	5,264	4,420	7,028	11,508	14,451	16,779	19,332	46%

Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Opex to Net total income	58.1%	50.6%	44.8%	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%	30.7%	34.7%	35.1%	34.0%	33.2%	32.8%
Loan loss to avg. AUF	3.6%	4.9%	7.1%	3.6%	1.6%	1.3%	1.3%	1.4%	1.5%	1.6%	1.5%	1.6%	3.1%	4.1%	2.8%	1.5%	1.6%	2.2%	2.3%
Return on assets	0.7%	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%	3.1%	4.2%	5.3%	5.1%	4.6%	4.3%
Return on equity	2.0%	3.2%	8.0%	19.7%	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%	20.1%	22.5%	20.2%	12.8%	17.4%	23.5%	22.1%	19.2%	18.1%
Net NPA	7.00%	5.50%	2.20%	0.80%	0.12%	0.19%	0.28%	0.45%	0.28%	0.44%	0.43%	0.63%	0.65%	0.75%	0.68%	0.34%	0.37%	0.44%	0.41%
Provision coverage ratio	30%	32%	55%	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%	58%	64%	57%	54%	60%
CRAR (standalone)	40.7%	38.4%	25.9%	20.0%	17.5%	21.9%	19.1%	18.0%	19.5%	20.3%	24.7%	20.7%	25.0%	28.3%	27.2%	25.0%	22.5%	21.9%	21.6%
Leverage ratio	2.6	2.5	3.8	5.9	6.4	5.3	6.2	6.8	6.3	6.6	5.4	6.3	5.1	4.7	4.9	5.1	4.9	4.7	4.8

Note 1: As per the RBI regulations, NNPA percentages upto FY2015 are at 6 months overdue, FY2016 is at 5 months overdue, FY2017 are at 4 months overdue and FY2018 are at 3 months overdue.

Hence NPA across periods are not comparable.

Note 2: All figures till FY2017 are as per previous GAAP on standalone basis.

Note 3: All figures from FY2018 onwards are as per Ind AS and on consolidated basis.

Note 4: Numbers and ratios in the table have been presented prior to the change in presentation of 'recoveries on written-off financial assets' and 'net realisations from sale of written-off loans' from 'Other Operating Income' to 'Impairment of Financial Instruments'.

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.

Directors' Report

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Performance Evaluation of Board and Committees



Statutory and Other Disclosures

Dear Shareholders,

Your directors have pleasure in presenting the thirty-ninth Annual Report along with the audited standalone and consolidated financial statements for Financial Year 2025-26 (or FY2026).

Company overview

Bajaj Finance Limited, (the 'Company' or 'BFL' or 'Bajaj Finance'), is a public limited company incorporated on 25 March 1987 under the Companies Act, 1956. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company stood at 8th rank based on average market capitalisation from 1 July 2025 to 31 December 2025 as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'). It is also registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI').

Bajaj Finance is one of India's leading and most diversified financial services companies, serving 119 million customers, digitally via our app and web and at 4,098 locations and 242,000 active distribution points across the country. At the heart of our business lies innovation and financial inclusion. For over 38 years, the Company has served India by enabling access to wide range of financial services, from loans and fixed deposits to payments and investments to wide spectrum of customers.

Financial Results

The highlights of the standalone financial results are given below:

(₹ in crore)

Particulars	FY2026	FY2025	% change over FY2025
Interest income	61,357	51,549	19%
Interest and finance charge	21,417	18,436	16%
Net interest income	**39,940**	**33,113**	**21%**
Fees, commission, and other income	8,497	7,015	21%
Net Total Income	**48,437**	**40,128**	**21%**
Total operating expenses	16,641	13,969	19%
Pre-impairment operating profit	**31,796**	**26,159**	**22%**
Impairment on financial instruments	9,290	7,027	32%
Profit before tax	**23,672**	**21,676**	**9%**
Profit after tax	**17,804**	**16,662**	**7%**
Retained earnings as at the beginning of the year	**44,459**	**33,359**	**33%**
Profit after tax	17,804	16,662	7%
Retained earnings before appropriations	**62,263**	**50,021**	**24%**
Appropriations			
Transfer to reserve fund u/s 45-IC (1) of the RBI Act, 1934	3,562	3,335	7%
Dividend paid	3,478	2,226	56%
Other	7	-	-
Retained earnings as at the end of the year	**55,216**	**44,459**	**24%**

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

Transfer to Reserve Fund

Under section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') 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 ₹ 3,562 crore to its reserve fund.

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 NBFC, is exempt from creating 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.

Dividend

Pursuant to the provisions of regulation 43A of 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 in determining the distribution of dividend to its shareholders and/or retaining profit earned. The said policy is annexed to this Report and is also available on the website of the Company at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-v4?scl=1&fmt=pdf

Further, there has been no change in any of the parameters in the policy during the year.

In accordance with the aforesaid policy, the Board, after taking into account various aspects and in compliance with the said regulation, at its meeting held on 29 April 2026 has recommended a final dividend for members approval, as mentioned below:

Final Dividend:

Final dividend of ₹ 6 per equity share (600% of face value of ₹ 1) for the financial year ended 31 March 2026 is recommended for consideration of the members at the ensuing Annual General Meeting ('AGM'). This includes a special payout of ₹ 0.60 per equity share out of the exceptional gain on sale of shares of Bajaj Housing Finance Ltd., subsidiary of the Company. The total dividend pay-out on account of final dividend is ₹ 3,733 crore, considering the capital base as on 31 March 2026.

Total dividend proposed for the year does not exceed the ceilings specified in the relevant RBI Directions.

The record date fixed for the purpose of final dividend is 30 June 2026.

The said dividend will be taxable in the hands of the members of the Company in accordance with the applicable Income Tax provisions. For further details on taxability, members are requested to refer to the Notice of 39th Annual General Meeting.

Working Results of the Company

On a consolidated basis, the Company has recorded AUM growth of 22% and growth in profit after tax of 15% in FY2026 as against AUM and profit after tax growth of 26% and 16%, respectively, in FY2025. With its strong AUM and profit growth in FY2026, the Company has further increased its share in the financial services sector in India. Return on average assets ('ROAA') and return on average equity ('ROAE') for FY2026 was 4.3% and 18.1% respectively on a consolidated basis.

The Company's business model continues to generate healthy pre-impairment operating profits enabling it to withstand higher credit losses in times of stress. It remains well capitalised with a capital-to-risk weighted asset ratio ('CRAR') of 21.55% as on 31 March 2026 — making it among the best capitalised large NBFCs in India.

As a result of its deeply embedded risk culture and robust risk management practices, the Company's portfolio quality as of 31 March 2026 continues to remain strong. The Company's consolidated Gross NPA at 1.01% and Net NPA at 0.41% are among the lowest in the industry.

Using its robust risk management and portfolio monitoring framework, the Company absorbed enhanced credit costs based on emerging trends across its different portfolios. It holds a management overlay provision on account of volatile macroeconomic factors of ₹ 134 crore on consolidated basis as on 31 March 2026.

The consolidated performance highlights for FY2026 are given below:

- Number of new loans booked: 119 million
- AUM grew by 22% to ₹ 509,975 crore
- Net interest income ('NII') rose by 21% to ₹ 44,110 crore
- Net total income ('NTI') rose by 21% to ₹ 53,324 crore
- Total operating expenses ('Opex') grew by 19% to ₹ 17,776 crore
- Opex to NTI stood at 33.3%
- Pre-impairment operating profit rose by 22% to ₹ 35,548 crore
- Impairment on financial instruments was ₹ 9,482 crore
- Profit before tax ('PBT') increased by 17% to ₹ 25,817 crore
- Profit after tax ('PAT') increased by 15 % to ₹ 19,332 crore
- Capital adequacy ratio as of 31 March 2026 was 21.55%, which is well above the RBI norms. Tier I adequacy ratio was 20.67%.

For more details on the performance of the Company and business segments refer Management Discussion and Analysis.

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.

Subsidiaries, Associates and Joint Venture

The Company has the following subsidiaries and associate companies as on 31 March 2026:

Sr. No.	Name of Entity	% of equity stake	Relationship	Business activity
1.	Bajaj Housing Finance Limited	86.70	Subsidiary	Housing finance
2.	Bajaj Financial Securities Limited	100	Subsidiary	Stock broking and depository participant
3.	Snapwork Technologies Private Limited	41.5*	Associate	Software development for financial services
4.	Pennant Technologies Private Limited	26.53*	Associate	Software development for financial services

*On diluted basis

A separate statement containing the salient features of the subsidiaries and associates in the prescribed form AOC-1 is attached to the consolidated financial statements.

During FY2026, no new subsidiary or associate was incorporated/acquired. The Company has not entered into a joint venture with any other company.

More details on subsidiaries and associates, including their performance, business, etc. are given in the Management Discussion and Analysis.

Particulars of Loans, Guarantees and Investments

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, 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.

Strategic Investments

- **Protectt.ai Labs Private Limited ('Protectt.ai')**

  During the year under review, the Company has acquired a 12% equity stake in Protectt.ai for an aggregate consideration of up to ₹ 66 crore.

  Protectt.ai is a cybersecurity product company offering solutions across mobile application security, mobile device security, mobile transaction security, and AI security.

  Incorporated in 2020, Protectt.ai has built an active customer base of over 60 clients with zero customer attrition to date. While its current customer base is entirely domestic, Protectt.ai has recently established offices in the Middle East and the United States to support international expansion.

- **Status of other strategic investments are as under:**

Sr. No.	Company	Holding (in equity stake)
1.	Bajaj Finserv Direct Limited	• 19.90% is held by Company. • 80.10% is held by Bajaj Finserv Limited, the holding Company
2.	One MobiKwik Systems Limited	10.14%
3.	RMBS Development Company Limited	7%

The Company during the year scaled down its investments in RBL Bank Limited.

Further details of investments are provided in the financial statements.

Directors and Key Managerial Personnel ('KMP')

A. Change in Directors during the financial year:

i. Anup Saha (DIN: 07640220)

The Board, based on the recommendation of Nomination and Remuneration Committee elevated Anup Saha as the Managing Director of the Company effective 1 April 2025 for the remainder of his tenure i.e. up to 31 March 2028.

However, during the year under review, Anup Saha resigned as Managing Director and Director from the Board of the Company with effect from close of business hours on 21 July 2025 due to personal reasons. Accordingly, he ceased to be the KMP within the meaning of section 2(51) of the Act.

ii. Rajeev Jain (DIN: 01550158)

The Board at its meeting held on 20 March 2025, approved the elevation of Rajeev Jain as Executive Vice Chairman in the capacity as executive director for a period of three years from 1 April 2025 till 31 March 2028.

Consequent to the resignation of Anup Saha and in the interest of continuity of management, the Board, pursuant to the recommendation of Nomination and Remuneration Committee of the Company and the applicable provisions of the Companies Act, 2013, has, in addition to Rajeev Jain's existing powers and roles as Executive Vice Chairman of the Company, vested him with the powers, roles and responsibilities of management of the Company and re-designated him as Vice Chairman and Managing Director of the Company for the remainder of his term.

B. Directors liable to retire by rotation:

Rajiv Bajaj (DIN: 00018262), being the Director longest in office among those liable to retire by rotation, shall retire at the ensuing Annual General Meeting and has expressed his intention not to seek re-appointment.

Accordingly, it is proposed to change the status of Sanjiv Bajaj (DIN: 00014615), presently a Director not liable to retire by rotation, as a Director liable to retire by rotation, subject to the approval of the Members.

Brief details of Sanjiv Bajaj are given in the Notice of 39th AGM.

C. KMPs:

Save and except as stated above, there were no other changes in the KMPs during FY2026.

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 Act, the composition of Audit Committee and Corporate Social Responsibility Committee are provided hereunder:

- **Audit Committee**

  The composition as on 31 March 2026 is as follows:

Sr. No.	Name of Director	Category
1.	Anami N Roy	Chairman, Non-executive, Independent
2.	Pramit Jhaveri	Non-executive, Independent
3.	Dr. Arindam Bhattacharya	Non-executive, Independent
4.	Tarun Bajaj	Non-executive, Independent

  Further details on Audit Committee, brief terms of reference, and attendance records 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 is as follows:

Sr. No.	Name of Director	Category
1.	Dr. Naushad Forbes	Chairman, Non-executive, Independent
2.	Sanjiv Bajaj	Non-executive, Non-independent
3.	Rajeev Jain	Executive, Non-independent

  Further, Anami N Roy, has been inducted as a member of the Committee with effect from 1 April 2026.

  The CSR policy has been hosted on the website of the Company and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibility-v8?scl=1&fmt=pdf.

  The CSR obligation of the Company for FY2026 is ₹ 333.97 crore. As on 31 March 2026, total amount spent on CSR activities by Company is ₹ 318.81 crore.

  As per section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its CSR policy, within a period of thirty days from the end of the financial year to a special account opened by the Company in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

  The unspent amount primarily pertains to ongoing projects commenced during the year under review. The ongoing projects generally span over a period of 2 to 3 years and have milestone-based payments as per agreed outcomes. The earmarked amount for FY2026 for these ongoing projects have been spent and the remaining are due in the upcoming years, and hence the shortfall. Accordingly, the Company has opened the prescribed bank account to transfer unspent amount of ₹ 15.16 crore.

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

Customer Engagement

Customer engagement and experience remain foundational pillars of our organisation. We are committed to upholding customer fairness in both letter and spirit across all interactions. Proactive engagement enables institutions to generate actionable insights, strengthen risk management, ensure regulatory compliance, and accelerate the adoption of new technologies. In an increasingly dynamic environment, prioritising customer experience is essential to maintaining competitiveness, deepening relationships, and driving sustainable, long-term growth.

To strengthen customer engagement and oversight, the Board has constituted a Customer Service Committee ('CSC') led by an Independent Director. Additionally, a Customer Service Standing Committee enables senior management to regularly review initiatives aimed at delivering an exceptional customer experience.

The Company adopts a customer-centric approach through multiple communication and service channels that ensure timely resolution of customer queries. Dedicated customer experience teams across operations and businesses drive continuous improvement, measurement, and a strong customer-first culture.

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.

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.

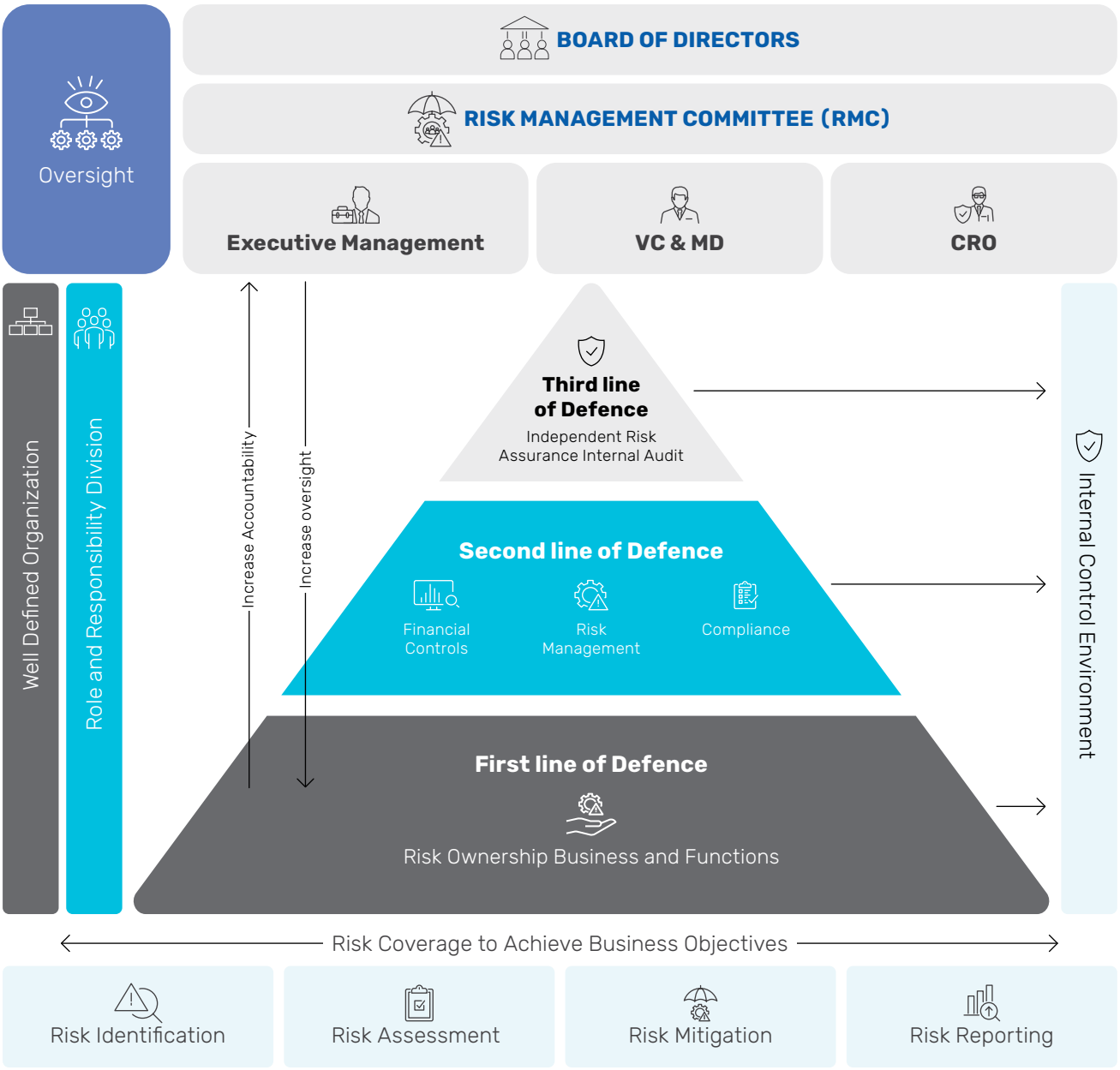
This framework, *inter alia*, provides a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organisation. It covers principles of risk management, risk governance with 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 Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

The Board has established a comprehensive Company-wide risk management approach that ensures risks are identified, assessed, monitored, and managed in a structured and consistent manner across all business and support functions.

Risk Management Framework of the Company comprises of:

Risk Governance	The Board retains overall responsibility for risk oversight and approves the Risk Management Policy. The Risk Management Committee assists the Board in reviewing the Company's risk profile, monitoring key risk exposures, and ensuring constant alignment. The Chief Risk Officer leads the risk management function and is responsible for implementation of the framework, providing independent oversight, and escalating material risks to senior management and the Board.
Organisation structure	The Company follows the three Lines of Defence model to ensure clear segregation of duties and accountability. Business functions constitute the first line and are responsible for owning and managing risks. The Risk and Compliance functions act as the second line, providing oversight, challenge, and guidance. The Internal Audit function serves as the third line, offering independent assurance on the effectiveness of risk management practices and internal controls.
Risk Culture	Continuous training and awareness initiatives are undertaken to enhance employees' understanding of risk management practices and their role in maintaining a sound control environment. Employee awareness initiatives are also undertaken focused on risk types such as Operational Risk, Cyber security, Information security, Outsourcing Risk, Conduct Risk, etc.
Risk Management Approach	The risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight, and periodic monitoring through the sub-committees of the Board.



Key Material Risks – The nature of the Company's business activities, coupled with the evolving regulatory landscape and broader external environment, exposes the Company to a range of risks. These risks are reviewed and monitored regularly to maintain oversight on change in risk profile.

Credit Risk

Risk of loss from borrower failure.

KEY MITIGATION MEASURES

- Underwriting standards
- Diversification
- Reviews

Market Risk

Risk from market movements.

KEY MITIGATION MEASURES

- ALM
- Monitoring
- Hedging
- Stress testing

Liquidity Risk

Risk of inability to meet obligations

KEY MITIGATION MEASURES

- Liquidity buffers
- Funding sources
- Gap analysis

Operational Risk



Risk from failed internal processes.

KEY MITIGATION MEASURES

- Internal controls
- RCSA
- Automation

Cyber & Data Risk



Risk of breaches & security failures.

KEY MITIGATION MEASURES

- Security framework
- Encryption
- Assessments

Compliance Risk



Risk of legal/ regulatory sanctions.

KEY MITIGATION MEASURES

- Compliance framework
- Monitoring
- Testing

Reputational Risk



Risk of adverse public perception.

KEY MITIGATION MEASURES

- Governance
- Brand management
- Redressal

ESG Risk



Risks from ESG factors

KEY MITIGATION MEASURES

- ESG policy framework
- Governance oversight

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

During the year under review, instances of frauds were reported to the "Special Committee for Monitoring and follow up of cases of fraud" (hereinafter referred as 'FMC') and Audit Committee of the Board. The aggregate amount involved in these cases was approximately ₹ 65.16 crore. These cases, *inter alia*, included forgery, identity theft and misappropriation of funds.

Out of the above, an aggregate amount of approximately ₹ 15.37 crore was found to have involvement of employee(s). Following the detection, the services of concerned employee(s) were terminated. As a preventive measure, the Company has also undertaken steps to educate other employees through targeted communication and internal awareness initiatives to strengthen vigilance and mitigate the risk of similar incidents in the future.

Approximately ₹ 13.93 crore has been recovered till date. None of the above reported frauds had involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Further, the same was also reported to RBI and Statutory Auditors. The Statutory Auditors, in turn, have also brought these cases to the attention of the Audit Committee pursuant to circular issued by National Financial Reporting Authority ('NFRA') dated 26 June 2023.

The Company has a robust and evolving fraud prevention & detection framework. key drivers includes enhanced front-end validations, automated fraud deduplication, and advanced early warning systems with analytics.

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

Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 issued by the RBI in supersession of the erstwhile Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI on 19 October 2023 ('RBI Scale Based Regulations'), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage an NBFC to develop and use better internal risk management techniques for monitoring and managing its risks. Accordingly, the Company has framed an ICAAP policy and document.

The document encompasses the assessment of material risks to which the Company is exposed and measures taken to mitigate those risks. It has completed its ICAAP for FY2025 in line with its Board approved ICAAP policy. Based on assessment of all the material risks applicable to it and reviewing the controls and risk mitigation techniques, the Company is not required to maintain any additional capital.

Information Technology Governance and Cyber Security

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

During the year under review, a cyber security awareness programme was conducted for senior management and CXOs. It, *inter alia*, covered, emerging technology risks like AI and quantum computing, new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, etc. Further, on an annual basis, employees of the Company have undergone IT security trainings.

The Company continues to enhance cyber security and information security aspects while transforming to a customer-centric digital enterprise. It has the capability to offer remote access for identified IT vendors/ partners to enable full resources for user support, data center support, application maintenance and testing. All IT systems are compliant to ISO 27001 Information Security Management System and ISO 22301 Business Continuity Standard. The Company also has a dedicated cyber security and information security team to ensure technical expertise and regulatory as well as internal compliance for Information Technology.

There is an active engagement with stakeholders, including senior management team, in scenario-based cyber drills to evaluate our readiness to respond to potential cyber threats. Furthermore, security operations are being overhauled to strengthen our detection and response capabilities, while also advancing our proactive threat-hunting measures. Key endeavours include enhancing cyber insurance coverage and scope, implementation of security measures like Software Bill of Material (SBOM), establishing on premises 24X7 Security Operations Center (SOC), formulating AI Governance and security policy, dedicated team for AI governance and security.

The Company has implemented an Outsourcing Policy in line with regulatory requirements. The Company has an Outsourcing Compliance Committee. The Committee is responsible for:

- Evaluation of the risks and materiality of outsourced activities;
- Ensuring that periodic review of outsourcing arrangements is conducted by the Company; and
- Putting in place a central database on outsourcing.

Periodic risk-based information security assessment is conducted for vendors who are covered under "IT Outsourcing" as per regulatory guidelines. To enhance vendor governance, implemented vendor lifecycle management platform. Furthermore, to mitigate supply chain risks, improved secure coding guidelines for developers. Additionally, compliance teams have been established within each business unit to ensure alignment with regulatory requirements.

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

Number of Meetings of the Board

Eight (8) meetings of the Board were held during FY2026. Details of the meetings and attendance thereat forms part of the Report on Corporate Governance.

Independent Directors' Meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without attendance of Non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 23 March 2026 and:

- noted the report of performance evaluation of the Board and committees for the FY2026;
- 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 ('SMT'), during which, the SMT is encouraged to express their views and concerns pertaining to the business. Suggestions from the directors are noted by the Management.

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.

Formal Annual Evaluation of the performance of the Board, its Committees and Directors

Pursuant to section 178 of the Act, the Nomination and Remuneration Committee ('NRC') and the Board has decided that the evaluation shall be carried out by the Board only 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 excluding the director being evaluated, on the basis of performance and fulfilment of criteria of independence and their independence from Management. On the basis of the report on 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 were 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 23 March 2026.
- Based on the report and evaluation, the NRC and Board at their above said meetings, determined that the appointment of all independent directors may continue.
- Details on the evaluation of the Board, Non-independent directors, and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 23 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 compliant with 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 can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf. The feedback provided by the directors was noted.

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

Succession Planning

The Company has a structured and institutionalised succession planning framework designed to ensure leadership continuity under both anticipated and unforeseen circumstances. The framework is reviewed and refreshed annually to remain aligned with the Company's strategic priorities and evolving business needs.

Key elements of the framework include:

- **Strategic Workforce Alignment:** Succession planning is anchored to the Company's Long-Range Strategy (LRS) and Annual Operating Plan (AOP), ensuring that leadership capability requirements are proactively identified and planned in line with future strategic objectives.
- **Performance and Culture Linked Assessment:** The performance appraisal process enables consistent identification of leaders demonstrating sustained performance against goals, as well as leadership behaviours aligned to the organisation's cultural anchors.
- **Enterprise Talent Management Process:** A structured bi-annual Talent Management exercise identifies Top Talent, High Potential leaders, and Core Contributors, culminating in the development of a robust succession bench for senior and critical leadership roles.
- **Leadership Development through Role Rotation:** A formal Job Rotation Policy supports the development of senior leaders through planned role transitions, aimed at broadening exposure, strengthening cross-functional understanding, and building well rounded leadership capability.

Remuneration Policies

1. **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:

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

Hitherto, Company has not paid any commission and sitting fees to its Independent Directors for attending separate meetings of Independent Directors. Considering the value addition from these meetings to Management and the Board as a whole, the Board at its meeting held on 29 April 2025, has approved the payment of sitting fees of ₹ 100,000 and Commission of ₹ 500,000 per meeting, for separate meeting of Independent Directors. Consequently, the policy was amended.

In view of detailed RBI Guidelines for NBFCs concerning compensation of KMP and SMT, the Company has in place a specific policy to this effect.

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

Pursuant to RBI Directions, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. During the year under review, in line with best practices followed by banks, the categories of employee covered under the policy has been amended to include the identified Material Risk Takers ('MRT'). 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 policies can be accessed at:

- https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v4?scl=1&fmt=pdf and
- https://cms-assets.bajajfinserv.in/is/content/bajajfinance/annexure-4f-policy-for-compensation-of-kmp-and-senior-managementpdf?scl=1&fmt=pdf

As per the requirements of the RBI Master Directions and SEBI Listing Regulations, details of all pecuniary relationship or transactions of the Non-executive directors vis-à-vis the Company are disclosed in the Report on Corporate Governance.

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 has concluded that the aforementioned transactions were entered into on an arm's length basis.

Pursuant to regulation 23(1) of SEBI Listing Regulations, 2015, a transaction with a related party was considered material if the transaction, individually or taken together with previous transactions during a financial year, exceeded ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever was lower.

Accordingly, approval of shareholders was obtained at the last Annual General Meeting held on 24 July 2025 for transactions with Bajaj Housing Finance Ltd., (subsidiary) for an aggregate amount of ₹ 12,612 crore and with Bajaj Life Insurance Ltd., fellow subsidiary (formerly know as Bajaj Allianz Life Insurance Company Ltd.) for an aggregate amount of ₹ 1,445 crore.

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 can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-rpt-disclosure.

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, individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in schedule XII of the said regulations.

Accordingly, the Company proposes to seek approval of the shareholders at the upcoming Annual General Meeting for material related party transaction with Bajaj Housing Finance Ltd., as under:

(₹ in crore)

Particulars	Amount
Acquisition of loans or loan pools by way of assignment and servicing arrangements	12,550
Granting of any loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Purchase of portfolio and corresponding fee sharing arrangements	3,039
Charges for inter-company services rendered between the Company and BHFL	42
Commission paid and received towards sourcing of products of the company and BHFL	21
Total	**18,152**

Further details are provided in the Notice of the 39th Annual General Meeting.

All transactions of the Company were on an arm's length basis and in the ordinary course of business. No transaction required approval under section 188 of the Act, nor any transaction requires reporting under Form AOC-2.

Annual Return

The Annual Return as provided under section 92(3) of the Act, in the prescribed form is hosted on the Company's website and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Employee Stock Options ('ESOP')

The Company offers stock options to select employees of the Company and its subsidiaries to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the Senior Management team. Stock options are granted to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behavior. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Grant of stock options also allows the Company to maintain the right balance between fixed pay, short-term incentives, and long-term incentives to effectively align with the risk considerations and build a focus on consistent long-term results.

BFL Employee Stock Option Scheme ('ESOP 2009') is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('ESOP Regulations'). The scheme was modified pursuant to a special resolution passed in the Annual General Meeting held on 24 July 2025 to include secondary market acquisition of existing shares of the Company by the trust. No acquisition has been undertaken by the trust under the secondary market route. The same can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/esop-scheme-postal-ballot-final-15-may-2024-new-for-nrcpdf?scl=1&fmt=pdf

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 ESOP Regulations, is available on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

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

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2026.

Share Capital

During FY2026, pursuant to the approval of the Board of Directors and members of the Company, the following changes have taken place in the share capital of the Company:

a) Sub-division of Equity Shares of the Company and issue of Bonus shares:

During the year under review, the Members approved the following corporate actions through postal ballot on 7 June 2025:

- sub-division of one equity share of face value of ₹ 2 (Rupees Two Only) into 2 equity shares of face value of ₹ 1 (Rupee One Only); and
- issue of 4 (Four) bonus equity shares of face value of ₹ 1 (Rupee One Only) for every 1 (One) equity share fully paid-up of ₹ 1 (Rupee One Only) by capitalising such sums out of securities premium account.

b) Allotment to ESOP Trust:

The Company has issued and allotted 8,195,345 equity shares of the face value of ₹ 1 each at respective grant prices to the trustees of BFL Employee Welfare Trust under the Employee Stock Options Scheme, 2009.

As on 31 March 2026, the paid-up share capital of the Company stood at ₹ 622.24 crore consisting of 6,222,481,865 equity shares of face value of ₹ 1 fully paid-up.

Deposits

The Company accepts deposits from retail and corporate clients. As on 31 March 2026, it had a standalone deposit book of ₹ 68,485.55 crore, representing an annual degrowth of 4% in FY2026. Deposits contributed to 21% of Company's standalone borrowings versus 26% as at the end of FY2025.

The consolidated deposits book as on 31 March 2026 stood at ₹ 68,533 crore. Deposit contributed to 16% of its consolidated borrowings as on FY2026 versus 20% as at the end of FY2025.

Break-up of deposits raised on a standalone basis:

(₹ in crore)

Sr. No.	Type	Amount raised	Outstanding as on 31 March 2026
1.	Public deposit	7,330.93	39,379.73
2.	Corporate deposit	24,162.78	26,841.16
3.	Other deposit	846.05	2,264.66
	TOTAL	**32,339.76**	**68,485.55**

Pursuant to provisions of the RBI Act, 1934, the Company has created a charge on statutory liquid assets amounting to ₹ 6,499.17 crore in favour of Catalyst Trusteeship Ltd., the trustee, for Public Fixed Deposit ('FD') holders.

During FY2026, there was no default in repayment of deposits or payment of interest thereon. With a view to reduce unclaimed deposits, the Company *inter-alia* has taken the following measures:

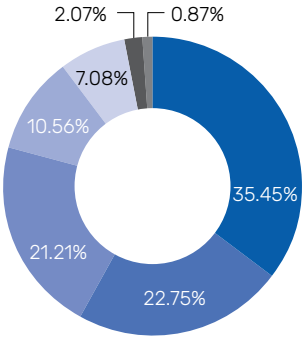
- Communication via SMS and/or email is sent to the depositor on T+1 (T=Rejection date), informing them of the payment rejection by the depositor's bank;
- The FD Customer Service team subsequently contacts the depositor on their registered mobile number to notify them of the rejection and request submission of updated bank account details to be linked with the fixed deposit;
- The depositor is required to share the updated bank details along with necessary supporting documents via email or through the branch for processing and updation;
- In cases where the depositor is not contactable, an 'Account Payee' cheque is prepared and dispatched to the depositor's registered address within T+10 days; and
- If the cheque remains unrealised within T+30 days, an additional attempt is made through a field visit by branch operations to establish contact with the depositor.

As on 31 March 2026, there were 19 FDs amounting to ₹ 30.81 lakh which had matured and remained unclaimed and interest on matured deposits amounting to ₹ 3.39 lakh and interest on active deposits amounting to ₹ 3.79 lakh had also remained unclaimed.

Borrowings

The total borrowing limit approved by the shareholders pursuant to the provisions of section 180(1)(c) of the Act stands at ₹ 375,000 crore.

The total borrowing as on 31 March 2026 was ₹ 322,818.39 crore. The break-up of the same is as under:



Category	Amount (₹ in crore)	% of total borrowing
Non-Convertible Debentures	114,434.88	35.45%
Bank Loans (TL/CC/OD/WCDL)	73,451.68	22.75%
Deposits	68,485.55	21.21%
Short-term Borrowings	34,079.88	10.56%
External Commercial Borrowing	22,866.97	7.08%
Securitisation (PTC)	6,694.12	2.07%
Subordinate Liabilities	2,805.31	0.87%

Credit Rating

During the year under review, Moody's Ratings vide their press release dated 4 August 2025, has assigned the Company a new rating 'Baa3 Corporate Family Rating (CFR)' with outlook as 'Stable'. Simultaneously, the Moody's Ratings has withdrawn its existing rating assigned to the Company, i.e., Baa3(Stable outlook)/P-3 long-term and short-term foreign and local currency issuer ratings, for Moody's own business reasons.

Further, S&P Global Ratings vide their report dated 14 August 2025, has upgraded the Company (issuer) credit rating from BBB-/Positive/A-3 to BBB/Stable/A-2. S&P Global Ratings has further informed that the Standalone Credit Profile (SACP) for the Company remains unchanged at 'bbb'.

S&P Global Ratings report mentioned that the rating upgrade is subsequent to the upward revision in the sovereign credit rating on India to 'BBB' from 'BBB-'.

Pursuant to SEBI master circular for credit rating agencies, dated 11 July 2025, 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 brief details of the ratings received from credit rating agencies by the Company for all its outstanding instruments are given in General Shareholder Information.

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 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 are discussed in more detail in Management Discussion and Analysis.

Internal Audit

The internal audit function provides an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of Company's internal controls, risk management and governance related systems and processes. In line with RBI's guidelines on Risk Based Internal Audit, the Company has implemented a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The Audit Committee on a quarterly basis reviews the internal audit reports based on the approved plan, which includes audit observations, corrective and preventive actions. Closure of corrective and preventive actions arising from the audit observations is tracked and reviewed by the internal audit team and status is updated to the Audit Committee. The Committee also reviews adequacy and effectiveness of internal controls based on such reports.

The Committee also has independent meetings with the internal auditor without the presence of Management.

As per RBI guidelines, quality assurance and improvement programme ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP is carried out annually through an external agency to assess functioning of the internal audit function and adherence to the internal audit policy.

Statutory Audit

Price Waterhouse LLP, Chartered Accountants, (Firm Registration No. 301112E/E300264) ('PWC') and Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057), 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 information under section 143(12) read with section 134(3)(ca) of the Act is given in the section 'fraud monitoring and reporting'.

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, the Joint Statutory Auditors have also submitted an Additional Report dated 24 July 2025, for FY2025 which has been filed with RBI. 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 38th Annual General Meeting held on 24 July 2025, approved the appointment of M/s. Makarand M. Joshi & Co. ('MMJC'), a peer reviewed firm of Company Secretaries in Practice as 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 MMJC. 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 the SEBI Listing Regulations, a report on secretarial compliance for FY2026 has been issued by MMJC, 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 at https://www.aboutbajajfinserv.com/finance-investor-relations-secretarial-compliance-reports.

Whistle-Blower Policy/Vigil Mechanism

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

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by a committee comprising of Senior Management representatives. 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. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practices. During FY2026, no person was denied access to the Audit Committee including the Chairman of the Audit Committee.

The Whistle-Blower Policy is uploaded on the website of the Company and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v-1-6?scl=1&fmt=pdf

More details are given in the Report on Corporate Governance.

Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act')

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender discrimination and harassment. The Company 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 POSH Act, and rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH Act, 2013. The policy can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-at-workplace-website-v1-6?scl=1&fmt=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
8	6	0

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to the SEBI circular dated 10 May 2021 read with SEBI Master Circular dated 30 January 2026, and amendment in SEBI Listing Regulations, top 1,000 listed entities based on market capitalisation are required to submit BRSR with effect from FY2023, as part of their Annual Report.

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 SEBI's requirements, for FY2026.

The Company has adopted a Policy for Responsible and Sustainable Business Conduct. The Board 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 SEBI is annexed to the Annual Report. A detailed ESG Report describing various initiatives, actions and process of the Company towards the ESG endeavour can be accessed at https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance.

Significant and Material Orders passed by the Regulators, Courts or Tribunals

There were no significant or material orders passed by the regulators, courts or tribunals having an impact on the going concern status and Company's operations in future.

Conservation of Energy

The Company's operations are not energy intensive. However, it remains committed to responsible resource utilisation and minimizing its environmental impact. Initiatives to reduce greenhouse gas emissions, energy consumption, and water usage have been introduced across select areas of operations. Details of these measures and their outcomes are provided in the Business Responsibility and Sustainability Report (BRSR) and ESG Report.

Technology Absorption

The details pertaining to technology absorption have been explained in the Management Discussion and Analysis.

Considering the nature of services and businesses, no specific amount of expenditure is earmarked for Research and Development. However, the Company on an ongoing basis strives for various improvements in the products, platforms, and processes.

Foreign Exchange Earnings and Outgo

During FY2026, the Company did not have any foreign exchange earnings and the foreign exchange outgo in terms of actual outflow amounted to ₹ 1,032.12 crore.

RBI Guidelines

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital to risk-weighted assets ratio of the Company was 21.55% as on 31 March 2026. In line with the RBI guidelines for asset liability management ('ALM') system for NBFCs, the Company has an asset liability committee, which meets monthly to review its ALM risks and opportunities. Further, the Company is well ahead of the regulatory requirement in terms of liquidity coverage ratio ('LCR') introduced by the RBI in FY2020. As against the LCR requirement of 100%, the Company's LCR as on 31 March 2026 was 128.38%.

The Company continues to be in compliance with the RBI Directions.

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 to 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.

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.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.
- More details regarding the operations, state of affairs and initiatives of the Company are given in the Management Discussion and Analysis.
- 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 members on request, as per provisions of section 136(1) of the Act.
- The Company being an NBFC, 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. However, disclosures as per RBI regulations with respect to deposits have been made in this Annual Report.
- The provisions of section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- Details pursuant to rule 13(4) Companies (Audit and Auditors) Rules, 2014 are provided under para 'Fraud Monitoring and Reporting' of this report.
- 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.
- There is no change in the nature of business of the Company during FY2026.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- As on 31 March 2026, the Company had 68,742 permanent employees, comprising 64,444 male and 4,298 female employees.

- Disclosures under section 197(14) of Companies Act, 2013:

- **Rajeev Jain, Vice Chairman & Managing Director (DIN: 01550158)**

  Rajeev Jain is on the Board of BHFL, a subsidiary of the Company, as its Non-executive Vice Chairman. In his capacity as a Non-executive director, he draws sitting fees and commission from BHFL at par with other Non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2026 is ₹ 92 lakh. Apart from the above, he does not draw any commission from any other subsidiary company.

  Effective 1 April 2025, he has been appointed on the Board of Bajaj Finserv Ltd. ('BFS'), the holding company, as a Non-executive, Non-independent director. He is entitled to sitting fees and commission on par with other Non-executive, Non-independent directors. The total remuneration (sitting fees and commission) drawn for FY2026 is ₹ 20 lakh.

- Neither any application has been made, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 ("Code"). However, the Company has been impleaded as a respondent in certain applications filed by corporate borrowers under the Code, wherein such borrowers have sought reliefs on account of their inability to repay loans availed from the Company. Further, these matters do not have any material adverse impact on the business, operations, or financial position of 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 loan from the Banks or Financial Institutions are not reported.
- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.
- Disclosure pursuant to 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 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

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

i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures where applicable;

ii. they have selected such accounting policies and applied them consistently and made judgements 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;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgement

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, debenture holders, trustees for debenture holders, the Reserve Bank of India, the Insurance Regulatory and Development Authority of India, 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, 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, its subsidiaries and associates and thanks them for yet another good year of performance.

On behalf of the Board of Directors,

Sanjiv Bajaj
Chairman

DIN: 00014615
Pune: 29 April 2026

Dividend Distribution Policy

Preamble:

The financial strategy of the company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the Company's growth, while maintaining a strong financial foundation for the company.

Objective:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of Bajaj Finance Limited ("the Company") before recommending dividend to its shareholders for a financial year. The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Criteria to be considered before recommending dividend:

The Board will consider the following factors before recommending dividend:

Statutory and regulatory compliance:

The Company shall declare dividend only after ensuring compliance with guidelines on dividend declaration issued by the Reserve Bank of India (RBI) from time to time, provisions of the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

Financial parameters:

The Board shall endeavour that the Dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout (including dividend distribution tax) in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Other internal and External Factors:

The dividend distribution will be subject to internal & external factors, such as, general, economic & market conditions, funding requirements for expansion, diversification, growth, new projects, brand / business acquisitions, long-term strategic plans, joint venture plans, fresh investments in subsidiaries / associates, absorbing unfavourable market conditions, meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits.

Dividend declaration

Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while an interim dividend, if any, may be declared by the Board. The company currently has only one class of shares, i.e. equity shares.

Amendments / Modifications:

To the extent any change/amendment is required in terms of any applicable law or change in regulations or any specific instructions from regulator, the regulations or specific instructions would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

Review of Policy:

The dividend policy would be reviewed annually.

Disclosure of Policy:

The policy will be available on the Company's website.

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 director to median remuneration of employees	% increase in remuneration in FY2026
A.	**Whole-Time Director**		
	Rajeev Jain	220.21	11.00[$]
B.	**Non-Executive Directors**		
	Sanjiv Bajaj - Chairman	97.81	36.56
	Anami N Roy	19.96	17.50
	Dr. Naushad Forbes	9.06	(33.33)
	Pramit Jhaveri	19.96	10.16
	Radhika Haribhakti	14.58	35.53
	Dr. Arindam Bhattacharya	11.04	39.29
	Tarun Bajaj	16.14	Refer Note[@]
	Ajay Kumar Choudhary	14.30	Refer Note[@]
	Rajiv Bajaj	3.40	(14.29)
C.	**Key Managerial Personnel**		
	Sandeep Jain - Chief Financial Officer		6.50[$]
	R Vijay - Company Secretary		9.50[$]
D.	**% Increase in Median Remuneration of employees**		4.14
E.	**Number of permanent employees on the rolls of the Company as on 31 March 2026**		68,742

[@]Not comparable since Tarun Bajaj and Ajay Kumar Choudhary have been appointed as independent directors of the Company w.e.f. 1 August 2024 and 1 February 2025, respectively.

[$]Percentage increase calculated on fixed pay basis.

Notes:

- Anup Saha ceased to be managing director & director of the Company with effect from close of business hours on 21 July 2025. Hence, the details are not provided.
- Remuneration payable to non-executive directors is based on the number of meetings of the Board and/or Committees attended by them during the year. The commission payable to Non-executive Directors has been revised to ₹ 500,000 per meeting with effect from 1 May 2025, as compared to ₹ 400,000 per meeting earlier. As approved by NRC and Board, Sanjiv Bajaj, is being compensated by way of additional commission of ₹ 5.50 crore, for the time and commitment devoted by him during the year, at the request of the Management.
- Remuneration to non-executive directors does not include sitting fees paid to them for attending Board and/or Committee meetings.
- The variation reflected in column % change in remuneration in FY2026 is on account of number of Board/ Committee meetings, attendance of directors thereat and change in Committee positions.

Notes on Disclosures under Rule 5

1. Average percentage increase in salary of employees other than Managing Director is 6.61%.
2. 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.
3. 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 31 March 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035, Maharashtra, India

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

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 covering from April 01, 2025 to March 31, 2026 (hereinafter referred as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Foreign Direct Investment (Overseas Direct Investment is not applicable to the Company during the Audit Period);

(ii) 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 (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period) and

i. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

A. Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:

i. The Reserve Bank of India Act, 1934.

ii. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

iii. Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

iv. Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

B. The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

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 audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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, rules, regulations, and guidelines.

We further report that during the audit period, the Company has:

1. Issued Bonus Equity shares in the ratio of 4:1 i.e., 4 (Four) bonus equity shares of ₹ 1 (Rupees One) each for every 1 (one) equity share of ₹ 1 (Rupee One) each fully paid up.
2. Sub-divided 1 (one) equity share of face value of ₹ 2 each fully paid-up into 2 (two) equity shares of face value of ₹ 1 each fully paid-up.
3. Issued non-convertible debentures through private placement under Section 42 and 71 of the Companies Act, 2013.
4. Modified the Employee Stock Option Scheme, 2009.
5. Approved the extension of benefits and grant of options to the employee(s) of holding and/ or subsidiary company(ies) under the Employee Stock Option Scheme, 2009.
6. Approved the authorisation of the Trust to acquire equity shares from the secondary market for the implementation of the Employee Stock Option Scheme, 2009.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227471

Date: 29 April 2026
Place: Mumbai

'Annexure A'

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035, Maharashtra, India

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 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 is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227471

Date: 29 April 2026
Place: Mumbai

Corporate Governance Compliance Certificate

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035,
Maharashtra, India

We have examined the compliance of conditions of Corporate Governance by **Bajaj Finance Limited** ("the Company") for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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

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 **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227876

Date: 29 April 2026
Place: Mumbai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Bajaj Finance Limited,
Akurdi Pune-411035,
Maharashtra, India

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Bajaj Finance Limited** having **CIN L65910MH1987PLC042961** and having registered office at Akurdi, Pune- 411035, Maharashtra, India (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on March 31, 2026.

Table A

Sr. No.	Name of the Directors	DIN	Designation	Date of appointment in Company
1.	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman	18-01-2005
2.	Rajeev Jain	01550158	Vice Chairman and Managing Director	01-04-2015
3.	Rajivnayan Rahulkumar Bajaj	00018262	Non- Executive Director	02-05-1994
4.	Naushad Darius Forbes	00630825	Independent Director	01-04-2019
5.	Anami Narayan Prema Roy	01361110	Independent Director	01-04-2019
6.	Pramit Shashikant Jhaveri	00186137	Independent Director	01-08-2021
7.	Radhika Vijay Haribhakti	02409519	Independent Director	01-05-2022
8.	Arindam Bhattacharya	01570746	Independent Director	01-04-2023
9.	Tarun Bajaj	02026219	Independent Director	01-08-2024
10.	Ajay Kumar Choudhary	09498080	Independent Director	01-02-2025

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand Joshi
Partner
FCS No: 5533
CP No. 3662
UDIN: F005533H000237732

Date: 29 April 2026
Place: Mumbai

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 2 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 on 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 reviewed by the Board at its meeting held on 23 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	Category	Number of meetings of CSR Committee held during the year	Number of meetings attended by members during the year
1.	Dr. Naushad Forbes	Chairman, non-executive, independent	3	3
2.	Sanjiv Bajaj	Non-executive, Non-independent	3	3
3.	Rajeev Jain	Executive, Non-independent	3	1

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

Composition of CSR Committee	https://www.aboutbajajfinserv.com/finance-people-and-committees-corporate-social-responsibility-committee
CSR Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibility-v8?scl=1&fmt=pdf
CSR projects approved by the Board	https://www.aboutbajajfinserv.com/finance-investor-relations-csr-projects
Terms of Reference	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-csr-committeepdf?scl=1&fmt=pdf

5. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Impact assessment has been carried out for 22 projects. The executive summaries are annexed to this report. The full report is hosted on Company's website and can be accessed at https://www.aboutbajajfinserv.com/finance-csr-impact-assessment-reports

6.

a)	Average net profit of the Company as per sub-section (5) of section 135:	₹ 16,698.70 crore
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135:	₹ 333.97 crore
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil
d)	Amount required to be set-off for the financial year, if any:	Nil
e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 333.97 crore

7.

a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project:	₹ 309.15 crore
b)	Amount spent on Administrative Overheads:	₹ 8.83 crore
c)	Amount spent on Impact Assessment, if applicable:	₹ 0.84 crore
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 318.81 crore
e)	CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the financial year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to sub- section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
318.81	15.16	27 April 2026	-	-	-

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	333.97
ii.	Total amount spent for the financial year	318.81
iii.	Excess amount spent for the financial year	-
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)]	-

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

(₹ in crore)

Sr. No.	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Name of the Fund	Amount	Date of Transfer		
1.	FY2022-23	20.87	-	-	-	-	-	-	-
2.	FY2023-24	6.19	-	-	-	-	-	-	-
3.	FY2024-25	6.24	-	6.24	-	-	-	-	-

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

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:

The unspent amount primarily pertains to ongoing projects commenced during the year under review. The ongoing projects generally span over a period of 2 to 3 years and have milestone-based payments as per agreed outcomes. The earmarked amount for F.Y. 26 for these ongoing projects have been spent and the remaining are due in the upcoming years, hence the shortfall.

Sd/-
Rajeev Jain
Vice Chairman and Managing Director
DIN: 01550158

Sd/-
Dr. Naushad Forbes
Chairman of CSR Committee
DIN: 00630825

Annexure: Summary of Impact Assessment for Annual Report FY2026

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
1	Youth4jobs Foundation	Parivartan funding placement linked skilling for persons with disability	1 January 2019 to 30 June 2023	335	Thinkthrough Consulting Pvt Ltd.	The initiative successfully trained 1,411 youth with disabilities and achieved 985 job placements. The students benefitted through residential training, online learning and post-placement support at Mumbai and Jaipur centres. 57.0% of beneficiaries reported increased income post-training. Major placement sectors were e-commerce, retail, hospitality, and BPO/ITES, with average starting salaries between ₹ 10,500–₹ 15,500 per month.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/youth4jobs-foundation-parivartan?scl=1&fmt=pdf
2	PI Jam Foundation	Pi-Labs (model computer science labs)	1 September 2022 to 30 November 2023	125	Thinkthrough Consulting Pvt Ltd.	The project was rolled out across 25 Pune Municipal Corporation (PMC) schools in Maharashtra, directly benefiting 6,250 students in grades 5-8. By integrating Computer Science into the regular school curriculum, the initiative provided students with structured, hands-on exposure to computing, problem-solving, and computational thinking. All the students indicated an interest in further learning and aspired to pursue careers in technology and tech-related roles.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/pi-jam-foundation?scl=1&fmt=pdf
3	Youth4jobs Foundation	Y4J Grassroot Academy for People with Disabilities (Locomotor Disabled, Speech and Hearing Impaired, Low Vision and Slow Learners)	1 July 2022 to 30 September 2023	265	Thinkthrough Consulting Pvt Ltd.	The program trained 1,463 youth with disabilities through accessible, community-embedded interventions. Through Divyang Mitra and Grassroot Fellow model, the program trained youth across Karnataka, Maharashtra, Rajasthan and Telangana. 738 youth with disabilities were placed, achieving 55.0% placement linkage, with a significant proportion in self-employment and wage employment.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/youth4jobs-foundation-grassroot-academy?scl=1&fmt=pdf
4	MITTI Social Initiatives Foundation	Experiential Training to 180 Adults with physical and intellectual disabilities.	1 July 2022 to 30 September 2023	110	Thinkthrough Consulting Pvt Ltd.	The initiative trained 180 and placed 143 adults with physical and intellectual disabilities across Mitti Cafés located in high-footfall areas such as airports, hospitals, educational institutions, and corporate offices. 67% of trainees reported a significant increase in income after training and placement. 91% of trainees reported feeling prepared for employment beyond Mitti Cafés, showing long-term skill development. Partnering organisations demonstrated increased awareness and openness toward employing PwDs.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/mitti-social-initiatives-foundation?scl=1&fmt=pdf
5	PRATHAM Education Foundation	Hamara Gaon and Second Chance program	1 September 2022 to 30 November 2023	133	Thinkthrough Consulting Pvt Ltd.	The program through its different initiatives collectively reached to 3,108 children, dropout girls and women and impacted learners across 30 communities in Pune District. As a result of the Humara Gaon initiative which focused on improving learning outcomes, the proficiency in reading comprehension and arithmetic in Level 1 reached to 36% and 48% respectively. Through the second chance initiative, 96% pass rate was recorded and scores ranged 55 – 75%, Schools integrated Pratham's learning models beyond project scope.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/pratham-education-foundation?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
6	Jankidevi Bajaj Gram Vikas Sanstha Partnership collaboration	Restoration of "Old Mechanical Engineering Drawing Hall" of the Bajaj School of Mechanical Engineering, COEP	1 August 2020 to 30 June 2023	1052	Renalysis Consultants Pvt Ltd (CSR BOX)	The project supported the expansion of a drawing hall at the Bajaj School of Mechanical Engineering. With a built-up area of approximately 3,534 sq. m, the restoration doubled the usable space to 38,000 sq. ft., integrating new laboratories, faculty rooms, classrooms, and a seminar hall, alongside dedicated facilities for student clubs and cultural activities.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/jankidevi-bajaj-gram-vikas-sanstha-partnership-collaboration?scl=1&fmt=pdf
7	Tata Memorial Centre	Bajaj cancer health initiative -adoption of cancer affected children along with staff support	1 April 2021 to 31 July 2023	176	Sambodhi Research and Communications Private Limited	The intervention provided medical, economic and psycho-social support to 15 Paediatric cancer staff members for delivering quality care to the children, suffering from cancer. The coordinated efforts of 15 dedicated staff members, including social workers, infection control nurses, and data managers, streamlined the diagnostic and treatment process. The multidisciplinary team approach and well-coordinated workflows enhanced efficiency, reducing treatment delays.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/tata-memorial-centre-cancer-affected?scl=1&fmt=pdf
8	Tata Memorial Centre	Bajaj cancer health initiative -adoption of cancer affected children along with staff support	1 April 2021 to 31 July 2023	200	Sambodhi Research and Communications Private Limited	The program supported the treatment of 76 Paediatric cancer patients. An impressive 95% have fully recovered, while the remaining 5% remain under follow-up care. A majority of families, 95%, received counselling and emotional support; 85% accessed infection control guidance; 95% benefited from nutrition and medication support. The program also facilitated the social reintegration of children, with 100% of beneficiaries returning to regular school attendance.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/tata-memorial-centre?scl=1&fmt=pdf
9	Haritika	Udaan Project: An Initiative for Sustainable Livelihood Based Tribal Holistic Development	1 July 2022 to 30 September 2023	150	Dev Insights Private Limited	The initiative improved incomes, strengthened food security, and empowered tribal communities across 10 villages in Damoh and Chhatarpur districts of Madhya Pradesh. By integrating watershed management, climate-resilient farming, women-led enterprises, and household nutrition interventions, 60–70% of households achieved a shift from mono-cropping to two to three annual cropping cycles, leading to household incomes increasing from ₹ 25,000–₹ 30,000 to ₹ 60,000–₹ 75,000 and improved diet diversity.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/haritika-foundation?scl=1&fmt=pdf
10	Magic Bus India Foundation	Connect with Work Program	1 August 2022 to 31 October 2023	300	Sambodhi Research and Communications Private Limited	The program supported the training and placement of 10,000 youth across 133 colleges in Pune. The beneficiaries were placed in 398 companies spanning IT-ITES, Banking & Financial Services, manufacturing, retail, hospitality, etc. Approximately 40% of trainees transitioned into paid jobs, many of whom were first-time earners, as evidenced by the 43% of placed participants reporting no prior income. However, Income gains remained within lower-middle-income thresholds and were not transformative.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/magic-bus-india-foundation?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
11	Autism Research and Training Centre	Establishing ARC - Autism Research and Training Centre - a Residential and Training facility for Persons with Intellectual Disability.	1 February 2023 to 31 October 2023	299	Renalysis Consultants Pvt Ltd (CSR BOX)	The intervention supported the expansion of centre's residential and educational facilities for 50 children with areas for sensory integration, learning, and recreation. The inclusive infrastructural features reduce child's anxiety, fosters independence, and builds parental confidence in the centre's ability to meet diverse needs.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/autism-research-and-training-centre?scl=1&fmt=pdf
12	Deepstambh Foundation (Infra)	Construction support to 'Manobal- National Accessible Model' for all types of persons with disabilities, orphan, and underprivileged youth	1 February 2023 to 31 July 2023	388	Thinkthrough Consulting Pvt Ltd.	The project supported the Construction of India's first fully accessible 3-acre free residential competitive examination guidance centre for students with disabilities in Jalgaon. The new facility features gender-segregated accessible hostels, barrier-free academic infrastructure like 112 wheelchair-accessible ramps, wide passing zones and doorways for wheel chair users, comprehensive safety systems, and sustainable design elements, enabling independent living and dignified learning for 320 marginalized students preparing for competitive examinations.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/deepstambh-foundation-infra?scl=1&fmt=pdf
13	Latika Roy Memorial Foundation	Support for resource Center	1 December 2019 to 30 May 2023	224	Renalysis Consultants Pvt Ltd (CSR BOX)	The program reached out to more than 250 families through the Foundation's Resource Centre which acts as a hub for knowledge, training, and advocacy, creating an enabling environment for children with disabilities and their families. The support provided by the centre resulted in improvements of caregiver capabilities in handling children with disabilities as well in improving the motor skills of children, responsiveness, feeding practices and other physical and emotional needs of the children.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/latika-roy-memorial-foundation?scl=1&fmt=pdf
14	The Society for Door Step School	School and Community Intervention Program	1 July 2022 to 24 September 2023	190	Sambodhi Research and Communications Private Limited	The program reached 8,279 children in 20 schools and 4,513 children across 27 communities in Pune, to strengthen foundational literacy and numeracy (FLN). As an impact of the program, 71% could read comprehensions, compared to state averages of 59.6% in Class 5. Similarly, 27% achieved competency in division, and 38% in subtraction, outperforming state benchmarks in higher-order operations. Attendance strongly correlated with outcomes. The intervention flattening learning disparities and accelerating progress for those most at risk of exclusion.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/the-society-for-door-step-school?scl=1&fmt=pdf
15	SWADHAR Institute for Development of Women Children (IWDC) Pune	Aksharsparsh school library	25 June 2022 to 25 September 2023	100	Sambodhi Research and Communications Private Limited	The project strengthened foundational literacy and numeracy (FLN) among children 18,096 students from Classes 1–4 from 99 schools in Pune district. As a result of the intervention, over half of students reached story-level reading; numeracy gains were striking, with one-third of children solving division problems by endline. Class 5 students in project schools outperformed state peers in ASER benchmarks for both reading and numeracy, while Class 4 showed slower progress in advanced operations.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/swadhar?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
16	Sambhav Foundation	Creating an inclusive ecosystem for women and youth through livelihood enablement	1 July 2022 to 30 September 2023	140	Sambodhi Research and Communications Private Limited	The program benefited 1,000 underprivileged youth through training and certification of which 702 beneficiaries transitioned into employment. Roles spanned data entry, billing, retail sales, customer support, mobilisers, junior scientist and beauty-parlor assistant positions, illustrating wide applicability of acquired skills. As a result of the program, 45% reported improved income; the share of households earning below ₹ 20,000 declined from 41% to 18% after placement and families reporting monthly income above ₹ 30,000 increased to 45%. Beneficiaries described enhanced self-confidence, independence and decision-making ability. Post-placement support existed for 2-3 months.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sambhav-foundation?scl=1&fmt=pdf
17	Kailash Satyarthi Childrens Foundation	Prevention and protection of children from sexual abuse and trafficking	1 July 2022 to 30 September 2023	500	Renalysis Consultants Pvt Ltd (CSR BOX)	The initiative focused on providing legal aid, counselling, capacity building, and policy advocacy to strengthen systems of child protection. The project, 487 CSA cases received legal support, resulting in 58 convictions, and 3,400+ stakeholders were trained across states. Through its survivor-centric and systemic approach, the project contributed significantly to improving access to justice, mental health support, and institutional accountability in addressing CSA.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/kailash-satyarthi-childrens-foundation?scl=1&fmt=pdf
18	SATHI (Society for Assistance to Children in Difficult Situation)	Project A- "Foster Care" – A support system for COVID-19-affected children belonging to financially marginalized families in Pune Project B - Rescue and resettlement of runaway and missing children found on the railway platform of New Delhi Project C - Rescue and resettlement of runaway and missing children found on the railway platform of Yeshwanthpur, Bangalore	1 July 2022 to 30 November 2023	160	Renalysis Consultants Pvt Ltd (CSR BOX)	Through the program, a comprehensive support was provided to 308 children and their families and rescued more than 2,000 children from the New Delhi and Bangalore railway stations. As an impact of the project, long-term positive changes created in the lives of children and families. 97% avoided school dropouts, ensuring continuity in education due to financial support provided under foster care. 98% of rescued children felt safe at SATHI shelters, and 83% reported strong emotional support. 100% of the beneficiaries completed skill development courses provided under foster care, Pune, improving employability.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sathi?scl=1&fmt=pdf
19	Jan Swasthya Sahyog	Phulwari: To strengthen and innovate (Rural creche) the public health intervention to prevent malnutrition among 6 months to 3 years children.	1 July 2022 to 30 September 2023	120	Dev Insights Private Limited	The program supported 1,200 Infants and toddlers (6 months – 3 years) from economically and socially disadvantaged tribal families through rural creches in MP. With 81% reporting weight gain and 71% noting more diverse diets, children achieved healthier growth trajectories and improved immunity at the creches, while 57% of mothers reported being able to work and 62% reporting reduced stress due to these centres.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/jan-swasthya-sahyog?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
20	Smile Train	Gifting Smiles	1 July 2022 to 30 September 2023	100	Sambodhi Research and Communications Private Limited	The program facilitated 4,000 cleft lip and palate surgeries across 15 Smile Train partner hospitals in Maharashtra, Rajasthan, and Uttar Pradesh. Post-surgery, 76.47% showed improved feeding ability, and 80.39% experienced better speech clarity. 44% of families reported no out-of-pocket expenses, while a combined 52% spent less than ₹ 5,000 on related costs such as travel, food, and medications. 94% reported a very positive change in their perception of their child's future, suggesting that the intervention not only improved health outcomes but also instilled confidence for social interaction and better School Performance for children and lasting hope, and resilience within households.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/smile-train?scl=1&fmt=pdf
21	Rajasthan Mahila Kalyan Mandal	FINE - Fostering Inclusive Education in middle school	1 July 2022 to 30 September 2023	200	Renalysis Consultants Pvt Ltd (CSR BOX)	The program facilitated the enrolment of 314 children with special needs (CwSNs) into schools and day-care centers. The interventions in inclusive education, vocational training, therapeutic interventions and Parent & Community Engagement sessions helped children in becoming independent, with 65% of children able to walk independently, 74% children giving Sustained attention to tasks and 59% of children showed improvement in social interactions	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/rajasthan-mahila-kalyan-mandal-fine?scl=1&fmt=pdf
22	The Akanksha Foundation	Learning Vision at Akanksha	1 September 2022 to 30 November 2023	150	Sambodhi Research and Communications Private Limited	Spanning 20 municipal and affordable private schools, the program directly reached 11,910 students across Pune, Mumbai, and Nagpur, embedding joyful, inclusive, and student-centered learning environments. Significant improvements in English Writing and Grammar scores across Grades 1–6 (e.g., Grade 3 Writing: 19% → 43%) were observed. Mathematics performance showed mixed results: gains in Grades 2–4 and 6, but declines in Grade 1 and Grade 5, highlighting the need for targeted numeracy support. Beyond academics, students developed digital literacy, collaboration, and communication skills while teachers noted children experimenting fearlessly on apps, failing and retrying, which built resilience.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/akanksha-foundation?scl=1&fmt=pdf

100 Years BAJAJ

BAJAJ FINANCE

WE BUILD FOR



MOMENTS WHEN OPPORTUNITY CANNOT WAIT

Technology, data and FinAI-powered decisioning have helped us scale lending with speed and precision, enabling over 52 million loans across India. Making credit available in minutes allows customers to seize opportunities without delay.

Because opportunity should never wait.

Report on Corporate Governance

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Corporate Governance framework & philosophy

This report details the corporate governance policies and practices of Bajaj Finance Ltd. (the 'Company', 'Bajaj Finance' or 'BFL') for FY2026 and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), and the Directions of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Directions'), as applicable to the Company.

Philosophy

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day-to-day business practices. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure, and accountability are the main thrusts of the working of the Bajaj group. The Company maintains the same tradition and commitment.

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

Key elements of Bajaj Finance's Corporate Governance

- Compliance with applicable law.
- Promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.
- Proactive adherence to the regulations and periodical engagement with regulators.
- Benchmarking and adopting best practices among banks, peers and other leading organisations.
- 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.
- Panel of independent directors with outstanding track record and reputation.
- Rotation of key committee's chair and changes to its composition once in every few years, to provide broader exposure and have a balanced responsibilities amongst board members.
- Independent Assurance on arm's length of Related Party Transaction(s).
- Audit Committee comprising only of Independent Board Members with Independent Directors chairing Statutory Committees of the Board.
- Pre-briefing sessions with the Committee's Chair with statutory auditors, internal auditors, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Independent discussions by the Committee with chief internal auditor, chief risk officer, and chief compliance officer without presence of Managing Director other members of 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.
- Representation of the Company via non-executive and independent directors on the Board of its material subsidiary which ensures an institutionalised structure of control over subsidiary.
- Half-yearly communication from the Chairman to all shareholders/debentures holders 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;
  - Fair Practices Code in English and all vernacular languages;
  - Employee Charter on Human rights;
  - Equal Employment Opportunity and Non-Discrimination Policy;
  - Policy for Compensation of Key Managerial Personnel ('KMP') and Senior Management;
  - Data Privacy Policy;
  - Responsible and Sustainable Business Conduct Policy;
  - Code of ethics and personal conduct;
  - Tax governance policy;
- Various policies adopted by the Company can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes

Board of Directors

The responsibilities of the Board of Directors ('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 the Senior Management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the shareholders, the community and its various stakeholders.

All the directors of the Board have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority. The directors have confirmed 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, emerging technologies, 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 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 its subsequent meetings.

Composition of the Board

In compliance with the SEBI Listing Regulations, the Company has an optimum combination of executive and Non-executive directors with a woman independent director. The Company has a Non-executive Chairman. According to the provisions of 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 comprised ten directors, of whom one was an executive, seven were Non-executive independent (including one-woman independent director) and two were Non-executive Non-independent. The Board does not have any institutional nominee director.

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

Changes in the composition of Board during FY2025 and FY2026:

Table 1: Details of change in composition of the Board during the year under review and previous year i.e., for the period from 1 April 2024 to 31 March 2026 is given below:

Sr. No.	Financial Year	Name of Director	Category	Nature of change	Effective date
1.	FY2024-25	Tarun Bajaj	Independent director	Appointment	1 August 2024
2.	FY2024-25	Ajay Kumar Choudhary	Independent director	Appointment	1 February 2025
3.	FY2025-26	Anup Saha	Managing director	Cessation*	21 July 2025 (close of business hours)

*ceased to be managing director & director, due to personal reasons.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC'), re-designated Rajeev Jain as Executive Vice Chairman with effect from 1 April 2025 upto 31 March 2028. Consequent to the resignation of Anup Saha, Managing Director, Rajeev Jain was re-designated as Vice Chairman & Managing Director, effect from 22 July 2025, for the remainder of his term i.e., upto 31 March 2028.

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 convened in the month of september and march every year to facilitate the Board to devote additional time on annual operating planning and strategic matters. The Board and Committee meetings are generally conducted over two full days to facilitate detailed deliberations and informed oversight by the Directors.

During FY2026, the Board met 8 (eight) times, The gap between two consecutive meetings has been less than 120 days.

Table 2: The details of board meetings and attendance record of directors for FY2026 are given hereunder: -

Name of Director, DIN and category	Dates of Board meetings held during FY2026								Attendance at the last AGM held in July 2025
	29 April 2025	21 July 2025	24 July 2025	12 September 2025	15 October 2025	10 November 2025	3 February 2026	23 March 2026	
CHAIRMAN, NON-EXECUTIVE DIRECTOR									
Sanjiv Bajaj (DIN:00014615)	√	√	√	√	√	√	√	√	√
INDEPENDENT DIRECTORS									
Anami N Roy (DIN: 01361110)	√	√	√	√	√	√	√	√	√
Dr. Naushad Forbes (DIN: 00630825)	x	x	√	√	√	√	√	√	√
Pramit Jhaveri (DIN: 00186137)	√	√	√	√	√	√	√	√	√
Radhika Haribhakti (DIN:02409519)	√	√	√	√	√	√	√	√	√
Dr. Arindam Bhattacharya (DIN: 01570746)	√	x	√	√	√	√	√	√	√
Tarun Bajaj (DIN: 02026219)	x	√	√	√	√	√	√	√	√
Ajay Kumar Choudhary (DIN: 09498080)	√	√	√	√	√	√	√	x	√
VICE CHAIRMAN & MANAGING DIRECTOR									
Rajeev Jain (DIN: 01550158)	√	√	√	√	√	√	√	√	√
NON-EXECUTIVE DIRECTOR									
Rajiv Bajaj (DIN: 00018262)	√	√	√	x	x	√	x	√	√
MANAGING DIRECTOR (From 1 April 2025 till 21 July 2025)									
Anup Saha (DIN: 07640220)	√	√	NA	NA	NA	NA	NA	NA	NA

√ Attended | x Absent | NA Not Applicable

Note:

Sanjiv Bajaj and Rajiv Bajaj are related as brothers. None of the other directors are related inter se.

Table 3: The 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 category	Director since	% of Board meetings attended during last 3 years*	Remuneration (₹ in crore)			No. of shares held in the Company as on 31 March 2026#
				Salary	Sitting Fees	Commission**	
CHAIRMAN, NON-EXECUTIVE DIRECTOR							
1.	Sanjiv Bajaj (DIN:00014615) Promoter Group	18 January 2005	100	-	0.29	6.91	5,307,920
INDEPENDENT DIRECTORS							
2.	Anami N Roy (DIN: 01361110)	1 April 2019	100	-	0.44	1.41	-
3.	Dr. Naushad Forbes (DIN: 00630825)	1 April 2019	88	-	0.13	0.64	-
4.	Pramit Jhaveri (DIN: 00186137)	1 August 2021	100	-	0.29	1.41	-
5.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100	-	0.36	1.03	-
6.	Dr. Arindam Bhattacharya (DIN: 01570746)	1 April 2023	88	-	0.16	0.78	5,000
7.	Tarun Bajaj (DIN: 02026219)	1 August 2024	92	-	0.23	1.14	-
8.	Ajay Kumar Choudhary (DIN: 09498080)	1 February 2025	89	-	0.21	1.01	-
VICE CHAIRMAN & MANAGING DIRECTOR							
9.	Rajeev Jain@ (DIN: 01550158)	1 April 2015	100	Refer note$	-	-	1,699,500
NON-EXECUTIVE DIRECTOR							
10.	Rajiv Bajaj (DIN: 00018262) Promoter Group	2 May 1994	79	-	0.05	0.24	10,000
MANAGING DIRECTOR (From 1 April 2025 till 21 July 2025)							
11.	Anup Saha (DIN: 07640220)	1 April 2023	Not Applicable	Refer note$	-	-	Not Applicable

Notes:

1. *% of meetings attended is calculated based on the number of Board meetings attended post the appointment.
2. **The Commission will be paid post adoption of financial statements for FY2026.
3. #The above shareholding includes shares held in joint names with other shareholders.
4. @Appointed as Executive Vice Chairman effective 1 April 2025 upto 31 March 2028. Consequent to resignation of Anup Saha, he was re-designated as Vice Chairman & Managing Director effective from 22 July 2025 upto remainder of his term.
5. $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.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Rajeev Jain, Vice Chairman & Managing Director is entitled to Employee Stock Options as per Employee Stock Option Scheme, 2009. Apart from the above, no other Director hold any shares and convertible instruments.

Board diversity

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

Core skills/expertise/competencies

A brief profile of the directors is available on the website of the Company at https://www.aboutbajajfinserv.com/finance-people-and-committees-board-of-directors. As stipulated under Schedule V of 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:

		Core Skills/Expertise/Competencies								
Sr. No.	Name of Directors	Management and Governance	Financial Services	Consumer Behaviour, Sales, marketing and Customer experience	Technology and Innovation	Understanding of accounting and financial statements	Risk, Assurance and Internal Controls	Regulatory, Public policy and economics	Human Resource	Business Transformation and Strategy
1.	Sanjiv Bajaj	√	√	√	√	√	√	√	√	√
2.	Anami N Roy	√	√	-	-	√	√	√	√	-
3.	Dr. Naushad Forbes	√	-	√	√	√	√	√	√	√
4.	Pramit Jhaveri	√	√	√	√	√	√	√	√	√
5.	Radhika Haribhakti	√	√	-	-	√	√	-	√	√
6.	Dr. Arindam Bhattacharya	√	-	-	√	√	√	√	√	√
7.	Tarun Bajaj	√	√	√	-	√	√	√	√	√
8.	Ajay Kumar Choudhary	√	√	-	√	√	√	√	√	√
9.	Rajeev Jain	√	√	√	√	√	√	√	√	√
10.	Rajiv Bajaj	√	√	√	√	√	√	-	√	√

Opinion of the Board

The Board confirms that, in its opinion, the independent directors fulfil the conditions specified under the SEBI Listing Regulations and the Act and are independent of the Management of the Company.

Information placed before the Board and its Committees

The Board and its Committees is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board 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/Committees 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 23 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 various regulatory requirements and considering business needs, 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;
- Supervisory concerns raised by regulators;
- Performance of subsidiaries and associate companies;

- Status of compliance with Act, SEBI regulations, RBI directions and shareholders related matters;
- Review of various policies framed by Company from time to time;
- Risk management system and emerging risk;
- Innovation and adoption of newer technologies in business;
- Awareness on cyber security and its framework and information security, including incident reporting and resilience measures;
- Functioning of customer grievance redressal mechanism and Compliance with fair practices code; and
- ESG initiatives and sustainability practices;

Directorships and memberships of Board Committees

Table 4: Number of directorship/committee positions of directors as on 31 March 2026 (including the Company)

Sr. No.	Name of Director	No. of directorships	Directorships			Committee positions in listed and unlisted public companies	
			In listed companies	In unlisted public companies	In private limited companies	As member (Including as chairperson)	As chairperson
1.	Sanjiv Bajaj	18	6	4	8	5	-
2.	Anami N Roy	7	5	1	1	8	5
3.	Dr. Naushad Forbes	13	6	1	6	6	1
4.	Pramit Jhaveri	4	3	-	1	2	-
5.	Radhika Haribhakti	7	4	2	1	8	4
6.	Dr. Arindam Bhattacharya	5	3	1	1	6	1
7.	Tarun Bajaj	5	4	1	-	5	1
8.	Ajay Kumar Choudhary	11	3	5	3	5	2
9.	Rajeev Jain	3	3	-	-	2	-
10.	Rajiv Bajaj	10	4	2	4	-	-

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 20 companies at the same time. None of them has directorships in more than 10 public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included, while directorships in dormant companies and section 8 of the Act 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 have also confirmed that they are not on the Board of more than three NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Directions.

Pursuant to RBI Directions, Key Managerial Personnel do not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary.

None of the directors were a member in more than 10 committees, nor a chairperson in more than 5 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 5: 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 Ltd.	Non-executive, Non-independent
		Bajaj Finserv Ltd.	Chairman & Managing Director, Executive
		Bajaj Holdings & Investment Ltd.	Managing Director & CEO, Executive
		Bajaj Finance Ltd.	Chairman, Non-executive, Non-independent
		Bajaj Housing Finance Ltd.	
		Maharashtra Scooters Ltd.	
2.	Anami N Roy	Bajaj Auto Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Housing Finance Ltd.	
		Siemens Ltd.	
		Elevate Campuses Ltd.*	
3.	Dr. Naushad Forbes	Bajaj Auto Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
		Zodiac Clothing Company Ltd.	
		Pidilite Industries Ltd.	
4.	Pramit Jhaveri	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Finserv Ltd.	
		Larsen & Toubro Ltd.	
5.	Radhika Haribhakti	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Finserv Ltd.	
		Torrent Power Ltd.	
		NOCIL Ltd.	
		Torrent Gas Ltd.*	
6.	Dr. Arindam Bhattacharya	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Holdings & Investment Ltd.	
		Bajaj Housing Finance Ltd.	
		Gaja Alternative Asset Management Ltd.*	
7.	Tarun Bajaj	Bajaj Finance Ltd.	Non-executive, Independent
		Hindustan Unilever Ltd.	
		The Tata Power Company Ltd.	
		Tech Mahindra Ltd.	
		Phonepe Ltd.*	
8.	Ajay Kumar Choudhary	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Housing Finance Ltd.	
		Aurionpro Solutions Ltd.	
		Truhome Finance Ltd.*	
9.	Rajeev Jain	Bajaj Finance Ltd.	Vice Chairman & Managing Director, Executive
		Bajaj Housing Finance Ltd.	Vice Chairman, Non-executive, Non-independent
		Bajaj Finserv Ltd.	Non-executive, Non-independent

Sr. No.	Name of director	Name of listed entity	Category
10.	Rajiv Bajaj	Bajaj Auto Ltd.	Managing Director & CEO, Executive
		Bajaj Finance Ltd.	Non-executive, Non-independent
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	Vice Chairman, Non-executive, Non-independent

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

Resignation of independent director during FY2026

No Independent Director resigned during the FY2026.

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act. As per regulation 46(2)(b) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/appointment-letter%E2%80%93independent-director?scl=1&fmt=pdf

Familiarisation programme

On an ongoing basis, the Board including independent directors are kept abreast with matters relating to the industry in which the Company operates, its business model, Cyber Security, Geopolitical Risks, Technology and Innovation, Long Range Strategy, changes in Regulatory environment and preparedness of the Company, etc.

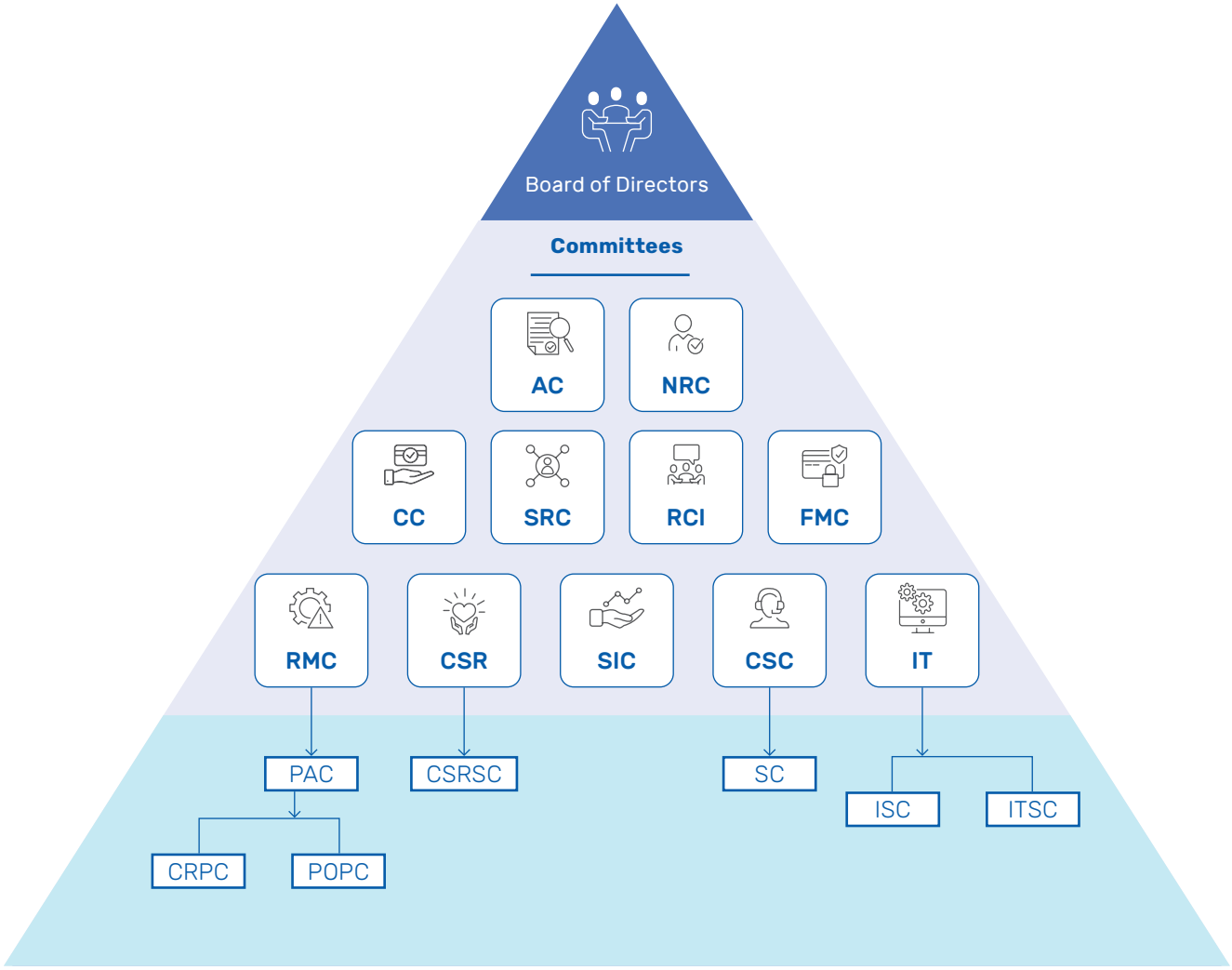
The Board is also regularly apprised on the major developments in the Company between two meetings.

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

The familiarisation details for FY2026 can be accessed https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme.

Committees of the Board and oversight mechanism

Board and Committees



Committees

AC: Audit Committee

NRC: Nomination and Remuneration Committee

CC: Credit Committee

SRC: Stakeholders Relationship Committee

RCI: Review Committee for Identification of wilful defaulter

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

RMC: Risk Management Committee

CSR: Corporate Social Responsibility Committee

SIC: Strategic Investment Committee

CSC: Customer Service Committee

IT: Information Technology (IT) Strategy Committee

Sub-Committees

PAC: Product Approval Committee

CSRSC: CSR Steering Committee

SC: Standing Committee for Customer Service

ISC: Information Security Committee

ITSC: IT Steering Committee

CRPC: Credit Risk Policy Committee

POPC: Product Operations Process Committee

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Directions, the Company has an Audit Committee. All members are 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. The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. The ToR can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-audit-committee.pdfe.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Oversight of 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
Oversight of Related Party & its transaction:	
Approval or any subsequent modification of transactions with related parties	Annually / Event based
Review of related party transaction	Quarterly
Compliance and Regulatory Oversight Responsibilities	
Approval of Audit Plan/Compliance Plan	Annually
Review all issues / concerns raised in the Supervisory / Inspection reports of Regulators, and follow up action on the issues raised	Event based
Review the functioning of the Whistle Blower mechanism	Quarterly / Annually
Review compliance with the provisions of Insider Trading Regulations	Quarterly
Independent discussion with Internal Auditor and Compliance Officer	Quarterly
Oversight of 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	Event based
Recommendation of Appointment & remuneration of Auditors and CFO	Annually / Event based

Meetings and attendance

During FY2026, the Audit Committee met six times viz., on 29 April 2025, 24 July 2025, 12 September 2025, 10 November 2025, 3 February 2026 and 23 March 2026. The meetings were scheduled well in advance and not more than 120 days elapsed between any two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Chief Risk Officer, Chief Compliance Officer, Chief Operating Officers, 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 Annual General Meeting of the Company on 24 July 2025, to answer shareholders' queries.

Table 6: Composition of the Audit Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	10 July 2021	Chairman, Non-executive, Independent	6/6
Pramit Jhaveri	1 August 2021	Non-executive, Independent	6/6
Dr. Arindam Bhattacharya	1 April 2023	Non-executive, Independent	6/6
Tarun Bajaj	21 March 2025	Non-executive, Independent	5/6

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. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-nrc.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
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
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	
Assist the Board in relation to succession plan for the directors and Senior Management	
Recommendation of remuneration payable to Directors and Senior Management	Annually/ Event based
To recommend appointment of directors	Event based

The Committee acts as the Compensation Committee for administration of the Company's Employee Stock Option Scheme, 2009.

Meetings and attendance

During FY2026, the Committee met five times viz., on 28 April 2025, 9 July 2025, 21 July 2025, 6 November 2025, and 17 March 2026.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 24 July 2025, to answer shareholders' queries.

Table 7: Composition of the NRC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, Independent	5/5
Sanjiv Bajaj	14 October 2009	Non-executive, Non-independent	5/5
Anami N Roy	17 March 2020	Non-executive, Independent	5/5

The Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for 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://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf.

Risk Management Committee

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

The Company has a risk management framework duly approved by the Board. The details of Risk Management and various mitigants are covered in detail in Management and Discussion Analysis and in the Directors' Report.

The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-people-and-committee/people-and-committee,-board-of-committee/terms-of-reference-risk-management-committee-v2.pdf.

Broadly the key terms of reference 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 risk 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 have independent discussions with Chief Risk Officer	
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	Annually
To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company	
To provide guidance on emerging risks	Event based

Meetings and attendance

During FY2026, the Committee met seven times viz., on 14 April 2025, 28 April 2025, 21 July 2025, 12 September 2025, 10 November 2025, 3 February 2026 and 23 March 2026.

Table 8: Composition of the RMC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	1 April 2022	Chairman, Non-executive, Independent	7/7
Sanjiv Bajaj	20 October 2015	Non-executive, Non-independent	7/7
Rajeev Jain	21 May 2008	Executive - Non-independent	6/7
Ajay Kumar Choudhary	21 March 2025	Non-executive, Independent	7/7
Tarun Bajaj	25 July 2025	Non-executive, Independent	4/4
Anup Saha*	21 March 2025	Executive, Non-independent	2/3

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

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').

The ToR of the Committee was reviewed during the year. The Matters pertaining to grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants and deposit holders were expressly added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-stakeholders-relationship-committee.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Resolving the grievances of the security holders including debenture holders	Half yearly
Review measures taken for effective exercise of voting rights by shareholders;	
Adherence to the service standards in respect of various services rendered by the Registrar to an issue and Share Transfer Agent.	

Meetings and attendance

During FY2026, the Committee met two times viz., on 12 September 2025 and 23 March 2026 to review the status of investors' services rendered.

The Committee was apprised of the major developments on matters relating to investors and debentures holders. The Committee also reviewed the service standards of the Company's RTA and the measures taken for timely and effective investors grievance redressal that can facilitate better investor services and relations.

Table 9: Composition of the SRC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, Independent	2/2
Sanjiv Bajaj	11 May 2010	Non-executive, Non-independent	2/2
Dr. Arindam Bhattacharya	30 January 2024	Non-executive, Independent	2/2

R Vijay, Company Secretary, acts as the Compliance Officer.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 24 July 2025, to answer shareholders' queries.

The Board had accepted all recommendations of the Committee.

Table 10: Details of the 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 the shareholders	No. of complaints solved	No. of pending complaints at the end of the year
5	73	0	78	0

Information Technology (IT) Strategy Committee

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

The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-it-strategy-committee-v1.pdf.

Broadly the key terms of reference 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, information system audit reports and observations pertaining to applicable RBI Master Directions	
Review of information system audit reports and observations for RBI Master Direction on Information Technology and RBI PPI Master Directions	
Review Key IT projects, Security incidents, Vulnerability Assessment Penetration testing (VAPT) including any recurring observation, Third Party Security Governance (TPSG)	
To ensure IT Governance and Information Security Governance structure fosters accountability and its effective implementation	Annually
Budgetary allocations for the IT function, cyber security are commensurate with the IT maturity and digital depth and are utilized in a manner intended for meeting the stated objectives	
Review of all IT and information security policies	

Meeting and attendance

During FY2026, the Committee met six times viz., on 28 April 2025, 18 July 2025, 24 September 2025, 6 November 2025, 29 January 2026 and 17 March 2026.

Table 11: Composition of the IT Strategy Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Dr. Naushad Forbes	17 March 2020	Chairman, Non-executive, Independent	6/6
Rajeev Jain	13 September 2017	Executive, Non-independent	6/6
Ajay Kumar Choudhary	21 March 2025	Non-executive, Independent	6/6
Anup Saha*	21 March 2025	Executive, Non-independent	1/2

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

The Chief Information Security Officer is a permanent invitee to the IT Strategy Committee.

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 headed by an independent director.

The ToR of the Committee can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-customer-service-committee.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To oversee and guide implementation of service enhancement initiatives across the Company;	Half yearly
To consider the reports of Internal Ombudsmen	
To review grievance redressal and issues bearing on the quality of services and adherence to Fair Practices Code;	
To review the steps taken for the repayment of the amounts due to the depositors remaining unclaimed or undisbursed	
To review activities of Branch Level Customer Committee meetings	
To review the performance of the Company (with respect to Customer Services) against baseline parameters defined by the management	
Remediation plan for any specific observation from RBI in the inspection reports pertaining to Customer Service, and any other directions and guidelines from RBI	Event based

Meeting and attendance

During FY2026, the Committee met twice viz., on 12 September 2025 and 23 March 2026.

Table 12: Composition of the Customer Service Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	14 March 2022	Chairman, Non-executive, Independent	2/2
Sanjiv Bajaj	14 March 2022	Non-executive, Non-independent	2/2
Tarun Bajaj	21 March 2025	Non-executive, Independent	2/2
Rajeev Jain	14 March 2022*	Executive, Non-independent	2/2

*Anup Saha, inducted as member of the Committee and Rajeev Jain, ceased to be member of the Committee, with effect from 21 March 2025. Consequent to the resignation of Anup Saha, Rajeev Jain re-inducted as the member of the committee effect from 25 July 2025.

The Internal Ombudsmen are permanent invitees to the meetings of customer service committee.

The Board had accepted all recommendations of the Committee.

Strategic Investment Committee

To expand the Company's strategic footprint, it explores various investment opportunities in financial services, technology, and related areas. To facilitate the Board with appropriate recommendations on these strategic investments, the Board had constituted a Strategic Investment Committee. It comprises majority of independent directors. An Independent director chairs the meetings of the Committee.

The ToR of the Committee can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-sic.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To evaluate, scrutinize, consider and recommend to the Board, Strategic Investment opportunities and business acquisitions in companies, bodies corporate and other entities, based on the recommendation of an internal investment committee for strategic investments	Event based
All investments including further/fresh investments/disinvestments by the Company in its subsidiaries/wholly-owned subsidiaries and affiliates will be subject to review and recommendation of the Committee.	
To review the material developments in the investee companies, synergies derived from investments, review the valuation of investments based on independent valuers reports, review the progress made on the proposal approved by the Committee, and generally review the terms and conditions of investments	Annually

Meeting and Attendance

During FY2026, the Committee met five times viz., on 24 July 2025, 11 August 2025, 10 November 2025, 28 November 2025 and 17 March 2026.

Table 13: Composition of the Strategic Investment Committee and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	26 July 2023	Chairman, Non-executive, independent	5/5
Radhika Haribhakti	26 July 2023	Non-executive, independent	5/5
Anami N Roy	26 July 2023	Non-executive, independent	5/5
Sanjiv Bajaj	26 July 2023	Non-executive, Non-independent	5/5
Rajeev Jain	21 March 2025	Executive, Non-independent	5/5

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

Special Committee for Monitoring and follow up of cases of fraud

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 of the Board on 22 October 2024 for prevention, early detection and timely reporting of incidents of fraud. The Committee is headed by an Independent Director.

During the year, the terms were amended to include matters pertaining to digital frauds. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-fmc.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To oversee the effectiveness of the fraud risk management & review and monitor all categories of frauds including digital frauds	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	

Meeting and Attendance

During FY2026, the Committee met four times viz., on 28 April 2025, 21 July 2025, 6 November 2025 and 2 February 2026.

Table 14: Composition of the Special Committee for monitoring and follow up of cases of fraud and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	22 October 2024	Chairman, Non-executive, independent	4/4
Tarun Bajaj	22 October 2024	Non-executive, independent	4/4
Rajeev Jain	22 October 2024	Executive, Non-independent	3/4
Anup Saha*	22 October 2024	Executive, Non-independent	1/2

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

The Board had accepted all recommendations of the Committee.

Credit Committee

A board level committee has been constituted on 20 March 2025 to review and sanction credit facilities for various lines of businesses as per the delegation matrix approved by the Board. As per the policy on lending to related parties effective 1 April 2026, which has been adopted by the Company pursuant to the RBI (Non-Banking Financial Companies – Credit Risk Management) – Directions, 2025, the committee is also vested with powers to sanctions loans and credit facilities to related parties. ToR can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-credit-committee-v1.pdf.

Meeting and Attendance

During FY2026, the Committee met thirteen times

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Review, renew and approve credit facilities (including Related Parties) for various lines of businesses upto the prescribed/specified limits.	Event based
Recommend to the Board all credit facilities above the limits of the Committee.	

Table 15: Composition of the Credit Committee:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	20 March 2025	Chairman, Non-executive, independent	13/13
Radhika Haribhakti	20 March 2025	Non-executive, independent	13/13
Rajeev Jain	20 March 2025	Executive, Non-independent	12/13
Anup Saha*	20 March 2025	Executive, Non-independent	3/4

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

Effective 1 April 2026, the total sitting fees payable to each director is capped at a maximum of ₹ 1,200,000 per annum for meetings of the Committee. No Commission is paid.

Review Committee for Wilful Defaulter's Identification ('Review Committee')

In line with the RBI Guidelines, the Company is required to constitute a committee for identifying non-cooperative borrowers as specified in the said guidelines. Accordingly, the Company had constituted a Committee to assess Wilful Defaulters. To review the proposals made by this Committee, a Review Committee of the Board was also constituted. The identification order becomes final only upon confirmation by the Review Committee.

The ToR of the Committee can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-for-review-committeepdf-2?scl=1&fmt=pdf.

Pursuant to the RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued on 30 July 2024, the Company has reconstituted the Committee to assess Wilful Defaulters and renamed it as the "Identification Committee" for identifying Wilful defaulters. The role of the Review Committee remains unchanged.

Meeting and attendance

During FY2026, the Committee met two times viz. on 28 April 2025 and 25 July 2025 to review the wilful defaulters and large defaulters identified by the Identification Committee.

Table 16: Composition of the Review Committee and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Rajeev Jain	15 September 2015	Chairman, Executive, Non-independent	1/2
Anami N Roy	19 May 2020	Non-executive, Independent	2/2
Radhika Haribhakti	27 July 2022	Non-executive, Independent	2/2
Anup Saha*	21 March 2025	Executive, Non-independent	1/1

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

Corporate Social Responsibility

The details of the composition of the Committee, meetings held during the year and attendance thereat, updated terms of reference of the Committee and other details are given in Annual Report of CSR activities.

Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place an Asset Liability Management Committee. The Committee comprises of Vice Chairman & Managing Director and other senior executives of the Company.

The Vice Chairman & Managing Director chairs the meetings of the Committee.

The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically covering liquidity risk management, management of market risks, funding and capital planning, profit planning etc.

The Committee meets on a monthly basis. The Board is updated on the decisions of the Committee.

Investment Committee

Pursuant to the RBI Guidelines, the Company has in place an Investment Committee. The Committee comprises of senior executives of the Company. The Vice Chairman & 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 said Committee meets on a monthly basis. The Board is updated on decisions of the Committee.

Remuneration of Directors

Pecuniary relationship/transaction with Non-executive directors

During FY2026, there were no pecuniary relationship/transactions of any non–executive directors with the Company, other than receiving sitting fees and remuneration as directors.

Criteria of making payments to Non-executive directors

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

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

Details of remuneration of directors

The details of remuneration payable to all non–executive directors are provided in the table no. 3 of this report.

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 AGM of the Company held on 27 July 2022 have, approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 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 Directors) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board from time to time during the five years commencing from 1 April 2022.

The NRC and the Board, at its meetings held on 28 April 2026 and 29 April 2026 respectively, approved payment of Commission of ₹ 5.50 crore to Sanjiv Bajaj for FY2026 for the additional time and commitment devoted by him for reviewing businesses, mentoring and supervising the senior leadership team of the Company, at the request of the management. Being a Non-executive director, he will also be entitled to sitting fees as payable to other NEDs. The total compensation payable to Sanjiv Bajaj does not exceed 50% of the total remuneration payable to all NEDs. Hence, approval of shareholders is not required under regulation 17(6) of the SEBI Listing Regulations. Further, prior approval of the Audit Committee has also been obtained for the said payment of remuneration in terms of provisions of regulation 23 of the SEBI Listing Regulations.

The total commission payable to all directors, however, will be within the maximum permissible ceiling prescribed under Act.

The commission is paid to the directors after the adoption of audited financial statements by the shareholders at the AGM.

During the year, the commission has been increased from ₹ 400,000 to ₹ 500,000 per meeting of the Board and/or Committees. No commission is payable for meetings of Corporate Social Responsibility Committee, Credit Committee and Review Committee for wilful defaulter's Identification. The directors are also entitled to a sitting fee at ₹ 100,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them. As regards credit committee, refer note to table no. 15 of this report.

The Board, at its meeting held on 29 April 2025, approved the payment of sitting fees of ₹ 100,000 and commission of ₹ 500,000 for each separate meeting of Independent Directors.

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

Remuneration to Rajeev Jain (Vice Chairman & Managing Director)

Tenure and Appointment	The tenure of the Vice Chairman & Managing Director is of three years up to 31 March 2028. There is no separate provision for the payment of severance fees. The notice period will be such period as may be mutually agreed between the Vice Chairman & Managing Director and the Board.
Remuneration Structure	His compensation comprises of fixed pay, variable pay and perquisites. The variable pay comprises of cash component in the form of variable pay, of which 50% is deferred over a period of 3 years. Further, the annual bonus it capped at 5 times. The other component of variable pay comprises of stock options. He is eligible for perquisites and other benefits as per company rules. The variable pay is determined *inter alia* basis performance of Company, leadership traits and comparable compensation payable to CEOs across industry basis an independent benchmarking. 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.aboutbajajfinserv.com/finance-investor-relations-annual-reports.
Stock Options – Company Grant (Post Bonus & Sub-division Adjustment)	During FY2026, 1,289,480 stock options were granted to the Vice Chairman & Managing Director at a grant price of ₹ 911.20, being the closing market price on the NSE on the day preceding the day of grant. 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.
Remuneration from Holding Company and Subsidiary Company	He is also on the Boards of BHFL and BFS as Non-executive Vice chairman and Non-executive Director, respectively. He draws sitting fees and commission from BHFL and BFS at par with other Non-executive directors in terms of their remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2026 from BHFL is ₹ 92 lakh and BFS ₹ 20 lakh.

As regards to Anup Saha, the details with regards to his remuneration drawn for a period from 1 April 2025 till 21 July 2025 in capacity as Managing Director are covered under Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Policies and Regulatory Assurance

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

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

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 meeting the requirements under applicable RBI Directions.

This mechanism enables directors, employees and value chain partners to report confidentially to the Management, without fear of victimisation, any unacceptable and/or unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the organisation's interest. It provides safeguards against victimisation of directors/employees/value chain partners who avail of the mechanism. It also allows them to share their inputs or raise their concerns anonymously at the dedicated link provided for it.

The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website which can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v-1-6?scl=1&fmt=pdf

Employees of the Company are required to undergo mandatory online learning module on Code of Conduct including 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.

During FY2026, 489 complaints were received by Company out which 26 are pending for resolution as on 31 March 2026.

Related party transactions

All related party transactions entered during FY2026 were in the ordinary course of business and at arm's length. 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 review on a quarterly basis.

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

During FY2026, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. With effect from 19 December 2025, SEBI has revised the criteria for determination of material related party transactions. Accordingly, Company has amended the policy to include the revised criteria. The aforesaid Policy has been hosted on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions-v4?scl=1&fmt=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 aware the Designated Persons 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 a 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 are operating effectively. The Audit Committee based on the external assurance and other materials and information provided, having reviewed compliances with provisions of SEBI PIT Regulations and verified that the systems for internal control are adequate and are operating effectively.

Compliance with covenants

During the year under review, the Company has complied with all 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 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 of Conduct is subject to periodic review. The Code has been placed on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v4?scl=1&fmt=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 M/s. Makarand M. Joshi & Co, ('MMJC') practicing company Secretaries 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 authority for FY2026. The certificate forms a part of this 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 director/senior management is placed before the Board for its review from time to time.

Review of legal compliance reports

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

Details of material subsidiaries

The Company has one material subsidiary viz., Bajaj Housing Finance Ltd. ('BHFL').

The details of the BHFL are as under:

Sr. No.	Particulars	Information about BHFL
1.	Date of incorporation	13 June 2008
2.	Place of incorporation	Pune
3.	Registered office	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi Pune- 411 035
4.	Name of the Joint Statutory Auditors	A. Mukund M Chitale & Co., Chartered Accountants B. Singhi & Co., Chartered Accountants
5.	Date of appointment of Auditors	22 July 2024
6.	Period of appointment of Auditors	3 years, from the conclusion of 16th AGM till conclusion of 19th AGM to be held in the year 2027
7.	Other details	• The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. • It is registered as Housing Finance Company with National Housing Bank (Registration No. 09.0127.15) and has been classified in the Upper Layer as per RBI Directions. • It is also registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI').

The Policy on 'material subsidiaries', as approved by the Board, is available on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsidiaries-v6?scl=1&fmt=pdf.

In addition to above, the Company has a wholly-owned subsidiary viz., Bajaj Financial Securities Ltd. ('BFinsec' or 'Bajaj Broking') and two associate companies viz., Snapwork Technologies Private Ltd. and Pennant Technologies Private Ltd. Details of the subsidiaries and associates including their performance and businesses, are given in the Directors' Report.

Loans and advances

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

The information pursuant to applicable RBI Directions on Loans and advances to directors or their relative are provided under Notes to Accounts of Annual Financial Statement.

Share Capital

As of 31 March 2026, the paid-up capital of the Company was ₹ 622.24 crore consisting of 6,222,481,865 equity shares of face value of ₹ 1 fully paid-up.

Further, the details on change in share capital are given in the Directors' Report.

Utilisation of funds raised through Preferential Allotment

During the year under review, 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.

The details on foreign exchange risk are provided under General Shareholder Information.

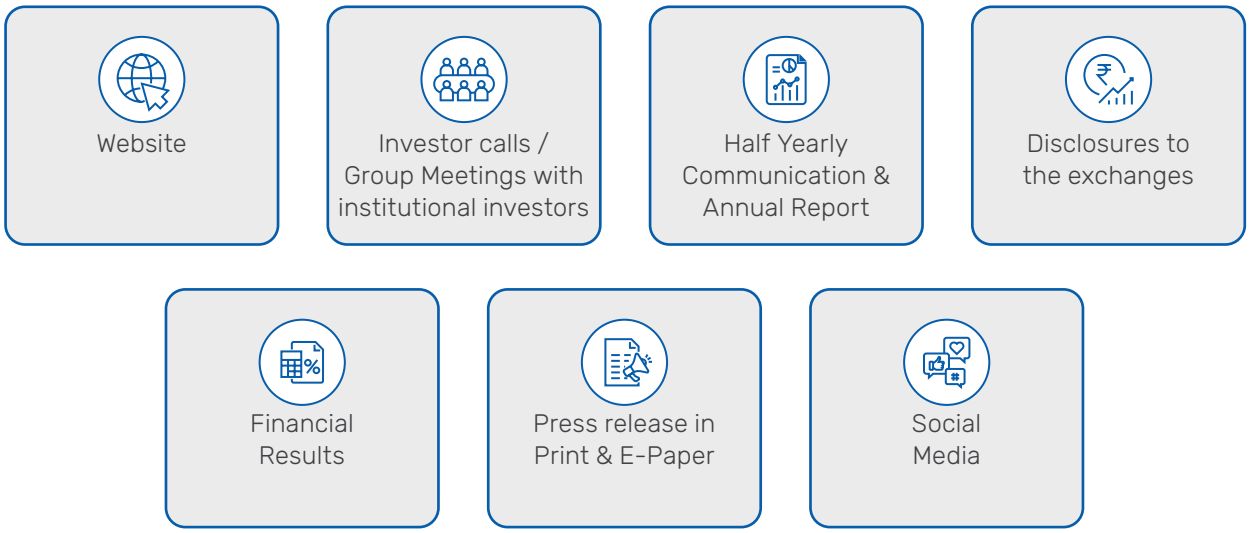
Management discussion and analysis

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

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, senior management is required to make disclosures to the Board relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the Senior Management, there were no such transactions during FY2026.

Means of communication



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

The Company's website, viz., https://www.aboutbajajfinserv.com/finance-investor-relations-financial-results under the section of 'investor relations', contains all important information including financial results, various policies framed/approved by the Board, investor presentation, analysts and institutional investors, schedule and transcripts of earnings call with investors, matters concerning the shareholders, etc.

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

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

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated*		
36th AGM - Through VC Deemed Venue: Registered office	26 July 2023 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.35	0.65
			Non-promoter category	98.10	1.90
		2. Alteration of Articles of Association of the Company.	**Particulars**	**% favour**	**% Against**
			All shareholders	100	0.00
			Non-promoter category	99.99	0.01
37th AGM -Hyatt Regency, Viman Nagar, Pune	23 July 2024 at 3:30 P.M.	1. Appointment of Tarun Bajaj (DIN: 02026219) as an independent director for a term of five consecutive years w.e.f. 1 August 2024.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.92	0.08
			Non-promoter category	99.79	0.21
		2. Issue of non-convertible debentures through private placement	**Particulars**	**% favour**	**% Against**
			All shareholders	99.39	0.61
			Non-promoter category	98.34	1.66
38th AGM - Hyatt Regency, Viman Nagar, Pune	24 July 2025 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement	**Particulars**	**% favour**	**% Against**
			All shareholders	98.69	1.31
			Non-promoter category	96.45	3.55
		2. Modification to the Employee Stock Option Scheme, 2009	**Particulars**	**% favour**	**% Against**
			All shareholders	98.71	1.29
			Non-promoter category	96.51	3.49
		3. Approval to extend the benefits and grant of options to the employee(s) of holding and/ or subsidiary company(ies) under the Employee Stock Option Scheme, 2009.	**Particulars**	**% favour**	**% Against**
			All shareholders	94.95	5.05
			Non-promoter category	86.37	13.63
		4. Approval to authorise the Trust, to acquire equity shares from secondary market for implementation of the Employee Stock Option Scheme, 2009.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.70	0.30
			Non-promoter category	99.19	0.81

*The Percentages have been rounded off to two decimals.

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

During FY2026, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website at https://www.bajajfinserv.in/finance-investor-relations-general-meeting-and-postal-ballots.

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. 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.

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

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

Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman, who shall countersign the same and declare the results of the 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.

Details of capital market non-compliance, if any

There has been no penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI, or any other statutory authority, in any matter related to capital markets, during the last three years.

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

During the year under review there has been no instances of default in compliance with the requirements of the Act, including with respect to compliance with accounting and secretarial standards.

Details of penalties imposed by Regulatory Authorities

Details with regards to the penalties imposed by regulatory authorities are provided under notes to standalone financial statements.

Report on Corporate Governance

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

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	8
Number of complaints disposed of during FY2026	6
Number of complaints pending at the end of FY2026	2

Fees paid to statutory auditors

Fees paid to Kirtane and Pandit LLP ('KP') and Price Waterhouse LLP ("PwC"), including all entities in their network firm/entity of which they are a part, is given below:

(₹ in lakh)

Sr. No.	Particulars	KP	PwC
1.	Audit Fees	41.08	130.54
2.	Fees for other services	38.33	26.84

Senior Management

Details of SMTs as on 31 March 2026 and changes therein during FY2026 pursuant to provisions of Schedule V (C)(5B) of the SEBI Listing Regulations are as follows:

Sr. No	Name of SMTs	Designation	Change
1.	Ajay Sharda	President - Risk	-
2.	Amit Raghuvanshi	President – Cars, Two-Wheeler and Sales Finance	-
3.	Anand Bagri	Senior Executive Vice President - Treasury	-
4.	Anand Kumar	President - Microfinance	-
5.	Anupam Sirbhaiya	President and Chief Human Resources and Administration Officer	Ceased with effect from 1 November 2025
6.	Anurag Chottani	Chief Operating Officer	-
7.	Babu Rao	General Counsel	Ceased with effect from 16 October 2025 (close of the business hours)
8.	Deepak Bagati	Chief Operating Officer - Debt Management Services	-
9.	Deepak Reddy	President - Rural Lending, Gold Loans & Insurance Businesses	Ceased with effect from the 30 June 2025 (close of the business hours)
10.	Dr. Gauri Chandratreya	Executive Vice President - Corporate Audit Services	-
11.	Fakhari Sarjan	Chief Risk Officer	Re-appointed with effect from 1 July 2025
12.	Harjeet Toor	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
13.	Jennifer Fernandes	Chief Human Resources & Administration Officer	Elevated to Chief Human Resources Officer with effect from 10 November 2025
14.	Manav Mianwal	President - Digital Platforms	-
15.	Manish Jain	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
16.	Manish Kumar Jain	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 10 November 2025
17.	Mudit Mehrish	Chief Information Officer	-
18.	Neelesh Sarda	Chief Compliance Officer	Re-appointed with effect from 1 February 2026
19.	Nitin Neema	Executive Vice President – Operations, Credit and Service	-
20.	Nitish Asthana	President – Payments	-
21.	Prashant Verma	Chief Information and Security Officer	-
22.	Sandeep Jain	Chief Operating Officer and Chief Financial Officer	-
23.	Sidhant Dadwal	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
24.	Tushar Kanti Deb	Executive Vice President – DMS	Effective from 1 April 2026
25.	R Vijay	Company Secretary	-

Notes: Vivek Likhite, President – Corporate Audit Services and Kurush Irani, President – Corporate Social Responsibility, ceased to SMTs effective 29 April 2025. Though, this has been reported in Annual Report FY2025, repeated here as the effective date falls in FY2026.

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, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or impose any restrictions or create any liability upon the Company.

Compliance of mandatory and discretionary requirements

Mandatory

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

Discretionary

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

1. **Shareholder rights**

   A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to 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 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 its secretarial auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. This certificate is annexed to the Directors' Report.

Declaration by the Chief Executive Officer/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 Finance Ltd.

I, Rajeev Jain, Vice Chairman & Managing Director of Bajaj Finance Ltd. 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.

Rajeev Jain
Vice Chairman & Managing Director

Pune: 29 April 2026

General Shareholder Information

Contents



Details of Annual General Meeting



Service to Shareholders



Dividend Related Information



Distribution of Shareholding



Contact Details

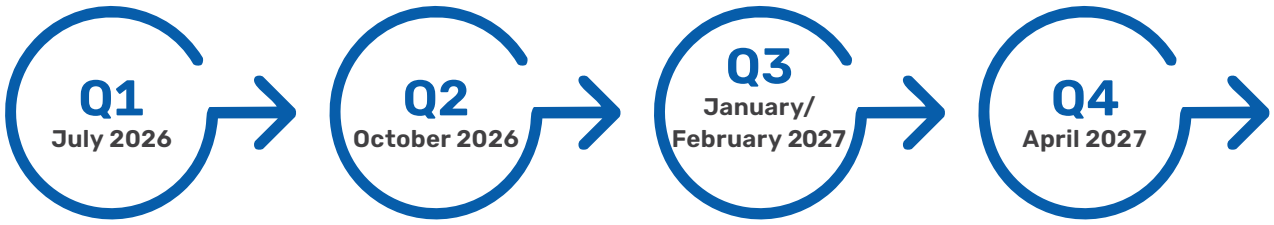
39th Annual General Meeting ('AGM')

Following are the details concerning the upcoming AGM:

Day and date	Thursday, 30 July 2026
Time	3:30 p.m. IST
Mode of AGM	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')
Deemed venue of the Meeting	C/o Bajaj Auto Ltd., Akurdi, Pune – 411 035 (Registered Office)
Link to participate through VC	https://emeetings.kfintech.com/
Remote e-voting start	Sunday, 26 July 2026; 9:00 a.m. IST
Remote e-voting ends	Wednesday, 29 July 2026; 5:00 p.m. 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 standalone and consolidated financial results 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') continues to be the RTA of the Company and handles all relevant corporate registry services for the equity shares, debentures and commercial papers.

Service to Shareholders

The Company ("Bajaj Finance Ltd". or "BFL") endeavours to offer its best services to the shareholders.
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 request;
- Daily monitoring of queries and responses to shareholders for their completeness and adequacy;
- Imbibing best practices;
- Additional due diligence for high value claims; and
- Evaluation of the security posture of the RTA while dealing with shareholder information and its grievance management systems;

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 the KFin.

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

Security holders holding securities in physical form shall remain eligible to receive any payment, including dividend, interest, or redemption proceeds, if any, only in electronic mode and may continue to lodge grievances or avail service requests 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, security holders may follow the process below:

Step 1:	Step 2:	Step 3:	Step 4:
Approach the RTA with their requests/ queries along with requisite documents/ information	If not satisfied, escalate the issue to higher levels i.e. to Investor Services Department of the Company	Lodging of Complaint through various designated portals/ forums: i.e. Stock Exchanges/ SCORES	Online Dispute Resolution (SMART ODR)

Shareholder Experience Survey

The Company periodically conducts shareholder experience survey. The survey can be accessed at https://ris.kfintech.com/clientservices/survey/bjaf/. The survey, *inter alia,* captures feedback on disclosures and navigability of Company's website, 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 Related Information

- **Final Dividend:**

  The Board of Directors ('Board') have recommended a dividend of ₹ 6 per equity share (600%) of face value of ₹ 1 for FY2026, subject to approval of the members at the ensuing AGM. This includes a special payout of ₹ 0.60 per equity share out of the exceptional gain on sale of shares of Bajaj Housing Finance Ltd., subsidiary of the Company. The total dividend earmarked for pay-out on account of declaration of final dividend is ₹ 3,733 crore, considering the capital base as on 31 March 2026.

  Dividend on equity shares, if declared, at the AGM, will be credited on or about Monday, 3 August 2026 to all eligible shareholders holding shares as on the end of the day on Tuesday, 30 June 2026 (record date).

  Dividend will be taxable in the hands of the members, as per the provisions the applicable Income Tax Act. The Company would be required to deduct applicable TDS on dividend payment to members in accordance with provisions of the applicable Income Tax Act. For more details, members are requested to refer to the Notice of AGM and communication sent by the Company in this regard.

- **Payment of dividend:**

  Pursuant to regulation 12 (as amended w.e.f. 19 November 2025) of the SEBI Listing Regulations, the Company shall use electronic mode of payment facility, approved by the Reserve Bank of India ('RBI') for payment of dividend. In terms of the said regulation, the Company will not issue 'payable-at-par' warrants or cheques, for payment of dividend.

  Accordingly, the said dividend will be paid through electronic mode, where the bank account details of the members are available. An intimation of credit regarding such remittance will be sent separately to the members.

  For enabling payment of dividend through electronic mode, members holding shares in physical mode are requested to send Form ISR-1 along with requisite documents to KFin.

  The form can be downloaded from the website of the Company at https://www.aboutbajajfinserv.com/finance-investor-relations-investor-request-forms and KFin at https://ris.kfintech.com/clientservices/investors/isrs.aspx.

  In case of members holding shares in demat mode, they are requested to keep their most updated bank account details with their respective depository participant.

Unclaimed Dividend

Any money transferred to the "Unpaid Dividend Account" of the Company in pursuance of section 124 of the Companies Act, 2013 and which remained unpaid or unclaimed for a period of seven years from the date of such transfer has been transferred by the Company along with interest accrued, if any, thereon to the Investor Education and Protection Fund ('Fund') set up by Central Government.

The unpaid/unclaimed final dividend for FY2019, is due for transfer to the Fund in August 2026. Members are requested to verify their records and send their claim, if any, for the said year. Communication is being sent to those members, who have not yet claimed dividend requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following table gives information relating to various outstanding dividends and the dates by which they can be claimed by the Members from the Company's RTA:

Year	Dividend Type	Date of declaration	Last date for claiming dividend	Date of transfer to Fund (on or before)
2018-2019	Final	25 July 2019	24 August 2026	23 September 2026
2019-2020	Interim (Confirmed as Final)	21 February 2020	22 March 2027	21 April 2027
2020-2021	Final	20 July 2021	19 August 2028	18 September 2028
2021-2022	Final	27 July 2022	26 August 2029	25 September 2029
2022-2023	Final	26 July 2023	25 August 2030	24 September 2030
2023-2024	Final	23 July 2024	22 August 2031	21 September 2031
2024-2025	Interim (Special)	29 April 2025	28 May 2032	27 June 2032
2024-2025	Final	24 July 2025	23 August 2032	22 September 2032

Initiatives for reduction of unclaimed dividend

The Company has a proactive approach towards reduction in quantum of unclaimed dividend. The measures *inter alia*, included:

- Reaching out to shareholders via calls, emails and reminders through RTA and depositories.
- Identifying shareholders who have received the dividend for FY2025 but not for the earlier years.
- Crediting dividend to shareholders who have successfully claimed shares from IEPF Authority or the unclaimed suspense account.
- Advising the shareholders who approach the Company/KFin for any service request to claim their dividend and remitting unpaid dividend, if any, for KYC compliant folios.

The amount is remitted based on the verification of the documents and bonafides of the claim. The Company will continue to undertake various initiatives in this regard.

Saksham Niveshak

With an endeavour to reduce the unclaimed amount continued under the umbrella of 100 days campaign – "Saksham Niveshak" launched by Investor Education and Protection Fund Authority ("IEPFA") vide its intimation dated 16 July 2025, for shareholders to claim unpaid/unclaimed dividends, thereby preventing transfer of dividends which has remained unpaid/unclaimed for a period of seven years to Investor Education and Protection Fund (IEPF).

The campaign commenced on 28 July 2025 and concluded on 6 November 2025. During this Campaign, all the shareholders who had not claimed their dividend for any financial years from 2017-18 to 2024-25 or had not updated their KYC and nomination or any issues related to unclaimed dividends and shares were encouraged to update their KYC details, bank mandates and contact information so that dividend is paid to rightful claimant and transfer of shares to IEPFA is not required.

The Company had initiated the campaign during the said period and an Action Taken Report indicating the steps undertaken during the period was submitted to IEPFA.

Transfer of shares to Investor Education and Protection Fund ('IEPF')

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

Publication in newspaper intimating the members regarding the said IEPF transfer would be made as done in previous years. The details of the members whose shares are liable to be transferred to IEPF or have been transferred to IEPF is made available on the Company's website at https://www.aboutbajajfinserv.com/finance-investor-relations-unclaimed-dividend.

During FY2026, the Company transferred 142,165 equity shares of face value of ₹ 1 in respect of 36 shareholders to Demat Account of the IEPF Authority held with National Securities Depositories Limited ('NSDL').

Shareholder can claim such shares and unclaimed dividends transferred to the Fund by accessing the link to the refund webpage of IEPF Authority at https://www.iepf.gov.in/content/iepf/global/master/Home/Home.html

For further details, members may get in touch with the nodal officer/deputy nodal officers of the Company at:

Nodal officer for IEPF

R Vijay
Company Secretary
Email id: vijay.r@bajajfinserv.in

Deputy Nodal Officers for IEPF

Ravikumar Dugar
Deputy National Lead – Secretarial
Email id: Ravikumar.dugar@bajajfinserv.in

Elangovan S
Deputy National Lead – Secretarial
Email id: Elangovan.s@bajajfinserv.in

Share Transfer System

Transfer of shares in physical form is not permissible. All requests relating to transmission, transposition, issuance of Letter of Confirmation (LoC) in lieu of duplicate share certificate(s) are processed by KFin. Dematerialisation and rematerialisation activities are carried out by KFin through its connectivity with NSDL and Central Depository Services (India) Limited ('CDSL').

SEBI vide its circular dated 2 July 2025 introduced the *Ease of Doing Investment – Special Window for Re-lodgement of Transfer Requests of Physical Shares*. Investors who had lodged transfer deeds before 1 April 2019 but whose requests were rejected/returned due to documentation deficiencies were given an opportunity between 7 July 2025 and 6 January 2026 to re-lodge such requests. Further, SEBI vide its circular dated 30 January 2026, has opened another Special Window for the above-mentioned investors, for a period of one year, from 5 February 2026 to 4 February 2027.

All valid cases will be processed through the transfer-cum-demat route, ensuring that shares are credited only in dematerialised form. The Company has publicised the opening of this special window through various media including print and social media. However, no requests were received for the said period.

Listing Details

- **Equity shares:**

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

International Securities Identification Number ('ISIN') for equity shares:

Pre-Subdivision	Post-Subdivision
INE296A01024	INE296A01032

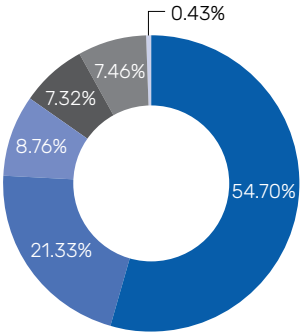
- **Debentures:**

Stock Exchange	Address
Wholesale Debt Market BSE	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2027. None of the securities of the Company were suspended from trading during the year on account of corporate actions or otherwise.

Distribution of Shareholding

Details about the pattern of shareholding across various categories as on 31 March 2026:



Category	% to Capital
Promoter and Promoter Group	54.70
Foreign Institutional Investor/Foreign Portfolio Investor	21.33
Mutual Fund	8.76
Corporates	7.32
Residents and Non-residents individuals	7.46
Others	0.43
Total	**100**

The distribution of shareholding based on size class as on 31 March 2026 is presented in the table below:

Category (On folio basis)	No. of Members	% to total members	No. of shares held	% to total capital
1 - 1000	1,003,379	95.72	106,395,111	1.71
1001 - 5000	32,539	3.10	68,690,786	1.10
5001 - 10000	5,328	0.51	40,785,195	0.66
10001 - 100000	5,218	0.50	148,408,308	2.39
100001 - 500000	1,037	0.10	236,661,761	3.80
500001 - 1000000	285	0.03	203,591,465	3.27
1000001 and above	407	0.04	5,417,949,239	87.07
TOTAL	**1,048,193**	**100**	**6,222,481,865**	**100**

Disclosures with respect to demat suspense account/unclaimed suspense account

Pursuant to the bonus issue and sub-division undertaken by the Company in the year 2016, equity shares were issued in physical form to shareholders who had not dematerialised their holdings.

In accordance with clause F of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, shares pertaining to shareholders whose share certificates remained unclaimed or were returned undelivered were transferred to the Unclaimed Suspense Account.

During the year under review, the Company issued bonus shares and sub-division of equity shares in dematerialised form to all shareholders. Accordingly, the shares pertaining to shareholders who continue to hold their shares in physical form have been transferred to a separate Unclaimed Suspense Account, in compliance with the applicable regulatory requirements.

The status of the said shares as on 31 March 2026 is as under:

Sr. No.	Particulars	No. of holders	No. of shares*
1.	At the beginning of the year	38	405,800
2.	Addition during the year	320	4,280,668
3.	Transferred to IEPF	9#	130,000
4.	Claims received/approved during the year	53	687,630
5.	At the end of the year	297	3,868,838

*Post giving effect of bonus and sub-division.

#Includes one folio with a partial transfer to the IEPF.

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

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

Dematerialisation of shares and liquidity

- **Dematerialisation of shares:**

  During FY2026, pursuant to the issue of bonus shares and sub-division of equity shares, the Company transferred the shares held in physical form to the Unclaimed Suspense Account in dematerialised mode. Further, 5 shares were rematerialised during the year.

  Shares held in physical and electronic mode as on 31 March 2026 are given below.

Particulars	No. of members	No. of shares	% to total shareholding
Demat			
- NSDL	367,770	6,027,257,705	96.86
- CDSL	680,422	195,224,155	3.14
Physical	1	5	0
Total	**1,048,193**	**6,222,481,865**	**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 (₹ in crore)
BSE	367,005	42.49
NSE	6,463,059	805.11

Non-Convertible Debt Securities

The Company issues listed non-convertible debt securities (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 repaid of the principal of non-convertible debentures 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 TDS on interest payment to the Non-Convertible Debentures ('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 non-convertible debentures. The said policy can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-claiming-unclaimed-amounts-with-respect-to-ncds-from-escrow-account-1?scl=1&fmt=pdf.

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

Credit Rating

During FY2026, the Company retained its highest domestic long-term credit ratings, supported by strong capital adequacy, robust asset-liability management, prudent credit underwriting and continued promoter support. The detailed credit ratings as at 31 March 2026 are as follows:

Rating Agency	Type of Instrument	Programme Size (₹ in Crore)	Credit Rating
Domestic Ratings			
CRISIL Rating Ltd.	Long term Borrowing (NCD) Programme	114,843	CRISIL AAA/Stable
	Lower tier II bond/subordinate debt programme	1,783	CRISIL AAA/Stable
	Long Term Bank loan rating programme	46,000	CRISIL AAA/Stable
	Short Term Bank loan rating facilities		CRISIL A1+
	Short-term debt programme	30,000	CRISIL A1+
	Fixed deposit programme	-	CRISIL AAA/Stable
ICRA Ltd.	Long-term borrowing (NCD) programme	25,000	ICRA AAA/Stable
	Lower tier II bond/subordinate debt programme	-	ICRA AAA/Stable
	Short-term debt programme	30,000	ICRA A1+
	Fixed deposit programme	-	ICRA AAA Stable
India Ratings and Research Private Ltd.	Long-term borrowing (NCD) programme	74,886	IND AAA/Stable
	Subordinate debt programme	2,000	IND AAA/Stable
	Long term bank loan facilities	80,000	IND AAA/Stable
	Short term Bank loan facilities		IND A1+
CARE Ratings Ltd.	Long-term borrowing (NCD) programme	272	CARE AAA/Stable
	Short Term Facilities	8,300	CARE A1+
	Long Term Facilities	1,700	CARE AAA/Stable
	Subordinate debt programme	3,455	CARE AAA/Stable
International Ratings			
Moody's Ratings	Corporate Family Rating	-	Baa3/Stable
S&P Global Ratings	Long-Term Rating	-	BBB/Stable
	Short-Term Rating	-	A-2

During FY2026, S&P ratings have upgraded the entity level rating for BFL from BBB-/Positive to BBB/Stable as long-term rating and upgraded short term ratings from A-3 to A-2, as a reflection of strong financial metrics. Also, Moody's have assigned New Corporate Family Rating for the Company after withdrawal of old Baa3 (long-term) /P-3 (short-term) rating.

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

The Company borrows in foreign currency for its External Commercial Borrowing ('ECB') Programme. These borrowings are governed by RBI guidelines which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (principal and coupon).

The Company hedges its entire ECB loan exposure for the full tenure of the ECB as per Board approved Interest Rate Risk and Currency Risk Hedging Policy.

For its ECB loans, the Company evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs and manages its currency and interest rate risks by onboarding derivative contracts such as Cross Currency Swaps & Forward Rate Agreements as hedge positions in line with the Board approved policy.

Being a financial services company, the Company is not directly exposed to commodity price risk.

Plant location

Bajaj Finance Ltd. being a non-banking financial company does not have any manufacturing plant.

You can reach out to us:

Bajaj Finance Ltd.

Corporate Office Extn.
Secretarial Department, 3rd Floor,
Panchshil Tech Park, Viman Nagar,
Pune – 411 014

Registered Office
C/o Bajaj Auto Ltd.,
Mumbai Pune Road,
Akurdi, Pune – 411 035

(020) 7157 6072/6403

investor.service@bajajfinserv.in

https://www.aboutbajajfinserv.com/finance-about-us

KFin Technologies Ltd.

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

Toll Free No.: 1800 309 4001

einward.ris@kfintech.com

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

KPRISM Platform: https://kprism.kfintech.com/signup

RTA Website: https://ris.kfintech.com

KFin Corporate Website: https://www.kfintech.com

A Quick Scan Can Unlock Your Unclaimed Dividend

Submissions To RTA For Claiming Unclaimed Dividend

For Shares held in Demat Mode:

- Copy of the updated Client Master List (CML) reflecting registered name, address, demat and bank account details (Bank name, branch, account number, IFSC code and MICR).

For Shares held in Physical Mode:

- Original cancelled cheque leaf bearing the name of the first shareholder.
- Investor Service Request Forms (ISR-1, ISR -2)

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity**	L65910MH1987PLC042961
2.	**Name of the Listed Entity**	Bajaj Finance Limited (Referred to as 'the Company' / 'BFL')
3.	**Year of incorporation**	1987
4.	**Registered office address**	Akurdi, Pune - 411 035
5.	**Corporate address**	4th Floor, Bajaj Finserv Corporate office, Off Pune-Ahmednagar Road, Viman Nagar, Pune- 411 014
6.	**E-mail**	investor.service@bajajfinserv.in
7.	**Telephone**	020-71576403
8.	**Website**	https://www.aboutbajajfinserv.com/finance-about-us
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 Limited (NSE Limited)
11.	**Paid-up Capital**	₹ 621.79 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 of the person: R Vijay, Company Secretary Contact details: 020-71576403 Email ID: vijay.r@bajajfinserv.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).**	Consolidated basis (unless otherwise stated) – Collectively referred to as 'BFL Group' which includes Bajaj Finance Limited and its two subsidiaries i.e., Bajaj Housing Finance Limited, and Bajaj Financial Securities Limited (wholly-owned).
14.	**Name of assessment or assurance provider**	Assurance provided by SGS India Private Limited
15.	**Type of assessment or assurance obtained**	BRSR Core: Reasonable assurance BRSR Non-Core: Limited assurance

*Net of 4,605,529 equity shares of ₹ 1 each held in trust for employees under employee stock option plan (ESOP) 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	Engaged in the business of lending, partnership and services, payments and acceptance of deposits	98.70%

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.	Non-Banking Finance Company engaged in lending and allied activities	65923	85.18%
2.	Housing Finance (other credit granting)– Home loan, loan against property and construction funding	65922	13.52%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA*	4,098#	4,098
International		Nil	Nil

*BFL Group is not engaged in manufacturing activities.

#Includes all the branches and corporate offices of BFL as on 31 March 2026.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	27 States and 6 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. BFL Group does not have export business operations.

c. A brief on types of customers:

BFL Group has established a diversified business model with a strong focus on customer acquisition and multiple loans and services offerings, including payments solutions, to meet various financial services needs of our customers. Our product suite is spread across consumer lending (sales finance), personal loans, MSME lending, gold loan, auto financing, microfinance lending, commercial lending, rural lending, loan against securities, mortgages, public and corporate deposits, and partnership & services. Our offices are located in rural and urban locations enabling us to have a well-diversified asset mix across customer classes and geographies through a combination of secured and unsecured products. As on 31 March 2026, BFL Group's customer franchise stood at 119.33 million, with 17.51 million new customers acquired during FY2026.

BFL has a strong geographic presence across 4,098 locations nationwide, including 2,571 in rural and semi-urban areas, supported by over 242,000 active distribution points.

The customers are segregated under below given categories:

Borrowers: BFL Group focuses primarily on acquiring mass affluent customers. BFL offers secured and unsecured loans to salaried, self-employed, professionals, MSME and corporate clients. BFL, through its subsidiary Bajaj Housing Finance Limited ('BHFL' or 'Bajaj Housing'), which is registered with the National Housing Bank as a Housing Finance Company (HFC); focuses on mortgage loans to customers.

Depositors: BFL accepts deposits from retail and corporate clients.

Broking customers: Bajaj Financial Securities Limited ('BFSL', 'BFinsec', or 'Bajaj Broking') serves a diverse customer base that includes first-time and retail investors beginning their journey through equities, SIPs and mutual funds; active traders who participate in intraday, derivatives and F&O markets; long-term investors focused on wealth creation through mutual funds, bonds and retirement products; HNI and affluent customers seeking advisory, high-value trades, leverage and portfolio support; corporate employees requiring ESOP and demat-related services; and clients served through its franchise and partner network.

Merchants: Bajaj Pay QR enables merchants to accept payments by way of UPI, Bajaj Pay wallet and Bajaj EMI. We also offer a dedicated "Bajaj Finserv for Business App" to our merchants. This application provides features like onboarding, transactions and settlement tracking, service and a host of other value added features.

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		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
			Employees					
1.	Permanent (E)	71,613	67,041	93.62%	4,572	6.38%	0	0.00%
2.	Other than Permanent (F)*	83,756	75,147	89.72%	8,608	10.28%	1	0.00%
3.	Total employees (E + F)	155,369	142,188	91.52%	13,180	8.48%	1	0.00%

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
			Workers					
1.	Permanent (G)							
2.	Other than Permanent (H)				NA			
3.	Total employees (G + H)							

*Includes Fixed Term Contract Employees (FTCEs).

NA: BFL Group is engaged in financial service business which does not require services of workers.

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
			Employees					
1.	Permanent (E)	25	21	84.00%	4	16.00%	0	0.00%
2.	Other than Permanent (F)	52	47	90.38%	5	9.62%	0	0.00%
3.	Total differently abled employees (E + F)	77	68	88.31%	9	11.69%	0	0.00%

Note: Basis disability certificates voluntarily disclosed by employees.

S. No.	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B / A)	No. (C)	% (C / A)	No. (D)	% (D / A)
			Workers					
1.	Permanent (G)							
2.	Other than Permanent (H)				NA			
3.	Total differently abled employees (G + H)							

NA: BFL Group is engaged in financial service business which does not require services of workers.

21. Participation/Inclusion/Representation of women

		No. and percentage of Females	
	Total (A)	No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel*	3	0	0%

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

*Key Managerial Personnel are as defined under 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	18.70%	18.11%	18.66%	18.07%	18.75%	18.11%	18.30%	17.21%	18.24%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial service business which does not require services of workers.

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

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

23. (a) 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 Finserv Limited	Holding Company	51.32%	Yes
2.	Bajaj Housing Finance Limited	Subsidiary	86.70%	Yes
3.	Bajaj Financial Securities Limited	Subsidiary	100.00%	Yes
4.	SnapWork Technologies Private Limited	Associate	41.50%*	No
5.	Pennant Technologies Private Limited	Associate	26.53%*	No

*On a fully diluted basis.

VI. CSR Details

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

(ii) Consolidated Turnover for FY2026 (₹ in crore) – 81,989.50

(iii) Consolidated Net worth for FY2026 (₹ in crore) – 113,999.02

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	82	-	-	436	7	All pending complaints have been resolved in FY2026
Investors (Other than shareholders)	Yes	-	-	-	-	-	-
Employees and workers	Yes	Please refer Q.6 under "Essential Indicators of "P5 - Businesses 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	7	-	-	11	2	All pending complaints have been resolved in FY2026
Communities	Yes	-	-	-	-	-	-
Others	NA	NA	NA	NA	NA	NA	NA

BFL Group, 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. In addition to the policies available on Company's website, there are certain policies regarding conduct with stakeholders including grievance mechanism, which are internal documents and not publicly available.

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Enhancing Customer Relationship Management	Opportunity	Enhancing customer experience and satisfaction helps BFL expand its customer base, improve customer retention, build a strong brand image, foster customer loyalty and satisfy customers' financial goals.	NA	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Robust Corporate Governance	Opportunity	Adhering to sound governance practices carry substantial benefits, including strong reputation and building stakeholder trust.	NA	Positive
3.	Upholding Business Ethics and Transparency	Opportunity	Exercising ethical business behaviour creates opportunities by building trust and credibility, supporting long-term sustainable growth, and safeguarding businesses from reputational and legal risks.	NA	Positive
4.	Sustainable Economic Performance	Opportunity	BFL strives to provide sustainable economic performance that builds confidence among stakeholders, enhance Company's competitive edge, and create a favourable environment for exploring new markets and business ventures, enhance Company's reputation, attracts investments, fosters innovation, and promotes long-term growth.	NA	Positive
5.	Data Privacy and Security	Risk	Information is a valuable asset regardless of its source and nature. The importance of information security, cyber-security, and fraud controls cannot be over-emphasised in this technological age. Security threats endanger customer data and disrupt business operations coupled with legal liabilities, regulatory investigations, financial penalties and damage to brand and reputation.	• Led by a strong commitment to protecting the privacy of personal data. • Formulated a well-structured Data Privacy Policy. • Institutionalised a 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. Awareness programs and training.	Negative
6.	Strong Brand and Reputation Management	Opportunity	Brand and reputation are crucial assets for any Company, serving as pillars of trust and credibility in the industry. A strong brand and highly regarded reputation can differentiate a Company from competitors, attracting customers and investors alike.	NA	Positive
7.	Embracing Diversity and Inclusion	Opportunity	Foster an inclusive, equitable, culturally competent, supportive, and safe environment that encourages employees to model behaviors that enrich the workplace. Committed to embedding equity and inclusion in all our people and business practices. Our practices aim to establish an inclusive culture, that celebrates diversity, is free from discrimination and is based on our Culture Anchor framework. Adopted an Equal Employment Opportunity and Non-discrimination Policy. Committed to meritocracy-based recruitment and career advancement.	NA	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Fostering Human Capital Development	Opportunity	BFL strongly believes that "happy customers start with happy employees". We value our people as they power our success. In line with this philosophy, we are committed to attracting, engaging, and retaining the right talent, as it contributes to delivering a superior business performance. We are focused on creating a thriving, safe and inclusive workplace for employees, while keeping them engaged and providing opportunities for professional and personal development and growth.	NA	Positive
9.	Regulatory Compliance	Risk	BFL works in highly regulated environment. Failure to comply with regulation can lead to stoppage of business, litigations, penalties, sanctions, and reputation loss.	BFL is committed to complying with all applicable laws, regulations, and guidelines set by the regulatory authorities. It prioritises the protection of its customers' interests and data. BFL has a dedicated Chief Compliance Officer (CCO) and a robust compliance unit. Under the CCO's supervision, the compliance function is responsible for identifying and assessing compliance risks, providing guidance on related matters, and compliance monitoring and testing of products before and after the launch, applicable across the organisation.	Negative
10.	Prudent Risk Management	Opportunity	BFL is exposed to credit, liquidity, operational, market, interest-rate risk and various other types of risk. Effectively managing various risks safeguards the Company's business while creating opportunities to enhance resilience, build investor confidence, and drive sustainable growth.	NA	Positive
11.	Enhancing, Innovation, Digitisation and Responsible use of Technology (AI Governance)	Opportunity	Technology enabled seamless customer experience has been the hallmark of our businesses. While each business adopts a unique approach, common objectives include simplifying processes, ensuring ease of use, and delivering timely responses. In today's digital landscape, responsible use of emerging technologies, including AI, supported by strong governance, is critical. Information security, cyber security, and fraud controls remain key priorities. These challenges require continuous innovation to meet evolving customer needs, drive efficiency, and responsibly adapt products and services. New technologies offer significant opportunities when leveraged in a secure, ethical, and compliant manner.	NA	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Marketing & Selling Practices	Risk	Product governance refers to Company's Management of the quality of financial products and services offered, as well as the way they are marketed. Retail finance companies are highly exposed to product governance issues, given their business model of lending. Types of misconducts include discriminatory lending practices, false marketing, predatory lending, and misleading investors through poor disclosure which can lead to legal penalties, regulatory scrutiny, reputational damage, loss of customer trust, and financial losses.	The Company has established measures to effectively address product governance issues. BFL follows a strict Code of Conduct (CoC) for its Direct Selling Agents (DSA). The CoC prescribes stringent guidelines, such as maintaining privacy of prospective and existing customers, providing accurate product information, telemarketing etiquette, etc.	Negative
13.	Promoting Sustainable Finance	Opportunity	Sustainable financing is not only important to address pressing environmental and social challenges but also for creating a more resilient, inclusive and prosperous future for all. It supports sustainable growth while aligning financial performance with global development goals.	NA	Positive
14.	Promoting Employee Health, Safety, and Well-being	Opportunity	Beyond legal and financial considerations, promoting health, safety, and well-being is simply the right thing to do. It shows that the organisation values its employees as individuals. When employees feel safe and healthy at work, they are more likely to be engaged, motivated, and productive. This can lead to higher job satisfaction and lower turnover rates.	NA	Positive
15.	Encouraging Financial Inclusion	Opportunity	All individuals and businesses across the country should have easy and seamless access to relevant and affordable financial products and services in a sustainable way. This is essential for them to meet their transactional, payment, saving, credit and insurance needs in a hassle-free manner. Financial inclusion can help BFL tap into underserved markets, expand its customer base, and create sustainable growth opportunities.	NA	Positive
16.	Community Relations and Well-being	Opportunity	To build a sustainable ecosystem for the underserved. To help them realise and grow their potential, ensuring social, and economic inclusion for every individual. By enhancing community relations, businesses can build trust and loyalty, strengthen their reputation, and create long-term opportunities for sustainable growth and shared value.	NA	Positive
17.	Upholding Human Rights	Opportunity	Businesses that properly address human rights issues are likely to have a more productive and more sustainable workforce and avoid legal, operational and financial risks.	NA	Positive

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
18.	Climate Strategy and Emissions Management	Risk	Climate strategy and emissions management are crucial for businesses to manage operational and environmental risks and contribute to a sustainable economy.	The Company, as a responsible corporate citizen, is conscious of direct and indirect impact of its operations / business on the environment. BFL is committed to reducing any negative impact on the natural environment and climate change. The Company endeavours to integrate sound environmental practices and governance systems in its day-to-day operations to minimise environmental impact. Further the Company endeavours to increase its Green lending portfolio by financing EVs, Solars and other energy-efficient products.	Negative
19.	Operational Eco-Efficiency	Opportunity	Optimizing operations to reduce environmental impact creates opportunities by lowering resource and energy costs, increasing efficiency, and reducing waste. It helps the Company stay ahead of regulations, build stakeholder trust, enhance brand reputation, and drive innovation for long-term sustainable growth.	NA	Positive

Note: For details on the performance metrics and targets aligned with the material topics, please refer to materiality assessment 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, BFL and BHFL have 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.bajajfinserv.in/finance-investor-relations-policies-and-documents								
2.		Whether the entity has translated the policy into procedures. (Yes / No)	Yes. BFL Group 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. BFL Group strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. BFL Group has published comprehensive Supplier's Code of Conduct which extends to its value chain partners. Further, the Board of BFL has approved various policies such as Code of Conduct for Direct Selling Agents (DSA) / Debt Recovery Agents (DRA) / Direct Marketing Agents (DMA), Fair Practice Code, Whistleblower 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 adopted by your entity and mapped to each principle.	All policies have been developed taking into consideration the industry practices and various regulatory requirements and through appropriate consultation with relevant stakeholders. BFL Group Companies are compliant with the ISO 27001:2022 Information Security Management System. Moreover, BFL is compliant with ISO 22301:2019 Business Continuity Management System. BFL's and BHFL's head corporate offices along with all BFL-owned branches are compliant with ISO 14001:2015 (EMS) and 45001:2018 (OHSMS).								
5.		Specific commitments, goals and targets set by the entity with defined timelines, if any.	BFL's commitments for FY2027: 1. Tree Plantation or Mega Forest Development / Reforestation at Satara 2. To hire 200+ Specially abled employees, to promote an inclusive and diverse workforce 3. Providing over 15,000 solar financing loans under green financing initiatives to promote sustainable energy adoption 4. Developing BFL's Sustainable Financing Policy 5. Distribution of 15,500+ improved cookstoves to foster clean energy access 6. To open 20+ new Microfinance branches to expand financial inclusion and reach underserved communities								
6.		Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	BFL Group 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: 1. Planted around 200,000+ saplings 2. Opened 25 Microfinance branches 3. Received certificate of ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) for 18 locations covering 24 offices 4. Implemented Water Tracking System (WTS) at 48 locations 5. 15,500+ Improvised Cookstoves distributed								

Note: Indicative list of policies is provided in annexure.

Governance, leadership, and oversight		
7.	Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) - Please refer to "Message from the Chairman and Vice Chairman in the ESG Report at https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	**Name:** Rajeev Jain **Designation:** Vice Chairman & Managing Director **DIN:** 01550158
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. BFL has a Board approved ESG Committee consisting of senior management personnel of the Company to monitor various aspects of social, environmental, governance and economic responsibilities of the Company. The said Committee is chaired by the Vice Chairman of the Company. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, the Board of Directors were updated on the sustainable and responsible business conduct initiatives of BFL. In addition, the Board level Risk Management Committee also assesses internal / external risks pertaining to sustainability as identified.

10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
Subject for Review	**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 approved policies of the Company are reviewed annually and placed before the Board of Directors. Further, all the policies (excluding Board approved policies) are reviewed periodically or on a need basis by department heads, business heads, senior management personnel / respective committees. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	BFL Group is in compliance with the extant regulations, as applicable.																	

11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
		BFL 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 BFL's website 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)	As the answer to question (1) above is 'Yes', this section is not applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors*	1	On an ongoing basis, BFL carries out familiarisation programmes for its Directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and significant developments and updates within the Company. A declaration of the Directors and Senior Management's adherence to the Code of Conduct for Directors and Senior Management is communicated to all stakeholders by the Vice Chairman, through the Annual Report. Additionally, during its meeting held on 23 March 2026, the Board of Directors conducted a comprehensive review of BFL Group's ESG initiatives, encompassing the following: 1. Key Focus areas of ESG 2. ESG Ratings and Interventions 3. ESG initiatives undertaken by the Group. 4. Planned projects for next financial year. Impact: Ensuring Directors and KMPs stay abreast of various ESG developments, regulatory updates / changes, and other requisite familiarisation programmes. This empowers and fosters a more informed and strategic contribution.	100%
Key Managerial Personnel*			
Employees other than BoDs and KMPs#	1	BFL Group 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 programmes are on an array of topics including but not limited to InfoSec & Cybersecurity Awareness, Anti Money Laundering and KYC, Operational Risk and Management, Employee Charter – Human Rights, Dealing with BFS Securities, Code of Conduct, Prevention of Sexual Harassment, Whistleblower, Mind Your Behaviour (MYB), Environment, Social & Governance (ESG), Environment Health and Safety, First Aid, Fire Safety, Digital Media, Extending Support-Being Inclusive, Consumer Financial Protection, and Financial Prudence. Impact: Enhancing ESG awareness to ensure alignment with BFL's upheld ethics and values	98.96%
Workers	NA		NA

NA: BFL Group is engaged in financial service business which does not require services of workers.

*This data pertains to BFL.

#As of 31 March 2026, a portion of newly recruited staff had not yet completed their training requirements, which are subject to stipulated completion deadlines.

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 ₹)	Brief of the Case	Has an appeal preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

	Non-Monetary			
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment		Nil		

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

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

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, BFL Group prohibits bribery and corruption in any form across all its business dealings through its Anti-bribery & Anti-corruption Policy. This Policy is adopted across BFL Group and reflects our commitment to maintaining the highest ethical standards while fostering an open and fair business culture, adhering to best practices of corporate governance, and enhancing the BFL Group's reputation at all levels.

The objective of this Policy is to ensure that neither BFL Group 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 BFL Group, whether in their own name or on behalf of the BFL Group. The Policy covers aspects related to bribes, acceptance of favours 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.

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: BFL Group is engaged in financial service business 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	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

BFL Group 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	19.47	18.56

Note: Data reported on standalone basis.

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:

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)	2.79%	3.57%
	b.	Sales (Sales to related parties / Total Sales)^	1.60%	1.38%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)#	0.01%	0.18%
	d.	Investments (Investments in related parties / Total Investments made)	29.96%	26.23%

*On a standalone basis.

#Considered loans given to related parties.

^The figure of FY2025 has been regrouped / restated, to make it comparable with the current period.

Note: For more details on related parties transactions, please refer Notes to Standalone Financial Statements 'Disclosure of transactions with related parties as required by Ind AS 24' at page number 301 of this Report.

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
1	BFL conducted ESG and sustainability awareness sessions for high-risk vendors to strengthen responsible and transparent business practices. The training covered key ESG concepts, global and Indian regulatory trends, and SEBI's BRSR and BRSR Core requirements aligned with the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC). Vendors were oriented on the importance of value chain data disclosures and their role in accurate ESG reporting. The programme covered the following areas: • Environmental aspects: energy, emissions, water, and waste management • Social aspects: labor practices, human rights, well-being, and inclusion • Governance aspects: ethics, compliance, transparency, and data protection	20%*

*Coverage of high-risk value chain partners as per BFL's outsourcing framework.

Notes:

- BFL Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. BFL Group 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.
- BFL has a Board approved Code of Conduct policy for its Debt Recovery Agents (DRA), Direct Marketing Agents (DMA) and Direct Selling Agents (DSA). It has made CoC acceptance and acknowledgement mandatory for all agents and agencies for accessing our Mobility App.
- BFL Group has 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.
- In November 2022, BFL got its DRA training accreditation from Indian Institute of Banking and Finance (IIBF). BFL has invested in online DRA training infrastructure for agents. After completion of online training, agents appear for a DRA certification test conducted by IIBF. As on 31 March 2026, more than 43,000 participants are DRA certified. We have over 90 facilitators, including more than 50 CAIIB-certified professionals whose profiles have been approved by the Indian Institute of Banking & Finance for delivering DRA training for BFL.
- BFL Group has incorporated ESG linked clauses into vendor contracts.
- BFL conducted an awareness series for the stakeholders through social media channel to create awareness on ESG matters and encouraged them to uphold the same, as applicable.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

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

- Every Director on 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 (under section 2(76) of the Companies Act, 2013 and other laws applicable). Such disclosure is required to be made as and when a Director attends the first Board Meeting after his / her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within 30 days from any change in the disclosure previously given by such Director.
- Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and approval of the transaction.
- BFL and BHFL have a separate Code of Conduct ('CoC') for Directors and Senior Management which states that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement'. The said CoC requires them to not to engage in any business relationship or activity, which conflicts with their duties towards the Company. All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2026. A declaration to this effect signed by the Vice Chairman forms a part of this Annual Report.
- BFL and BHFL have also put in place necessary mechanisms and have formulated a Policy on Materiality of and Dealing with Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. This Policy provides a framework to ensure proper identification, approval, and subsequent modification of Related Party Transactions.
- In addition to the above, BFL Group'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: https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes

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

Essential Indicators

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

	FY2026	FY2025	Details of improvements in environmental and social impacts
R&D	-	-	Please refer the below note
Capex	44%	47%	

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

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

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

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

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

Wherever feasible, BFL Group 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. In this regard, these equipments are procured exclusively from vendors meeting applicable standard compliance requirements. Moreover, BFL's data centres are certified under Environmental Management System.

Additionally, BFL Group 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.

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 BFL Group, 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 BFL Group, 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).

	Recycled or re-used input material to total material	
Indicate input material	FY2026	FY2025
Given the business operations of BFL Group, the same is not applicable.		

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

	FY2026			FY2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (Including Packaging)	-	-	1.75	-	-	-
E-waste	-	1.65	5.93		25.9	8.34
Hazardous Waste	-	-	-	-	-	-
Other Waste (Battery, Biomedical, Wet and Dry Waste)	-	82.29	76.15	-	86.5	6.24

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 BFL Group, the same is not applicable.	

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

Essential Indicators

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

		% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits*		Paternity benefits*		Day Care facilities	
Category	Total (A)	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Employees											
Male	67,041	67,041	100%	67,041	100%	NA	NA	67,041	100%	67,041	100%
Female	4,572	4,572	100%	4,572	100%	4,572	100%	NA	NA	4,572	100%
Other	-	-	NA	-	NA	-	NA	-	NA	-	NA
Total	**71,613**	**71,613**	**100%**	**71,613**	**100%**	**4,572**	**100%**	**67,041**	**100%**	**71,613**	**100%**
Other than Permanent Employees											
Male	75,147	75,147	100%	75,147	100%	NA	NA	NA	NA	Nil	Nil
Female	8,608	8,608	100%	8,608	100%	8,608	100%	NA	NA	Nil	Nil
Other	1	1	100%	1	100%	NA**	NA**	NA**	NA**	Nil	Nil
Total	**83,756**	**83,756**	**100%**	**83,756**	**100%**	**8,608**	**100%**	**NA**	**NA**	**0**	**0%**

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

**Benefits based on caregiving role, aligned with adoption benefits.

b. Details of measures for the well-being of workers:

		% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
Category	Total (A)	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent Workers											
Male	NA										
Female											
Other											
Total											
Other than Permanent Workers											
Male	NA										
Female											
Other											
Total											

NA: BFL Group is engaged in financial service business 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	0.14%	0.10%

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

	FY2026			FY2025		
Benefits	**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	NA					
Others – please specify	NA					

Note: BFL Group is engaged in financial service business which does not require services of workers.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

BFL Group has adopted Code of Ethics and Personal Conduct (CoEPC) which promotes equal employment opportunity and non-discrimination along with mutual respect. Additionally, BFL Group through its Equal Employment Opportunity and Non-discrimination policy and / or Employee Charter - Human Rights Statement prohibits any kind of discrimination against persons with disabilities in any matter related to employment as per the Rights of Person with Disabilities Act, 2016. Some of BFL's offices and branches are designed to ensure accessibility for differently abled employees, Additionally, 320+ branches and offices are equipped with wheelchairs, and 3,300+ branches are equipped with magnifying glass to foster an inclusive environment.

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. BFL Group has adopted Code of Ethics and Personal Conduct (CoEPC) which promotes equal employment opportunity and non-discrimination along with mutual respect.

Additionally, BFL has adopted Equal Employment Opportunity and Non-Discrimination policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework and commitment towards the empowerment of persons with disabilities.

BFL Group 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', BFL Group 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.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes

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

	Permanent Employees		Permanent Workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	99.94%	82.19%	NA	NA
Female	100%	77.31%	NA	NA
Total	**99.95%**	**81.97%**	**NA**	**NA**

NA: BFL Group is engaged in financial service business 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	Yes. BFL Group strives to create a culture which is fair, open, and transparent and where employees can openly present their views. BFL Group 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. BFL Group has a Disciplinary Action Policy (DAP) and Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL Group has zero tolerance towards any non-compliance of these principles. BFL Group has 'Code of Ethics and Personal Conduct' (CoEPC), 'Whistleblower, 'Prevention of Sexual Harassment' and '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. BFL has a dedicated helpline number for employees to report their concerns.
Other than Permanent Employees	Yes. BFL Group strives to create a culture which is fair, open, and transparent and where employees can openly present their views. BFL and BHFL have a Board approved Disciplinary Action Policy (DAP) for Fixed Term Contract Employees (FTCEs) to address their grievances. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL Group has zero tolerance towards any non-compliance of these principles. BFL and BHFL have 'Code of Ethics and Personal Conduct' (CoEPC), 'Whistleblower', and 'Prevention of Sexual Harassment' frameworks serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Further, BFL has a dedicated helpline number for employees to report their concerns.
Permanent workers and Other than permanent workers	NA

NA: BFL Group is engaged in financial service business which does not require services of workers.

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

	FY2026			FY2025		
Category	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	BFL Group 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: BFL Group is engaged in financial service business which does not require services of workers.

8. Details of training given to employees and workers

Category	FY2026					FY2025				
	Total (A)	On Skill Upgradation		On Health and Safety		Total (D)	On Skill Upgradation		On Health and Safety	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	142,188	128,633	90.47%	140,611	98.89%	60,128	57,576	95.76%	59,028	98.17%
Female	13,180	11,764	89.26%	12,880	97.72%	3,964	3,780	95.36%	3,782	95.41%
Other	1	1	100%	1	100%	NA	NA	NA	NA	NA
Total	**155,369**	**140,398**	**90.36%**	**153,492**	**98.79%**	**64,092**	**61,356**	**95.73%**	**62,810**	**98.00%**
Workers										
Male	NA									
Female										
Other										
Total										

NA: BFL Group is engaged in financial service business which does not require services of workers.

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

9. Details of performance and career development reviews of employees and worker:

Category	FY2026			FY2025		
	Total (A)*	No.(B)	% (B/A)	Total (C)*	No.(D)	% (D/C)
Employees						
Male	103,867	103,867	100%	51,960	51,960	100%
Female	8,640	8,640	100%	3,359	3,359	100%
Other	-	-	-	NA	NA	NA
Total	**112,507**	**112,507**	**100%**	**55,319**	**55,319**	**100%**
Workers						
Male	NA					
Female						
Other						
Total						

NA: BFL Group is engaged in financial service business which does not require services of workers.

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

*Eligible employee count due for annual performance review.

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. BFL has implemented Occupational Health and Safety Management System (ISO 45001:2018) for our head corporate office and all owned branches across India.

Through its "Employee Health and Safety Manual" and EHS Policy, BFL is committed to providing 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.

BFL Group 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. BFL Group 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 BFL Group's human resource practices. BFL Group 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 section of ESG Report – Link: https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BFL Group conducts internal safety audits / assessments on a periodic or on a need basis wherein parameters related to fire safety, housekeeping, electrical safety, and emergency preparedness are assessed. Also, BFL has implemented Hazard Identification and Risk Assessment (HIRA) and Aspect–Impact assessments across its corporate head office and all owned branch offices.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. BFL Group is engaged in financial service business which does not require services of workers. For its employees, BFL has a dedicated Central Emergency Service Desk (CESD) helpline portal 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. BFL Group has insured its employees under Group term insurance, health insurance and accidental insurance policies. For more information, please refer to section on 'Human Capital' section of ESG Report at Link: https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance

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

Safety Incident/Number	Category	FY2026	FY2025
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

NA: BFL Group is engaged in financial service business 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	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	BFL and BHFL head corporate office and 100% of BFL's owned branch offices
Working Conditions	

Note: BFL Group strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. Selected offices across BFL 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 were necessitated by BFL Group 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. BFL Group extends various financial support and compensatory packages 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 permanent employee (if required), etc.

Additional details with respect to the same are provided in 'Human Capital' section of ESG Report at Link: https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance

b. **Workers –** BFL Group is engaged in financial service business which does not require services of workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

BFL Group is committed to fostering responsible and sustainable business practices across its value chain partners, tailored to their capacities and resources. To uphold this commitment, BFL 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 / assessments 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

NA: BFL Group is engaged in financial service business 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. BFL Group has retirement policy which aims to define terms of retirement for employees and the subsequent engagement opportunities with the Company. BFL Group invests significant time and resources in the training and development of its employees, help them stay ahead of latest trends and technology. With such trainings, most employees are skilled and tend to be employable upon retirement / termination.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Please refer note below
Working Conditions	

Note: BFL Group expects and influences its value chain partners to follow applicable extant regulations, including health and safety practices and working conditions. Further, BFL has an outsourcing compliance framework that is used for the evaluation and assessment of vendors basis the scoring model. Accordingly, select high-risk category corporate vendors were assessed for the above parameters as per the outsourcing compliance framework.

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.

Any risks or concerns identified during the assessment of vendors mentioned in above question, particularly relating to health and safety practices or working conditions, are formally communicated to the respective vendors. Corrective action plans are agreed upon with defined timelines, and vendors are required to implement necessary improvements to address the identified gaps. Follow-up reviews and monitoring are conducted to ensure timely closure of observations and sustained compliance with applicable health and safety standards.

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 BFL Group's business and vice versa now or in the future are identified as key stakeholders by the Group. The key stakeholders thus identified are customers, investors, lenders, depositors, Government, shareholders, regulators, value chain partners, employees, and society.

The Group 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, the Group engages with its stakeholders and strives to resolve differences with them in a fair, equitable and consistent manner and where warranted takes corrective measures.

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

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, other)	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and Lenders	No	• Quarterly earnings calls • Investor presentations • Annual general meeting • Stock exchange disclosures • Investor conferences • One-on-one meetings • Lender interactions • Credit rating discussions • Annual report and website disclosures • Investor grievance mechanism	• Annual and Quarterly • Need based	To inform about the performance, major developments, ESG initiatives and other relevant updates regarding BFL Group.
Customers	Yes • Women • Senior Citizen	• Customer service centres • Media & press releases • Website and mobile application • Digital self-service channels • Customer satisfaction surveys • Complaint management systems • Social media • Branch and field interactions • Targeted communication campaigns	• 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 initiatives and periodic communication to provide update on various lifecycle events over digital channel.
Government and Regulators	No	• Regulatory filings • Periodic submissions • Inspections and Audits • Consultations, meetings with regulatory authorities • Policy updates • Compliance reviews • Representation through industry forums and associations	• Periodic • Need based	To provide recommendations or feedback on draft policies, status on adherence to regulatory compliance, and make representations on various subjects before regulators and associations for advancement and improvement of financial services industry in India.

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/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	Yes • Women • Person (s) with Disability • Other Genders	• Employee engagement surveys • Townhalls / Confluence • Leadership connects • HR connect forums • Internal communication platforms • Performance reviews • Learning programmes • Grievance mechanisms • Employee assistance and well-being initiatives • Recognition platforms.	• 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 Partners	No	• Partner meetings • Onboarding and due diligence processes • Performance reviews • Training sessions • Audits and compliance checks • Service-level reviews • Policy communication • Vendor risk assessments • Partner conferences	• On-going • Need based	To strengthen collaboration, enhance overall value delivery, and to build strategic, mutually beneficial partnerships across the value chain.
Society	Yes	• CSR programmes • NGO and implementation partner engagements • Volunteering initiatives • Field visits • Beneficiary interactions • Impact assessments and programme reviews	• 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.
Board of Directors	No	• Board meetings • Committee meetings • Strategy sessions • Risk and compliance updates • Business performance reviews • Internal audit updates • Management presentations • Regulatory updates and governance discussions.	• Quarterly • Need-based	To oversee and guide the organisation's business strategy, governance practices, asset quality, customer protection, regulatory compliance, capital allocation, ESG priorities, and succession planning. It ensures strengthening of stakeholder trust while driving sustainable long-term value creation.

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   BFL Group to the extent considered necessary and permitted by regulations, ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

   Engagement with stakeholders is a continuous process, as part of BFL Group's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

   The Board of Directors is updated on various developments arising out of such engagement and they provide their guidance / inputs on such matters. Through various committees, the Board receives regular updates on feedback from stakeholders, including but not limited to:

   - The Company's Board-level Customer Service Committee
   - The Corporate Social Responsibility Committee of the Board
   - The Risk Management Committee of the Board
   - The Board approved ESG Committee.

   As a matter of full transparency, BFL communicates key strategies of its Long-Range Strategy which is a 5-year rolling plan with various stakeholders through Investor Presentations, Annual Report, townhalls with dealers, distributors and employees, and Annual General Meeting presentation. Bajaj Finserv held its Investor Day in December 2025, during which it presented a five year Long-Range Strategy for its Group Companies. This event marked a key moment in outlining the Company's future plans and growth trajectory.

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, their impact, and expectations from the Company. Based on such interactions, over the last few years BFL has enhanced its reporting on business responsibility and started certain new initiatives. BFL Group 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.**

   BFL has identified women (customers and employees), persons with disabilities (customers and employees), senior citizen customers and local communities as vulnerable and marginalised stakeholder. Below are the key initiatives and actions taken:

   - **Spectrum policy -** 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.
   - **Empowering Women -** We have identified women empowerment as a key focus area, disbursing loans totalling more than ₹ 150,000 crore during last 3 years.
   - **Elderly assistance -** Higher Fixed Deposit (FD) rates for senior citizens - additional interest of up to 0.35%.

- **Women-led branch** - One of the most notable steps we have taken is the launch of Women-led Branches, within our gold loans department. We have appointed 159 women branch managers entrusted with key responsibilities. This initiative marks a significant stride towards gender diversity and workplace inclusion.
- **Financial Literacy -** In FY2026, BFL expanded its Financial Literacy Programme in rural areas of Andhra Pradesh, Jharkhand, Karnataka, Odisha, Uttar Pradesh, and Bihar. The programme was thoughtfully designed to build awareness on key financial topics, including the importance of financial planning, digital payments, fraud prevention, and insurance. In FY2026, the initiative has positively impacted over 5,500 individuals, equipping them with essential financial knowledge.
- Some of BFL's corporate and branch offices have ramps for easy movement of differently abled people.
- We are committed to equal employment opportunities and strictly prohibit discrimination based on age, sex, disability, and other personal characteristics. Our dedication to inclusivity is reinforced in our Equal Employment Opportunity and Non-Discrimination Policy.
- BFS Group (Bajaj Finserv Limited and its subsidiaries) companies through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons. With the guidance of our Board-governed Corporate Social Responsibility (CSR) policy, the BFS Group 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 Indicator

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 Total (A)	FY2026 No. of employees / workers covered (B)	FY2026 % (B / A)	FY2025 Total (C)	FY2025 No. of employees / workers covered (D)	FY2025 % (D/C)
			Employees			
Permanent	71,613	70,515	98.47%	64,092	56,991	88.92%
Other than permanent	83,756	82,487	98.48%	44,650	0	0%
Total Employees	**155,369**	**153,002**	**98.48%**	**108,742**	**56,991**	**52.41%**
			Workers			
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

NA: BFL Group is engaged in financial service business which does not require services of workers.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2026 Total (A)	FY2026 Equal to Minimum Wage No. (B)	FY2026 Equal to Minimum Wage % (B / A)	FY2026 More than Minimum Wage No. (C)	FY2026 More than Minimum Wage % (C / A)	FY2025 Total (D)	FY2025 Equal to Minimum Wage No. (E)	FY2025 Equal to Minimum Wage % (E / D)	FY2025 More than Minimum Wage No. (F)	FY2025 More than Minimum Wage % (F / D)
					Employees					
					Permanent					
Male	67,041	Nil	NA	67,041	100%	60,128	Nil	NA	60,128	100%
Female	4,572	Nil	NA	4,572	100%	3,964	Nil	NA	3,964	100%
Other	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
					Other than Permanent					
Male	75,147	Nil	NA	75,147	100%	40,929	20,886	51.03%	20,043	48.97%
Female	8,608	Nil	NA	8,608	100%	3,721	1,736	46.65%	1,985	53.35%
Other	1	Nil	NA	1	100%	0	NA	NA	NA	NA
					Workers*					
					Permanent					
Male										
Female					NA					
Other										
					Other than Permanent					
Male										
Female					NA					
Other										

*BFL Group is engaged in financial service business 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	50.56	0	0
BoD - non-executive Directors*	8	1.30	1	1.39
Key Managerial Personnel^*	2	8.27	0	0
Employees other than BoD and KMP^#	78,965	0.07	5,347	0.07
Workers	NA	NA	NA	NA

*Data pertains to BFL only. Data considered for Directors and KMPs active as on 31 March 2026.

^The above remuneration is inclusive of fair value of options granted as per black Scholes model.

#Data pertains to Permanent employees of BFL Group excluding KMPs.

NA: BFL Group is engaged in financial service business which does not require services of workers.

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

	FY2026	FY2025
Gross wages paid to females as % of total wages	6.38%	6.48%

Note: Data pertains to Permanent employees.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

While BFL Group aims to not have a situation that leads to any grievance; should such a situation arise, the Group has a well-defined grievance redressal mechanism for its employees which are governed through CoEPC, Employee Charter, Disciplinary Action, Whistleblower 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, BFL has dedicated channels such as Human Resource Contact Centre (HRCC), HR Pulse connects and Central Emergency Service Desk (CESD) wherein all the grievances, emergencies and incidents can be reported.

BFL Group regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed.

BFL Group has a Disciplinary Action Policy (DAP) and Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. The Group has zero tolerance towards any non-compliance of these principles.

BFL Group believes that every workplace shall be free from violence, harassment, intimidation and / or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, the Group has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. The Group also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological, or verbal abuse. As a matter of policy, the Group does not hire any employee or engage with any agent or vendor against their free will.

Across the BFL Group, Designated Ethics Officer at each Company deals with the issues of the respective Company. The Group employees must promptly report any violation of this Code to their Manager and to the Ethics Officer.

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	10	3	Out of 3 pending complaints, 1 complaint has been resolved by 29 April 2026	10	1	Pending complaint has been resolved in FY2026
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 via digital campaigns, classroom sessions, and 'Respectful, Inclusive & Safe Work Environment Awareness Series (RISE)'.

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)	10	10
Complaints on POSH as a % of female employees / workers	0.10%	0.18%
Complaints on POSH upheld	7*	9

*Pertains exclusively to the complaints raised in FY2026.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, Employee Charter, Disciplinary Action, Whistleblower and Vigil mechanism policies. BFL Group prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the CoEPC 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 BFL Group, 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. The Ethics Officers will ensure CoEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on employees who highlight possible CoEPC violations in good faith.

BFL Group also prohibits retaliation for using any of BFL's complaint reporting procedures, if made in good faith, or for filing, testifying, assisting, or participating in any investigation conducted by a Government enforcement agency.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. BFL Group appreciates the inherent, universal, indivisible, inalienable and interdependent nature of human rights.

BFL Group has a Suppliers' Code of Conduct which 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, BFL Group 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	BFL 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, BFL Group 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 Policy that outlines our commitment to Human Rights.

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

BFL Group 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, BFL Group expects and strives to influence its stakeholders to adhere to the same values, principles and business ethics upheld by BFL Group 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?

BFL Group has over the years made a conscious effort to digitize its customer service framework. The Group has made considerable headway in minimising in-person customer interactions. It has mapped the entire lifecycle of the customer interactions and made available all possible customer requests, such as, soft copy of agreements, repayment schedules, yearly interest certificates, statements of accounts, loan closure and no dues certificates, release of hypothecation and mortgages, deposit receipts, etc., in a digital mode. These service requests being fulfilled digitally obviate the need for customer visits to BFL offices.

Some of BFL's offices and branches are designed to ensure accessibility for differently abled visitors. Additionally, 320+ branches and offices are equipped with wheelchairs, and 3,300+ branches are equipped with magnifying glass to foster an inclusive environment.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Please refer note below
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

Note: As per our service provider audit process, the Company has set metrics and processes for assessing high and medium risk category on these parameters. BFL Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by BFL Group in all their dealings. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of processes and controls of select high-risk category corporate value chain partners by the Company.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

BFL has a detailed vendor audit checklist as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendor. Basis the risk 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 Indicator

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	803.59	733.05
Total fuel consumption **(B)**	Gigajoules	-	-
Energy consumption through other sources **(C)**	Gigajoules	-	-
Total energy consumed from renewable sources (A+B+C)	Gigajoules	**803.59**	**733.05**
From non-renewable sources			
Total electricity consumption **(D)**	Gigajoules	191,175.20	175,325.97
Total fuel consumption **(E)**	Gigajoules	76,273.06	64,803.22
Energy consumption through other sources **(F)**	Gigajoules	-	-
Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	**267,448.26**	**240,129.19**
Total energy consumed (A+B+C+D+E+F)	Gigajoules	**268,251.85**	**240,862.24**
Energy intensity per rupee of turnover (Total energy consumed / Total consolidated income)	Gigajoules per crore of total consolidated income	3.27	3.50
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Total consolidated income adjusted for PPP)	Gigajoules per crore of total consolidated income adjusted for PPP	66.55	72.28
Energy intensity in terms of physical output (Total energy consumed / Average FTE)	Gigajoules per average FTE	2.03	3.44
Energy intensity (optional) (Total energy consumed / Consolidated total loan portfolio)	Gigajoules per crore of consolidated total loan portfolio	0.54	0.59

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.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. 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 BFL Group, 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 kilolitres)		**1,554,703.65**	**856,861.65**
Water intensity per rupee of turnover (Total water consumption / Total consolidated income in crore)		18.96	12.45
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Total consolidated income in crore adjusted for PPP)		385.69	257.13
Water intensity in terms of physical output (Total water consumption / Average FTE)		11.77	12.22
Water intensity (optional) (Total water consumption / Consolidated total loan portfolio in crore)		3.12	2.10

Note:

a. 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".

b. 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.

c. 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.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. 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)	To Surface water	-	-
	No treatment -	-	-
	With treatment – please specify level of treatment	-	-
(ii)	To Groundwater	-	-
	No treatment -	-	-
	With treatment – please specify level of treatment	-	-
(iii)	To Seawater	-	-
	No treatment -	-	-
	With treatment – please specify level of treatment	-	-
(iv)	Sent to third parties	-	-
	No treatment -	-	-
	With treatment – please specify level of treatment	-	-
(v)	Others	-	-
	No treatment -	-	-
	With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)		**-**	**-**

Note: Currently we do not monitor water discharge

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

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 BFL Group 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	Please refer note below		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Note: As a financial services Company, air emissions from our operations are not significant. However, we do monitor our GHG emissions which have been appropriately disclosed in this Report.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. 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_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	6,665.65	6,169.13
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	37,769.93	35,483.10
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Total consolidated income)	Metric tonnes of CO_2 equivalent per crore of total consolidated income	0.54	0.60
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Total consolidated income adjusted for PPP)	Metric tonnes of CO_2 equivalent per crore of total consolidated income adjusted for PPP	11.02	12.50
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emissions / Average FTE)	Metric tonnes of CO_2 equivalent per average FTE	0.34	0.59
Total Scope 1 and Scope 2 emission intensity (optional) (Total Scope 1 and Scope 2 emissions / Consolidated total loan portfolio)	Metric tonnes of CO_2 equivalent per crore of consolidated total loan portfolio	0.09	0.10

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.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. 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. BFL remains committed to implementing meaningful and system-driven changes to reduce the greenhouse gas (GHG) intensity of its operations. BFL has undertaken various projects on environmental sustainability such as:

- **Reducing paper consumption:** It has been an endeavour of BFL over last many years to keep reducing paper consumption across all its business operations.

- **Rooftop Solar Power Generation:** BFL is endeavouring to reduce its GHG emissions pertaining to its office activities through installation of rooftop solar power generation capacity. Till date Rooftop solar power plants with an installed capacity of over 620 KW has been commissioned.
- BFL has replaced inter office travel shuttles with 20 Electric Vehicles (EVs).
- BFL is making a significant transformation in its business operations through its 'Omnichannel Strategy' which enables customer with various Do-it-anywhere and Do-it-yourself options for servicing and buying needs thereby reducing the need for travel, resulting in saving in GHG emissions. In FY2026, BFL has seen a decline in walk-ins owing to the increasing digital presence.
- BFL Group has planted more than 500,000 saplings in the past three years.

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

Parameter	FY2026 (in metric tonnes)	FY2025 (in metric tonnes)
Total waste generated (in metric tonnes)		
Plastic waste **(A)**	1.75	-
E-waste **(B)**	7.58	34.24
Bio-medical waste **(C)**	1.52	0.02
Construction and demolition waste **(D)**	-	-
Battery waste **(E)**	82.74	92.74
Radioactive waste **(F)**	-	-
Other Hazardous waste. Please specify, if any **(G)**	-	-
Other Non-hazardous waste generated **(H)**. Please specify if any (Break-up by composition i.e. by materials relevant to the sector)	74.18	-
Total (A+B+C+D+E+F+G+H)	**167.77**	**127.00**
Waste intensity per rupee of turnover (Total waste generated / Total consolidated income in crore)	0.0020	0.0018
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Total consolidated income in crore adjusted for PPP)	0.042	0.038
Waste intensity in terms of physical output (Total waste generated / Average FTE)	0.001	0.002
Waste intensity (optional) (Total waste generated / Consolidated total loan portfolio in crore)	0.0003	0.0003
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	83.94	112.40
(ii) Re-used	-	-
(iii) other recovery operations	6.38	14.58
Total	**90.32**	**126.98**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.003	0.004
(ii) Landfilling	-	-
(iii) other disposal operations (Safe disposal)	77.45	0.018
Total	**77.45**	**0.022**

Notes:

1. The categories of waste generated, and their treatment bifurcation are provided below:
   a) Battery waste: A total of 82.74 metric tonne of waste was generated, of which 82.29 metric tonne was recycled and 0.45 metric tonne was safely disposed of for FY2026.
   b) E-waste: A total of 7.58 metric tonne of waste was generated, of which 1.65 metric tonne was recycled and 5.93 metric tonne was safely disposed of for FY2026.

c) Other Waste:

- Bio-medical waste management includes 2.7 kgs incinerated, 5.8 kgs autoclaved / shredded, and 1.3 kgs disinfected / mutilated, along with 1.51 metric tonnes safely disposed of during FY2026.
- Plastic, Wet & Dry Waste: 75.93 metric tonnes handed over to municipal authorities for safe disposal.

2. 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.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. 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 its operations, BFL Group companies do not utilize hazardous or toxic chemicals. The Group has established systems to ensure the proper management and disposal of various waste streams including E-waste, Battery waste, Biomedical waste, Plastic waste, and Wet and Dry waste through certified waste handlers.

During FY2026, a total of 167.77 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:

S. 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			

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
BFL Group 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 / Total consolidated income)		
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 -	Given the nature of business, the same is not relevant	
With treatment – please specify level of treatment		
(ii) Into Groundwater		
No treatment -		
With treatment – please specify level of treatment		
(iii) Into Seawater		
No treatment -		
With treatment – please specify level of treatment		
(iv) Sent to third parties		
No treatment -		
With treatment – please specify level of treatment		
(v) Others		
No treatment -		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

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_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	102,678.55	20,452.05
Total Scope 3 emission intensity per rupee of turnover (Total Scope 3 GHG emissions / Total consolidated income)	Metric tonnes of CO_2 equivalent per crore of total consolidated income	1.25	0.30
Total Scope 3 emission intensity in terms of physical output (Total Scope 3 GHG emissions / Average FTE)	Metric tonnes of CO_2 equivalent per average FTE	0.78	0.29
Total Scope 3 emission intensity (optional) (Total Scope 3 emissions / Consolidated total loan portfolio)	Metric tonnes of CO_2 equivalent per crore of consolidated total loan portfolio	0.21	0.05

Note: In FY2026, our Scope 3 emissions increased due to expanded reporting boundaries, including the addition of Category 2: Capital Goods and Category 7: Employee Commuting, along with the inclusion of personal car usage under Category 6: Business Travel.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. During the year, 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.	Rooftop Solar Installation	Rooftop solar at total of 7 locations, with a total capacity of over 620 KW.	Resulting in avoidance of over 157 tCO_2e during FY2026.
2.	EV Shuttle	20 environment friendly Electric Vehicles (EVs) for inter-office shuttle services, significantly reducing air pollution and improving local air quality.	Traveling around 4.3 lakh kilometres and completing around 1.5 lakh trips during FY2026 avoiding ~34 tco_2e.
3.	Tree Plantation	To restore the environment, promote biodiversity, and mitigate climate change, BFL Group spearheaded a tree plantation initiative that has seen the successful planting of more than 200,000 saplings during the year.	Making a cleaner environment by absorption of Carbon Dioxide.
4.	Digitalisation	Through various initiatives, BFL Group in the last three years, reduced consumption by over 720 crore sheets of paper.	Saving around 8.6 lakh equivalent trees over the last three years.
5.	Recycling / Safe disposal of waste	BFL Group is committed to recycling and safely disposing of its waste through authorised vendors.	Resulting in avoidance of 167.77 tonnes of waste in landfill during FY2026.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. BFL has a business continuity strategy and framework (in the form of IT BCP, Operations BCP and Premises BCP) which is certified with ISO 22301:2019 Business Continuity Management systems and is also compliant with applicable regulatory requirements including 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.

BFL Group expects and influences its value chain partners to follow extant environment regulations as may be applicable to them. Further, BFL periodically creates awareness amongst value chain partners about importance of environment.

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 for 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

Note: In principle 6, figures of FY2025 have been regrouped / restated, wherever necessary, to make them comparable with the current period.

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.

BFL is a member of Finance Industry Development Council (FIDC) and through its parent Company BFS, BFL holds membership in Confederation of Indian Industry. Additionally, BFSL, a wholly-owned subsidiary of BFL is a member of Bombay Stock Exchange Brokers' Forum (BBF), Association of Mutual Funds of India (AMFI), and Association of Portfolio Managers in India (APMI). It proactively contributes to the discussions and resolutions within the scope of these forums.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Company Name	Reach of trade and industry chambers/ associations (State/National)
1	Finance Industry Development Council	BFL	National
2	Confederation of Indian Industry	BFS	National
3	World Economic Forum	Bajaj Holdings and Investments Limited	International
4	Bombay Stock Exchange Brokers' Forum	BFSL	National
5	Association of Mutual Funds of India	BFSL	National
6	Association of Portfolio Managers in India	BFSL	National

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 case	Corrective action taken
	Please refer note below	

Note: BFL Group had no adverse orders from any regulatory authorities relating to anticompetitive activities. Hence, no corrective action was necessitated by the Group during the year under review.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. 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 note below		

Note: BFL proactively shares its views on formulating new industry standards or regulatory developments pertaining to the NBFC sector. In doing so, the Company strives to balance the interest of various stakeholders. BFL engages regularly with Government agencies and Regulators and remain steadfastly committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc., as and when required. During such interactions, the Company also discusses areas of focus and concerns.

BFL's 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. BFL also gives recommendations from time to time, to various regulators in the larger interest of the industry.

Additionally, BFS Group is a member of various trade and industry chambers, associations, councils, and such other collective platforms ('forums'). It proactively contributes to various discussions and resolutions within the scope of these forums. Bajaj Holdings and Investments Limited is a member of the World Economic Forum and BFS is a member of CII, through which they actively engage in policy advocacy.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicator

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:

S. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

3. Describe the mechanisms to receive and redress grievances of the community.

The BFL Group has various mechanisms to receive and redress grievances of various stakeholders. Additionally local community can share their concerns for BFL at bflcommunity.grievance@bajajfinserv.in. All submissions received through this email are reviewed and handled by the relevant department in compliance with applicable laws and regulations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2026	FY2025
Directly sourced from MSMEs/ small producers	4.57%	4.57%
Directly from within India	99.66%	99.38%

Note: Data reported on standalone basis.

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.

	FY2026	FY2025
Rural	3.24%	3.17%
Semi-urban	13.04%	13.04%
Urban	24.22%	23.36%
Metropolitan	59.50%	60.43%

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	Amount spent (In ₹)*
1	Andhra Pradesh	Visakhapatnam	315,500
2	Andhra Pradesh	Vizianagaram	3,864,826
3	Assam	Udalguri	13,306,747
4	Bihar	Araria	711,298
5	Bihar	Aurangabad	591,971
6	Bihar	Banka	2,243,897
7	Bihar	Begusarai	826,895
8	Bihar	Gaya	4,213,707
9	Bihar	Katihar	657,228
10	Bihar	Khagaria	529,511
11	Bihar	Purnia	702,907
12	Jammu & Kashmir	Kupwara	2,681,658
13	Jharkhand	Bokaro	420,215
14	Jharkhand	Chatra	416,000
15	Jharkhand	Dumka	560,000
16	Jharkhand	Garhwa	580,000
17	Jharkhand	Giridih	560,000
18	Jharkhand	Godda	380,000
19	Jharkhand	Gumla	600,000
20	Jharkhand	Khunti	760,000
21	Jharkhand	Latehar	1,040,000
22	Jharkhand	Pakur	797,065
23	Jharkhand	Palamu	240,000
24	Jharkhand	Ramgarh	1,100,000
25	Jharkhand	Ranchi	276,799
26	Jharkhand	Simdega	1,580,000
27	Karnataka	Raichur	668,026
28	Madhya Pradesh	Barwani	4,068,455
29	Maharashtra	Gadchiroli	16,218,132
30	Maharashtra	Nandurbar	7,164,414
31	Maharashtra	Osmanabad	108,492
32	Maharashtra	Washim	808,492
33	Nagaland	Kiphire	124,960
34	Odisha	Dhenkanal	3,506,200
35	Odisha	Gajapati	5,401,761
36	Odisha	Kalahandi	4,451,792
37	Odisha	Rayagada	4,401,109
38	Rajasthan	Jaisalmer	1,363,145
39	Rajasthan	Karauli	1,388,626
40	Rajasthan	Sirohi	309,353
41	Rajasthan	Sirohi (Abu road & Pindwara)	3,000,000
42	Uttar Pradesh	Bahraich	3,541,766

*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?

NA

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 BFL Group during the year under review.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR project	% of beneficiaries from vulnerable and marginalized groups
1	Child – Education	585,810	Please refer note below
2	Child – Health	63,342	
3	Child – Physical and Intellectual Disabilities	429,094	
4	Child – Prevention of Mortality	387,350	
5	Child – Protection	53,274	
6	Others	888,101	
7	Youth – Artisan Skilling	1,500	
8	Youth – Healthcare Skilling	848	
9	Youth - Livelihood initiatives	41,164	
10	Youth – PWD Skilling	25,034	
11	Youth – Skilling for employment	158,205	
12	Youth – Skilling for enterprise / Self-employment	122,895	

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.

BFL 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 BFL Customer relationship management system and customers are updated on the resolution provided.

There is an escalation hierarchy basis which the customers can escalate to the next level. The details of the various channels and the escalation hierarchy is displayed on Company website, App and branches.

Further, in line with RBI guidelines, the Company has incorporated the role of an Internal Ombudsman, who is an independent authority to review the grievances raised by customers.

BFL has in place a dedicated team (Complaint Root Cause Resolution Unit- CRCR) to ensure continuous study and solutioning of customer complaints. The prime objective of the team is to reduce customer issues through a combination of data analysis, customer interactions and there by identifying root causes. Proactive measures have been implemented based on insights from root cause analysis to effectively reduce and control recurring customer issues.

Dedicated Customer Centricity and Compliance Office function has been set up to ensure all initiatives meet customer, compliance, operational, and technology standards before execution.

For FY2026, BFL has received over 2 crore responses from its customers and achieved a CSAT score of 95%.

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 BFL Group. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposals	

3. Number of consumer complaints in respect of the following:

	FY2026			FY2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber- security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade practices	0	0	-	0	0	-
Unfair Trade practices	0	0	-	0	0	-
Others	17,824	9	Out of 9 pending complaints, 7 complaints have been resolved by 29 April 2026	5,917	7	All pending complaints have been resolved in FY2026

Note: In lieu of 'Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026, issued on 14 January 2026, the definition of Complaint has been modified to also include alleging deficiency in service on the part of NBFC as a Complaint. Thus, the previous year details are not comparable.

Some of the initiatives in this regard are:

- BFL Group, through its charters and policies etc., communicate customer rights, Company's commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These policies and communications emphasise our commitment to fair practices by maintaining transparency in products and services offered.
- Dedicated customer complaint reduction units are in place, to review the grievance redressal mechanism under oversight of the Boards of respective material subsidiaries.
- Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls	NA	
Forced recalls		

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. BFL Group has adopted an information security framework to establish, implement, monitor, and constantly improve its information security posture. We focus on privacy of customer information and data security. The Company has 'Data Privacy Policy' in place, same is available on the website of the Company and is applicable to all its subsidiaries. The Company implements appropriate technical and organisational security measures to safeguard Personal Information (PI), including access controls, monitoring mechanisms, and data protection safeguards in line with applicable regulatory requirements. Further, in line with the requirements of the Digital Personal Data Protection Act, 2023, the Company is strengthening its data privacy governance structure and implementing additional processes and controls relating to customer data handling, consent management, data protection safeguards, and compliance monitoring.

BFL and its subsidiaries are certified with ISO 27001:2022 Information Security Management System and all applicable regulatory frameworks and guidelines. For more details, please refer to section on "Manufactured and Intellectual Capital" section of the ESG Report FY2026.

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:

a. Number of instances of data breaches - 0

b. Percentage of data breaches involving personally identifiable information of customers - 0

c. Impact, if any, of the data breaches – NA

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   BFL Group envisages to be an omnipresent financial Group which will enable its existing and new customer to engage, transact and be serviced online to offline and vice versa. Information relating to various financial services provided by the BFL Group is available on the website https://www.bajajfinserv.in/.

   Further, please refer to "Management Discussion and Analysis" section at page number 33 of this Report.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   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.

   BFL Group 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 Link: https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance

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 across BFL Group. None of the products withhold any relevant information needed by the customers to make informed decisions. The BFL Group through its charters, policies, etc., communicate the customer rights, Company commitments, grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our commitment to fair practices by maintaining transparency in products and services offered.

   The Company undertakes a CSAT (Customer Satisfaction) survey at various touchpoints to gauge the customer experience. Monitoring transactional CSAT scores across all channels for multiple service interactions enables BFL Group to review the effectiveness of its customer engagement initiatives.

Annexure 1: Indicative List of Policies

S. No	Principle wise Policies	NGRBC Principles								
		1	2	3	4	5	6	7	8	9
1	Responsible and Sustainable Business Conduct Policy#	√	√	√	√	√	√	√	√	√
2	Environmental Policy#	√	√		√		√		√	√
3	Code of Conduct to regulate, monitor and report trading by designated persons*	√								
4	Fair practices code*	√			√					√
5	Prevention of Sexual harassment at workplace (Prevention, Prohibition & Redressal)#	√		√		√				
6	Disciplinary action and grievance redressal Policy#	√		√		√				
7	Code of Conduct for DSAs / DMA / Recovery Agents*	√				√				√
8	Code for independent directors*	√								
9	Policy for dealing with Frauds*	√								√
10	Information Security Management Policy – Payments Systems*	√								√
11	Cyber security Policy*	√								√
12	Data Privacy Policy#	√								√
13	Vigil mechanism / whistleblower Policy#	√		√		√				
14	Know Your Customer Policy#	√								√
15	Corporate Social Responsibility (CSR) Policy#	√			√				√	
16	Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information*	√								
17	Code of practices and procedures for fair disclosure of unpublished price sensitive information (UPSI)#	√								
18	Policy on Materiality of and dealing with Related Party Transactions#	√								
19	Interest Rate Policy#	√								√
20	Policy on 'Fit and proper' criteria for Directors*	√								
21	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors#	√								
22	Code of Ethics and Personal Conduct#	√		√		√				
23	Mind Your Behaviour*	√		√		√				
24	Equal Employment opportunity and Non-Discrimination#	√		√		√				
25	Corporate Communication Policy*	√			√					√
26	Employee Charter – Human Rights Statement#	√		√	√					
27	IJP Policy*			√						
28	Recognition Policy*			√						
29	iCare Policy*			√						
30	Employee and parental insurance Policy*			√						
31	Creche Policy*			√						
32	Staff welfare & team engagement Policy*			√						
33	Fortnightly salary advance*			√						
34	Money on call*			√						
35	Dividend Distribution Policy#	√			√					
36	Board Diversity Policy*	√								
37	Corporate Audit Services (CAS) - Risk Based Internal Audit (RBIA) Policy Document*	√								

S. No	Principle wise Policies	NGRBC Principles 1	2	3	4	5	6	7	8	9
38	Grievance Redressal Mechanism*	√			√	√				√
39	Internal Ombudsman SOP*	√								√
40	Sustainable Business Strategy Framework*	√			√					√
41	Policy for Monitoring End-Use of Funds*	√								
42	Record maintenance and retention Policy*	√								
43	Risk Management Policy*	√								
44	Investment and Market Risk Policy*	√								
45	Asset Liability Management Policy*	√								
46	Business Continuity Management Policy*	√								√
47	Policy on dealing in securities of group companies*	√								
48	Remuneration Policy#	√		√						
49	Password procedure Policy*	√								
50	Online Security*	√		√	√					√
51	Compliance Policy*	√								√
52	Corporate Governance Policy#	√								
53	Framework for Corporate Governance in Subsidiary companies*	√								
54	Internal Capital Adequacy Assessment Process Policy (ICAAP)*	√								
55	Policy for compensation of Key Managerial Personnel and Senior Management#	√								
56	Retirement Policy*			√						
57	Code of conduct for directors and senior management#	√								
58	Information Security Policy*	√								√
59	Information Technology Policy*	√								√
60	Cyber Crisis Management Policy*	√								√
61	Incident Management Plan*	√								√
62	IS Audit Policy*	√								√
63	Information Security Management Systems Change Management*	√								√
64	Liquidity Risk Management Framework*	√								
65	Policy for Appointment of Statutory Auditors#	√								
66	Policy on Preservation of Documents*	√								√
67	IT Asset Disposal Policy*						√			
68	Policy on levy of Fees & Charges to customers*	√								√
69	Distance Learning Program Policy*			√						
70	Community well-being fund*	√		√		√				
71	Performance Management Policy*	√		√		√				
72	Social Media Governance Policy*	√								
73	Spectrum Policy*	√		√		√				
74	Environment, Health and Safety (EHS) Manual#	√		√		√	√			
75	Leaders as trainer Policy*			√						
76	Celebration Framework*			√						
77	Certified Trainer Policy*			√						
78	BFS Code of Ethics & Personal Conduct Brochure#	√		√		√				
79	Higher Education Policy*			√						
80	Job Rotation Policy*	√								

S. No	Principle wise Policies	NGRBC Principles								
		1	2	3	4	5	6	7	8	9
81	Interest Rate Risk and Currency Risk Hedging Policy*	√								
82	Resource Planning Policy*	√								
83	Operational Risk Management Policy*	√								
84	Suppliers' code of conduct#	√	√		√	√				
85	Financial Prudence Policy "Mind your finances"*	√		√						
86	Environment, Health, and Safety (EHS) Policy*	√		√		√	√			
87	Artificial Intelligence Policy*	√								√
88	Data Governance Policy*	√								√
89	Outsourcing Policy - Financial Services (FS) & Information Technology (IT)*	√								√
90	Policy Document for Dealing with Frauds*	√								√
91	Policy for person with Specially abled*			√		√			√	
92	Anti-Bribery and Anti-Corruption Policy#	√			√					√
93	Employee Growth Policy*			√					√	
94	Policy for orderly succession for appointments to senior management*	√								

*Internal Document

#Accessible to Public

INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Bajaj Finance Limited on its Business Responsibility and Sustainability Reporting (BRSR) for the FY 2025-26

The Board of Directors,

Bajaj Finance Limited,
4th Floor, Bajaj Finserv Corporate office
off Pune Ahmednagar Road, Viman Nagar,
Pune, 411014

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Bajaj Finance Limited (the 'Company' or 'BFL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Report') pertaining to the reporting period of April 1, 2025, to March 31, 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core parameters 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 has been prepared 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/I/3762/2026), dated 30 January 2026.
2. Greenhouse Gas Protocol Standard: A Corporate Accounting and Reporting Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj Finance Limited's internal and external Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance for BRSR core parameters under 9 ESG Attributes, and a Limited level of assurance for the remaining BRSR parameters, including all essential and leadership 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 Finance Limited, being free from bias and conflicts of interest with the organization, 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 process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPI's) within the report for the period April 1, 2025, to March 31, 2026. The reporting scope and boundaries include Bajaj Finance Limited and its 2 subsidiaries viz., Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFSL) offices spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, 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 BRSR core KPIs and BRSR non-core Indicators.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the BRSR core KPIs and BRSR non-core Indicators.

Limitations

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 ±5% based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

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 A), 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 B) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of BRSR indicators that were verified within this assurance engagement is given below:

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Technical Reviewer and National Manager –
ESG & Sustainability Services, SGS India.

25 June 2026.

Chirag Bafna
Lead Verifier and Senior Technical Associate –
ESG & Sustainability Services, SGS India
Team Member – Nakshatra Shinde (Technical Associate)
25 June 2026.

Annexure A

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	Metric Tonnes (MT) of CO_2e	6,665.65
		Total Scope 2 emissions	MT of CO_2e	37,769.93
		Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Total consolidated income)	MT of CO_2e per crore of total consolidated income	0.54
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Total consolidated income adjusted for PPP)	MT of CO_2e per crore of total consolidated income adjusted for PPP	11.02
		Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emission / Average FTE)	MT of CO_2e per average FTE	0.34
		Total Scope 1 and Scope 2 emission intensity (optional) (Total Scope 1 and Scope 2 emissions / Consolidated total loan portfolio)	MT of CO_2e per crore of consolidated total loan portfolio	0.09
2	Water footprint	Total volume of water consumption	Kilolitres (KL)	1,554,703.65
		Water intensity per rupee of turnover (Total water consumption / Total consolidated income)	KL per crore of total consolidated income	18.96
		Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Total consolidated income adjusted for PPP)	KL per crore of total consolidated income adjusted for PPP	385.69
		Water intensity in terms of physical output (Total water consumption / Average FTE)	KL per average FTE	11.77
		Water intensity (optional) – (Total water consumption / Consolidated total loan portfolio)	KL per crore of consolidated total loan portfolio	3.12
		Water Discharge by destination and levels of Treatment	KL	Not Reported
3	Energy footprint	Total energy consumed	Gigajoules (GJ)	268,251.85
		% of energy consumed from renewable sources	In % terms	0.30%
		Energy intensity per rupee of turnover (Total energy consumed / Total consolidated income)	GJ per crore of total consolidated income	3.27
		Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Total consolidated income adjusted for PPP)	GJ per crore of total consolidated income adjusted for PPP	66.55
		Energy intensity in terms of physical output (Total energy consumed / Average FTE)	GJ per average FTE	2.03
		Energy intensity (optional) - (Total energy consumed / Consolidated total loan portfolio)	GJ per crore of consolidated total loan portfolio	0.54
4	Embracing circularity - details related to waste management by the entity	Plastic waste	MT	1.75
		E-waste	MT	7.58
		Bio-medical waste	MT	1.52
		Battery waste	MT	82.74
		Other Non-hazardous waste generated	MT	74.18
		Total waste generated	MT	167.77
		Waste intensity per rupee of turnover (Total waste generated / Total consolidated income)	MT per crore of total consolidated income	0.0020
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Total consolidated income adjusted for PPP)	MT per crore of total consolidated income adjusted for PPP	0.042
		Waste intensity in terms of physical output (Total waste generated / Average FTE)	MT per average FTE	0.001
		Waste intensity (optional) (Total waste generated / Consolidated total loan portfolio)	MT per crore of consolidated total loan portfolio	0.0003

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	83.94
		(ii) Re-used	MT	-
		(iii) Other recovery operations	MT	6.38
		Total	MT	90.32
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	0.003
		(ii) Landfilling	MT	-
		(iii) Other disposal operations (Safe disposal)	MT	77.45
		Total	MT	77.45
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well- being of employees and workers – cost incurred on well-being measures as a % of total revenue of the company	In % terms	0.14%
		Details of safety related incidents for employees and workers ()	Number of Permanent Disabilities	Nil
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Nil
			No. of fatalities	Nil
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	6.38%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	10
			Complaints on POSH as a % of female employees / workers	0.10%
			Complaints on POSH upheld	7
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers	As % of total purchases by value	4.57%
		Input material sourced from following sources as % of total purchases – within India	As % of total purchases by value	99.66%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns as % of total wage cost	Rural	3.24%
			Semi-urban	13.04%
			Urban	24.22%
			Metropolitan	59.50%
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	19.47
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	2.79%
			Sales	1.60%
			Loans & Advances	0.01%
			Investments	29.96%

Annexure B

The BRSR (Core and Non-Core) indicators that were subject to verification under this assurance engagement are detailed below:

	Limited		Reasonable
Principles	**Essential Indicators**	**Leadership Indicators**	**Core Indicators**
Section A	General Disclosures		
Section B	Management and process disclosures		
Section C			
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	1,2	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4	1,2,3,4,5	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1(a)(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(a),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	1,2,3,4,5,6,7,8	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

Bajaj Finance Limited
4th Floor, Bajaj Finserv Corporate office,
off Pune Ahmednagar Road, Viman Nagar,
Pune - 411014

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Finance Limited (the 'Company' or 'BFL') 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 1st April 2025 to 31st 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 a Reasonable Level of Assurance for Scope 1 and Scope 2 and a Limited Level of Assurance for Scope 3 Data. This assurance engagement was conducted in accordance with the "International Standard on Assurance Engagements (ISAE) 3410".

SGS India verified the following parameters given in the Table below:

Scope 1 and Scope 2 Data

	Actual emission (tCo_2e)	
Locations	**Scope 1**	**Scope 2**
Bajaj Finance Limited (BFL)	6,234.00	34,755.03
Bajaj Housing Finance Limited (BHFL)	374.82	2,072.08
Bajaj Financial Securities Limited (BFSL)	56.83	942.82

Scope 3 Data

Locations	**Scope 3 Actual emission (tCo_2e)**
Bajaj Finance Limited (BFL)	97,983.78
Bajaj Housing Finance Limited (BHFL)	3,781.01
Bajaj Financial Securities Limited (BFSL)	913.76

Verification Statement no: BA_ESG_2628073_GHG_V1

Statement Date: 25 June 2026.

This Statement is issued, on behalf of Client, by SGS India ("SGS") under its General Conditions for ESG Assurance Services. A full copy of this statement may be consulted at SGS India. This Statement does not relieve Client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Bajaj Finance Limited on its Greenhouse Gas Inventory for FY 2025-26

The Board of Directors,

Bajaj Finance Limited,
4th Floor, Bajaj Finserv Corporate office
off Ahmednagar Road, Viman Nagar,
Pune - 411014

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Finance Limited (the 'Company' or 'BFL') 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 01st April 2025 to 31st 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 a Reasonable Level of Assurance for Scope 1 & Scope 2 and a Limited Level of Assurance for Scope 3 data. This assurance engagement was conducted in accordance with the "International Standard on Assurance Engagements (ISAE) 3410".

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj 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 of Assurance for Scope 1 & Scope 2, and Limited Level of 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 Finance Limited, being free from bias and conflicts of interest with the organization, 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 01st April 2025 to 31st March 2026.

The scope of verification covers the following aspects:

- The reporting scope and boundaries include Bajaj Finance Limited (BFL) and its 2 subsidiaries viz., Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFSL) 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 branch 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 ±5% based on materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Findings and Conclusions

Scope 1 and Scope 2 inventory:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the reporting criteria.

Scope 3 inventory:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its 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 and Scope 2 Data

	Actual emission (tCo_2e)	
Locations	**Scope 1**	**Scope 2**
Bajaj Finance Limited (BFL)	6,234.00	34,755.03
Bajaj Housing Finance Limited (BHFL)	374.82	2,072.08
Bajaj Financial Securities Limited (BFSL)	56.83	942.82
Total Emission	**6,665.65**	**37,769.93**

Scope 3 Data

Categories of Scope 3	**Actual emission (tCo_2e)**
Category 1: Purchased goods and services	727.24
Category 2: Capital Goods	11,509.05
Category 3: Fuel & Energy Related Activities not included in scope 1 and scope 2	7,893.16
Category 5: Waste Generation in Operations	0.42
Category 6: Business Travel	19,424.41
Category 7: Employee Commuting	63,124.27
Total Emission	**102,678.55**

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Technical Reviewer and National Manager –
ESG & Sustainability Services, SGS India.

25 June 2026.

Chirag Bafna
Lead Verifier and Senior Technical Associate –
ESG & Sustainability Services, SGS India

Team Member – Nakshatra Shinde (Technical Associate)
25 June 2026.

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.



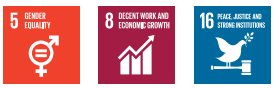
Principle 4 :

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.



100 Years BAJAJ

BAJAJ FINANCE

WE BUILD FOR



THE AMBITIONS OF A GROWING NATION

₹5.10 lakh crore in Assets Under Management reflects the scale at which we support India's aspirations. Every financial journey we enable contributes to a larger story of enterprise, inclusion and economic participation.

Because scale is meaningful only when it creates impact.

STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report on the Standalone Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying standalone financial statements of Bajaj Finance Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (together known as 'standalone financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the standalone state of affairs of the Company as at 31 March 2026, and standalone total comprehensive income (comprising of profit and other comprehensive income), standalone changes in equity and its standalone cash flows for the year then ended.

Basis for opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2026, the outstanding balances of loans granted by the Company aggregated to ₹ 376,792.12 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 9,566.16 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the Management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default (expected balance at default together with expected drawdown from committed lines) ('EAD'), Staging of Loans, etc.	The procedures performed by us included the following: • Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.; ii. Completeness and accuracy of source data used by the Management in the ECL computation; iii. Approval of changes to ECL methodology and models through the Company's governance framework; and

Independent Auditor's Report on the Standalone Financial Statements (Contd.)

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	iv. computation of ECL. • Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments'; • With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company; • Tested, on a sample basis, the completeness and accuracy of the source data used; • Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year. The Company also upgraded its general ledger application during the year and migrated its data to the newer version. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	The procedures performed by us included the following: • Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting. • Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company. • On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: i. Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured; ii. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel;

Independent Auditor's Report on the Standalone Financial Statements (Contd.)

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
	iii. Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; and from legacy to newer version of its general ledger application; iv. IT operations, which includes job scheduling, monitoring, data backup and recovery; v. Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS; and from legacy to newer version of its general ledger application. • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/or performed alternative audit procedures, where necessary.

Other information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the standalone financial position, standalone financial performance, standalone changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report on the Standalone Financial Statements (Contd.)

7. In preparing the standalone financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
    - 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report on the Standalone Financial Statements (Contd.)

Report on other legal and regulatory requirements

14. 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, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by section 143(3) of the Act, 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 purposes 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (Including other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

(e) On the basis of the 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.

(g) With respect to the other matters to be included in the Auditor's 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 its financial position in its standalone financial statements – refer note no. 43 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – refer note no. 7 and note no. 9 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 51 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the 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;

Independent Auditor's Report on the Standalone Financial Statements (Contd.)

(b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 51 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The dividend declared and paid by the Company during the year in respect of the prior year ended 31 March 2025 is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend. The interim dividend declared and paid by the Company during the year is in accordance with section 123 of the Act to the extent it applies to declaration and payment of interim dividend.

Further, as stated in note no. 46 (iii) to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

16. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522UKDKGP3924

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787GJYGKH9441

Pune
29 April 2026

Annexure 'A' to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the standalone financial statements as of and for the year ended 31 March 2026

Report on internal financial controls with reference to standalone financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. We have jointly audited the internal financial controls with reference to Standalone Financial Statements of Bajaj Finance Limited ('the Company') as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls 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.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. 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 system with reference to standalone financial statements.

Meaning of internal financial controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

Annexure 'A' to Independent Auditor's Report (Contd.)

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of internal financial controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026, 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 issued by ICAI.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522UKDKGP3924

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787GJYGKH9441

Pune
29 April 2026

Annexure 'B' to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the standalone financial statements for the year ended 31 March 2026

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The property, plant and equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note no. 13 to the standalone 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 or both during the year.

(e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements, does not arise.

ii. (a) The Company is in the business of lending activities and consequently, it does not hold any inventory. Accordingly, reporting under clause 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 ₹ 5 crore, in aggregate, from banks on the basis of security of loans. The Company has filed quarterly returns or statements with such banks which are in agreement with the unaudited books of account Also, refer note no. 53 to the standalone financial statements.

iii. (a) Reporting under clause 3(iii)(a) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India, engaged in the business of granting loans.

(b) In respect of the aforesaid loans, investments/securities/advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/investments were made/ security provided are not prejudicial to the Company's interest.

(c) In respect of the loans/advances in nature of loan, the Schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail and corporate customer for personal use, vehicles purchase, consumer durable, business purpose etc., the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ('RBI') for Income Recognition and Asset Classification (which has been disclosed by the Company in note no. 9 and note no. 56 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

Annexure 'B' to Independent Auditor's Report (Contd.)

(d) In respect of the loans/advances in nature of loans, the total amount overdue for more than ninety days as at 31 March 2026 is ₹ 779.35 crore. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. refer note no. 9 in the standalone financial statements which include the gross carrying amount of the loans/advance categorised under Stage 3 as at 31 March 2026.

(e) Reporting under clause 3(iii)(e) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.

(f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties that were repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, the Company has complied with the provisions of section 185 and sub-section (1) of section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of granting loans.

v. The provisions of sub-section (1) of section 73 are not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India, engaged in the business of giving loans. Further, the Company has not accepted any deposits or amounts which are deemed to be deposits referred in sections 73, 74, 75 and 76 of the Act and the rules framed there under.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues, as applicable, with the appropriate authorities.

(b) The particulars of statutory dues referred to in sub-clause (a) as at 31 March 2026 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount involved (₹ in crore)	Amount unpaid# (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	23.18	23.18	FY 1995-96 to FY 2002-03, FY 2006-07 to FY 2007-08 and FY 2013-14	Mumbai High Court
Income Tax Act, 1961	Income Tax	155.74	155.74	FY 1995-96, FY 1996-97, FY 1998-99 and FY 2020-21	Income Tax Appellate Tribunal (Pune)
Income Tax Act, 1961	Income Tax	104.58	104.58	FY 2015-16, FY 2018-19, FY 2019-20, FY 2020-21 and FY 2023-24	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	2,552.20	2,532.20	April 2010 to June 2017	Customs, Excise and Service Tax Appellate Tribunal

Annexure 'B' to Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount involved (₹ in crore)	Amount unpaid# (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax	658.57	648.57	October 2014 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	4.47	4.37	July 2012 to June 2016	Customs, Excise and Service Tax Appellate Tribunal
Rajasthan Value Added Tax Act, 2003	Value Added Tax	3.30	2.00	FY 2008-09 to July 2014	Supreme Court of India
Rajasthan Value Added Tax Act, 2003	Value Added Tax	0.15	0.09	July 2014 to March 2017	VAT Appellate Tribunal
West Bengal Value Added Tax Act, 2003	Value Added Tax	0.86	0.86	FY 2005-06 to FY 2008-09	Additional Commissioner, Sales Tax
Goods and Service Tax Act, 2017	Goods and Service Tax	15.36	12.85	July 2017 and March 2020	Goods and Services Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	0.57	0.50	April 2019 to March 2020	Goods and Services Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	0.54	0.40	April 2018 to March 2019	Goods and Services Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	0.30	0.30	July 2017	Goods and Services Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	936.22	902.07	July 2017 to March 2024	Office of the Commissioner (Appeals), Pune
Goods and Service Tax Act, 2017	Goods and Service Tax	23.60	22.45	April 2020 to March 2021	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	7.55	7.14	April 2021 to March 2022	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	4.26	4.02	June 2022	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	0.75	0.73	April 2018 to March 2019	Office of Joint Commissioner, Uttar Pradesh
Goods and Service Tax Act, 2017	Goods and Service Tax	0.66	0.63	April 2019 to March 2020	Office of Joint Commissioner, Delhi
Goods and Service Tax Act, 2017	Goods and Service Tax	0.39	0.37	July 2017 to March 2018	Office of Joint Commissioner, Delhi
Goods and Service Tax Act, 2017	Goods and Service Tax	0.25	0.24	April 2020 to March 2021	Office of Joint Commissioner, Tamil Nadu

Annexure 'B' to Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount involved (₹ in crore)	Amount unpaid# (₹ in crore)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	0.25	0.24	April 2019 to March 2020	Office of Joint Commissioner, Uttarakhand
Goods and Service Tax Act, 2017	Goods and Service Tax	0.19	0.18	April 2020 to March 2021	Office of Joint Commissioner, Uttarakhand
Goods and Service Tax Act, 2017	Goods and Service Tax	0.06	0.06	April 2022 to March 2023	Office of Joint Commissioner, Andhra Pradesh
Goods and Service Tax Act, 2017	Goods and Service Tax	0.02	0.01	April 2021 to March 2022	Office of Joint Commissioner, Andhra Pradesh
Goods and Service Tax Act, 2017	Goods and Service Tax	0.76	0.72	April 2020 to March 2021	Deputy Commissioner of State Tax (Appeals), Gujarat
Goods and Service Tax Act, 2017	Goods and Service Tax	0.21	0.20	April 2019 to March 2020	Deputy Commissioner of State Tax (Appeals), Gujarat
Employees State Insurance Act, 1948	ESIC Contribution	4.46	4.46	FY 1999-2000 to FY 2006-07	Employees State Insurance Court
Employees State Insurance Act, 1948	ESIC contribution	0.68	0.68	FY 1991-92 to FY 2002-03	Deputy Director Employee State Insurance Corporation
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	110.76	96.21	April 2014 to March 2019	Central Government Industrial Tribunal – 2, Mumbai

net of amount paid under protest.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) 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) In our opinion, the term loans have been applied for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.

Annexure 'B' to Independent Auditor's Report (Contd.)

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, except for 2,995 instances aggregating ₹ 65.16 crore and for which the Management has taken appropriate steps including for recovery due, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of such case by the Management. refer note no. 54Q to the standalone financial statements.

(b) Reports under sub-section (12) of section 143 of the Companies Act, 2013 have been filed by us, as statutory auditors, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government of India. Further, no such report has been filed by any other auditor appointed by the Company under the Act.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 'Related Party Disclosures' specified under section 133 of the Act.

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with the director(s). Accordingly, the reporting on compliance with the provisions of section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Deposit taking Non-Banking Financial Company.

(b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

Annexure 'B' to Independent Auditor's Report (Contd.)

(d) In our opinion, the Group as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025 has 20 unregistered CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and, accordingly, the reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at Balance Sheet date, the Company does not have any amount remaining unspent under section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of section 135 of the Act. (Also, refer note no. 36 to the standalone financial statements).

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this reports.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522UKDKGP3924

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787GJYGKH9441

Pune
29 April 2026

Standalone Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,633.88	3,374.41
Bank balances other than cash and cash equivalents	6	11,471.94	9,080.98
Derivative financial instruments	7	2,385.16	201.97
Trade receivables	8	1,575.76	1,416.39
Loans	9	367,225.96	304,359.16
Investments	10	38,074.37	41,716.23
Other financial assets	11	4,172.73	2,426.92
		426,539.80	**362,576.06**
Non-financial assets			
Current tax assets (net)		202.08	404.57
Deferred tax assets (net)	12	1,430.44	1,044.14
Property, plant and equipment	13	2,680.61	2,531.51
Capital work-in-progress	13	61.83	26.74
Intangible assets under development	13	57.43	12.46
Intangible assets	13	1,043.69	1,043.14
Other non-financial assets	14	187.43	230.94
		5,663.51	**5,293.50**
Total assets		**432,203.31**	**367,869.56**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	-	25.53
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.91	1.27
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,280.50	1,119.84
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		994.95	806.19
Debt securities	16	133,527.08	111,010.88
Borrowings (other than debt securities)	17	118,000.45	89,737.66
Deposits	18	68,485.55	71,365.52
Subordinated liabilities	19	2,805.31	3,103.54
Other financial liabilities	20	2,496.50	1,690.64
		327,591.58	**278,861.49**

Standalone Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
Non-financial liabilities			
Current tax liabilities (net)		175.54	54.97
Provisions	21	673.26	464.27
Other non-financial liabilities	22	640.59	493.12
		1,489.39	**1,012.36**
Equity			
Equity share capital	23	621.79	124.17
Other equity	24	102,500.55	87,871.54
		103,122.34	**87,995.71**
Total liabilities and equity		**432,203.31**	**367,869.56**

Summary of material accounting policies 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Standalone Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Revenue from operations			
Interest income	25	61,357.11	51,548.57
Fees and commission income	26	7,318.78	5,640.87
Net gain on fair value changes	27	336.93	344.00
Sale of services	28	10.62	18.11
Income on derecognised (assigned) loans	29	364.02	459.02
Other operating income	30	463.33	513.00
Total revenue from operations		**69,850.79**	**58,523.57**
Other income	31	3.16	40.10
Total income		**69,853.95**	**58,563.67**
Expenses			
Finance costs	32	21,416.98	18,436.31
Fees and commission expense	33	3,649.97	2,599.79
Impairment on financial instruments	34	9,289.84	7,026.69
Employee benefits expense	35	8,285.80	6,907.28
Depreciation and amortisation expenses	13	942.19	821.98
Other expenses	36	3,763.65	3,639.64
Total expenses		**47,348.43**	**39,431.69**
Profit before exceptional items and tax		**22,505.52**	**19,131.98**
Exceptional items	37		
(a) Gain on sale of shares of subsidiary		1,416.38	2,544.11
(b) Charge of New Labour Codes		(250.00)	-
Profit before tax		**23,671.90**	**21,676.09**
Tax expense			
Current tax			
Current year		6,230.00	5,353.50
Earlier years		-	(249.47)
Deferred tax (credit)/charge		(361.97)	(89.44)
Total tax expense	12	**5,868.03**	**5,014.59**
Profit after tax		**17,803.87**	**16,661.50**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		35.32	(22.35)
Tax impact on above		(8.89)	5.63
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(20.72)	(95.49)
Tax impact on above		2.95	25.22
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		(380.12)	122.73
Tax impact on above		95.68	(30.90)
Cash flow hedge reserve		286.30	(117.14)
Tax impact on above		(72.06)	29.48
Cost of hedging reserve		14.84	5.99
Tax impact on above		7.72	(1.44)
Total other comprehensive income (net of tax)		**(38.98)**	**(78.27)**
Total comprehensive income		**17,764.89**	**16,583.23**

Standalone Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Earnings per equity share:	38		
(Nominal value per share ₹ 1)			
Basic (₹)		28.65	26.93
Diluted (₹)		28.56	26.86

Summary of material accounting policies 3

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Standalone Statement of Changes in Equity

Equity Share Capital

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance at the beginning of the year	124.17	123.60
Changes in equity share capital during the year [refer note no. 23(a)]	497.62	0.57
Balance at the end of the year	**621.79**	**124.17**

Other equity

For the year ended 31 March 2026

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Costs of hedging reserve		
Balance as at 31 March 2025	24	28,281.59	44,459.20	13,567.75	792.29	9.25	934.86	(163.23)	101.90	(20.09)	(96.53)	4.55	-	87,871.54
Profit after tax		-	17,803.87	-	-	-	-	-	-	-	-	-	-	17,803.87
Other comprehensive income (net of tax)		-	-	-	-	-	-	26.43	(284.44)	(17.77)	214.24	22.56	-	(38.98)
		28,281.59	**62,263.07**	**13,567.75**	**792.29**	**9.25**	**934.86**	**(136.80)**	**(182.54)**	**(37.86)**	**117.71**	**27.11**	**-**	**105,636.43**
Utilisation for Issuance of bonus shares		(497.14)	-	-	-	-	-	-	-	-	-	-	-	(497.14)
Share issue expenses		(3.44)	-	-	-	-	-	-	-	-	-	-	-	(3.44)
Transfer on sale of FVOCI equity instrument (net of tax)		-	(6.48)	-	-	-	-	-		6.48				-
Allotment of shares to ESOP Trust		348.60	-	-	-	-	-	-	-	-	-	-	-	348.60
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		-	(3,562.00)	3,562.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(3,478.28)	-	-	-	-	-	-	-	-	-	-	(3,478.28)
Share based payment to employees		-	-	-	-	-	407.54	-	-	-	-	-	-	407.54
Transfer on exercise of stock options by employees		179.94	-	-	-	-	(179.94)	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	4.70	-	(4.70)	-	-	-	-	-	-	-
		28,309.55	**55,216.31**	**17,129.75**	**796.99**	**9.25**	**1,157.76**	**(136.80)**	**(182.54)**	**(31.38)**	**117.71**	**27.11**	**-**	**102,413.71**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	304.96
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2026		218.12	-	-	-	-	-	-	-	-	-	-	-	218.12
Balance as at 31 March 2026	**24**	**28,396.39**	**55,216.31**	**17,129.75**	**796.99**	**9.25**	**1,157.76**	**(136.80)**	**(182.54)**	**(31.38)**	**117.71**	**27.11**	**-**	**102,500.55**

Standalone Statement of Changes in Equity (Contd.)

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Costs of hedging reserve		
Balance as at 31 March 2024	24	26,582.14	33,359.19	10,232.75	790.02	9.25	711.50	(146.51)	10.07	50.18	(8.87)	-	297.21	71,886.93
Profit after tax		-	16,661.50	-	-	-	-	-	-	-	-	-	-	16,661.50
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	(16.72)	91.83	(70.27)	(87.66)	4.55	-	(78.27)
		26,582.14	**50,020.69**	**10,232.75**	**790.02**	**9.25**	**711.50**	**(163.23)**	**101.90**	**(20.09)**	**(96.53)**	**4.55**	**297.21**	**88,470.16**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	891.33	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	357.44
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	3,335.00	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	(2,226.49)	-	-	-	-	-	-	-	-	-	-	(2,226.49)
Share based payment to employees		-	-	-	-	-	377.00	-	-	-	-	-	-	377.00
Transfer on exercise of stock options by employees		151.37	-	-	-	-	(151.37)	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-
		28,279.49	**44,459.20**	**13,567.75**	**792.29**	**9.25**	**934.86**	**(163.23)**	**101.90**	**(20.09)**	**(96.53)**	**4.55**	**-**	**87,869.44**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	304.96
Balance as at 31 March 2025	**24**	**28,281.59**	**44,459.20**	**13,567.75**	**792.29**	**9.25**	**934.86**	**(163.23)**	**101.90**	**(20.09)**	**(96.53)**	**4.55**	**-**	**87,871.54**

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman & Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Standalone Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(I)	**Operating activities**		
	Profit before tax	23,671.90	21,676.09
	Adjustments for:		
	Interest income	(61,357.11)	(51,548.57)
	Depreciation and amortisation expenses	942.19	821.98
	Impairment on financial instruments (Gross of recoveries)	10,076.03	7,882.86
	Net loss on disposal of property, plant and equipment and intangible assets	17.16	32.86
	Finance costs	21,416.98	18,436.31
	Share based payment expenses	394.32	353.99
	Net gain on fair value changes	(336.93)	(344.00)
	Service fees for management of assigned portfolio of loans	(10.62)	(18.11)
	Income on derecognised (assigned) loans	(364.02)	(459.02)
	Exceptional items - Gain on sale of shares of subsidiary	(1,416.38)	(2,544.11)
	Dividend income	(4.50)	(10.96)
		(6,970.98)	(5,720.68)
	Cash inflow from interest on loans	59,564.64	49,069.13
	Cash inflow from interest on Investments	2,642.81	2,071.14
	Cash inflow from servicing of assigned loans	25.13	33.85
	Cash outflow towards finance cost	(19,238.05)	(16,614.78)
	Cash generated from operation before working capital changes	**36,023.55**	**28,838.66**
	Working capital changes:		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(2,595.90)	(3,288.21)
	(Increase)/decrease in trade receivables	(195.46)	(180.96)
	(Increase)/decrease in loans	(75,582.46)	(69,587.98)
	(Increase)/decrease in Investments classified as FVTPL	5,065.58	(1,701.86)
	(Increase)/decrease in other financial assets	676.30	8.37
	(Increase)/decrease in other non-financial assets	52.05	(111.24)
	Increase/(decrease) in trade payables	160.30	119.72
	Increase/(decrease) in other payables	188.67	136.05
	Increase/(decrease) in other financial liabilities	684.74	(33.24)
	Increase/(decrease) in provisions	225.55	56.69
	Increase/(decrease) in other non-financial liabilities	147.47	30.20
		(71,173.16)	(74,552.46)
	Income tax paid (net of refunds)	(5,704.17)	(4,918.83)
	Net cash used in operating activities (I)	**(40,853.78)**	**(50,632.63)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(515.71)	(551.21)
	Purchase of intangible assets and intangible assets under development	(382.26)	(478.61)
	Sale of property, plant and equipment and intangible assets	59.06	30.79
	Purchase of investments measured at amortised cost	(15,756.03)	(11,191.62)
	Proceeds from liquidation of investments measured at amortised cost	15,862.63	11,353.97
	Purchase of investments classified as FVOCI	(41,067.86)	(30,735.22)
	Proceeds from liquidation of investments classified as FVOCI	39,834.74	29,745.96
	Purchase of equity investments designated under FVOCI	(64.72)	(35.00)
	Proceeds from sale of equity investments designated at FVOCI	99.15	-
	Dividend received	4.50	10.96
	Proceeds from dilution of stake in subsidiary (net of expenses and tax)	1,380.22	2,587.85
	Investment in subsidiaries	(600.00)	(2,200.00)
	Net cash used in investing activities (II)	**(1,146.28)**	**(1,462.13)**

Standalone Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(III) Financing activities		
Issue of equity share capital (including securities premium)	435.92	1,251.44
Share based payment recovered from subsidiaries	13.22	23.01
Share issue expenses	(3.44)	-
Dividends paid	(3,476.61)	(2,225.24)
Payment of lease liability	(220.19)	(194.82)
Deposits received (net)	(3,770.31)	10,668.56
Short-term borrowing availed (net)	3,697.11	8,946.95
Long-term borrowing availed	77,917.12	58,287.07
Long-term borrowing repaid	(34,333.29)	(25,152.95)
Net cash generated from financing activities (III)	**40,259.53**	**51,604.02**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,740.53)**	**(490.74)**
Cash and cash equivalents at the beginning of the year	**3,374.41**	**3,865.15**
Cash and cash equivalents at the end of the year	**1,633.88**	**3,374.41**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- 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, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.
- Total Income tax paid (net of refunds) amounted to ₹ 5,906.94 crore for the year ended 31 March 2026 (Previous year ₹ 5,281.66 crore).

Components of cash and cash equivalents:

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash and cash equivalents comprises of		
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,623.46	2,367.02
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,633.88	**3,374.41**

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman & Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

1 Corporate information

Bajaj Finance Limited ('the Company', 'BFL') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company are also listed on the Stock Exchanges. The Company is mainly engaged in the business of lending. BFL has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India. It also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India). The books of accounts of the Company are maintained at the 3rd Floor, Panchshil Tech Park, Plot 43/1, 43/2 and 44/2, Viman Nagar, Pune, Maharashtra, India, 411014.

The Company is a deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Company is classified as NBFC-UL (upper layer) by the RBI.

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 Regulations. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash flows).

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 the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 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 with rounding off to two decimals 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

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

2 Basis of preparation (Contd.)

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.

2.4 Material 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) and 9]
- Impairment of financial assets [refer note no. 3.3(i), 9 and 49(c)]
- Provisions and contingent liabilities (refer note no. 3.8 and 43)
- Fair value of financial instruments (refer note no. 3.10 and 48)

3 Summary of material accounting policies

This note provides details 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 Income

(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 presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

(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;
- Bounce charges at point in time on realisation, from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment at point in time when the event is concluded.

3 Summary of material accounting policies (Contd.)

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Company recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Company records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss with a corresponding receivable in Balance Sheet as 'Interest only strip receivable'. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial instruments'.

(c) Other operating income

Other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses - Share based payments

The Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The cost of the share option is accounted for on a straight line basis over the respective vesting periods of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

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 tradeable 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 transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in subsidiaries and associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

3 Summary of material accounting policies (Contd.)

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Company's Board approved policy:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

The classification depends on the SPPI assessment based on contractual terms of the cash flows of the financial assets, and the business model assessment for managing financial assets. In case of equity instruments, it depends on the intention of the Company whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payment of principal and interest (SPPI) assessment

In making this assessment, the Company considers whether the contractual cash flows represents sole payments of principal and interest. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition and interest represents the time value of money at an agreed contractual rate.

Business model assessment:

The Company has a Board approved policy for determination of the business model. The policy consider whether the objective of the business model, at initial recognition, is to hold the financial asset only to collect its contractual cash flows or, to also sell the financial asset. The Company determines 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.

(a) Debt instruments at amortised cost

The Company measures its 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.

The Company may enter into following transactions without affecting the 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/infrequent transactions to sell these portfolios to third parties.
- Assignment of non credit impaired assets and sale of credit impaired asssets which are infrequent and insignificant and below the threshold provided by the 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.

The Company measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI).

3 Summary of material accounting policies (Contd.)

The Company recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Company reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

(c) Equity/Debt instruments at FVTPL

The Company operates a trading portfolio as a part of its treasury strategy and classifies its equity and 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.

Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

(d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI. On sale of these investments, the Company transfers the realised gains/losses from OCI to retained earnings.

Derecognition of financial assets

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired; or
- The financial assets are written-off; or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 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.

The financial assets transferred through the assignment route are derecognised to the extent of transferred portion as the Company neither has any continuing involvement in the same nor does it retain any control. On derecognition of a financial asset, 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.

The Company, based on economic viability of certain portfolios measured at amortised cost, may enter into infrequent and insignificant transactions of assignment and sale of non NPA portfolios within the threshold defined in business model policy which doesn't affect the business model of the Company.

In case of securitisation transactions by way of pass through certificate (PTC), the Company continues to retain the financial assets on the Balance sheet and recognises a collateralised borrowing for the proceeds received.

Write-off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery is not significant basis experience. 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. However, financial assets that are written off could still be subject to enforcement activities under the Company's

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

3 Summary of material accounting policies (Contd.)

recovery procedures. Any recoveries made from written off assets are netted off from impairment on financial instrument in Statement of Profit and Loss account.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments 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 classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception 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.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Company classifies a financial asset as credit impaired (stage 3) when one or more events indicate impairment in the recoverability of future cash flows. The assessment is based on relevant objective evidence, including the following:

- Contractual payments of principal and/or interest are overdue for more than 90 days.
- Where any loan account of a customer is stage 3, all other loan accounts of the same customer are classified as Stage 3 and remain so until overdues across all accounts are fully cleared.
- Where any loan account of a customer has been written off or settled under a one time compromise settlement, all other active loan accounts of such customer are classified as Stage 3 for 12 months from the date of such event. Thereafter, such accounts are upgraded to stage 1 only upon clearance of all arrears of principal and interest.
- Restructured loans, involving modification of contractual terms due to financial distress of the borrower, are classified as Stage 3. Restructuring does not result in derecognition of the financial asset. Such loans are upgraded to Stage 1 only if:
  - The restructured loan is not in default until repayment of at least 10% of the principal outstanding or completion of 12 months, whichever is later; and
  - No other loan account of the same customer is in default during this period.
- Loan accounts where a one time compromise settlement is offered or where recovery is pursued through repossession of security involving waiver of interest and/or principal are classified as Stage 3.
- Loan is otherwise considered to be in default based on the Company's internal credit risk assessment or other objective evidence indicating unlikelihood of timely repayment.

(b) Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous

3 Summary of material accounting policies (Contd.)

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. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Company calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Company recalibrates above components of its ECL model on a annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Company assesses 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. 49.

(ii) Financial liabilities

Initial measurement

The Company recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or 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.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

3 Summary of material accounting policies (Contd.)

Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3.4 Investment in subsidiaries and associates

The Company recognises investments in subsidiaries and associates at cost and are not adjusted to fair value at the end of each reporting period as allowed by Ind AS 27 'Separate financial statements'.

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 for temporary differences between the accounting base of assets and liabilities in the Balance sheet, and their tax bases. 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 depreciation thereof

The Company measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

The Company provides for depreciation 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Intangible assets and amortisation thereof

The Company measures Intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Company recognises internally generated intangible assets when the Company is certain that intangible asset would support/result in furtherance of Company's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company.

All the intangible assets including those internally generated are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3 Summary of material accounting policies (Contd.)

3.8 Provisions and contingent liabilities

The Company creates 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.

3.9 Leases

As a Lessee

The Company follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments over primary period of lease, discounted using the Company's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Company measures 'right-of-use assets' as present value of all lease payments over primary period of lease, discounted using the Company's incremental cost of borrowing of similar tenure. Subsequently, 'Right-of-use assets' is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on 'right-of-use assets' is provided on straight line basis over the lease period.

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.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or Profit and Loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Company has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance lease are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the statement of profit or loss under interest income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Company's net investment in the lease.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

3 Summary of material accounting policies (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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48.

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 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure to interest rate risk and foreign exchange rate risk. Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability. The Company recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk and foreign currency 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 cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows 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.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows:

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

3 Summary of material accounting policies (Contd.)

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

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. For the year ended 31 March 2026, MCA has notified following amendments to the existing standards applicable to the Company

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. 1 April 2025

The amendment clarifies that the classification of liabilities as current or non-current depends on the rights that exist at the end of the reporting period. A liability is classified as non-current only if the entity has a substantive right to defer settlement for at least twelve months after the reporting period. Management expectations or subsequent events after the reporting date do not affect classification. The amendment relating to classification of liabilities has no material impact on the Company's financial statements.

Ind AS 7 - Statement of Cash Flows, 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. The Company has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 12 - Income taxes, applicable w.e.f. 1 April 2025

The amendment provides a temporary exception from recognition and disclosure of deferred taxes arising from Pillar Two income taxes and introduces related disclosure requirements. The Company has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025

The amendment specifies how an entity should determine the exchange rate when foreign currency cannot be obtained within a reasonable time and prescribes related disclosures. The Company has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025

Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any material impact on the financial statements.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,623.46	2,367.02
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,633.88	3,374.41

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fixed deposits (with original maturity more than 3 months)*	11,259.21	8,937.62
Bank balance earmarked against unclaimed dividend	5.96	4.29
Escrow account balance	206.77	139.07
	11,471.94	9,080.98

*Includes:

i. ₹ 2,117.12 crore (Previous year ₹ 1,969.01 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934.

ii. ₹ 7,219.83 crore (Previous year ₹ 4,226.44 crore) lien marked to banks against overdraft facilities.

iii. ₹ 97.22 crore (Previous year ₹ 19.88 crore) pledged as lien on securtisation borrowing.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2026		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
	20,599.60	2,385.16	-

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
	15,091.03	201.97	25.53

7 Derivative financial instruments (at FVTPL) (Contd.)

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, coupon only swaps and forward contracts. The Company undertakes such transactions for hedging of foreign currency borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. refer note no. 49(b) (iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Considered good - unsecured		
Interest subsidy	1,184.43	922.70
Fees, commission and others	381.37	447.64
Service asset	16.30	51.74
	1,582.10	1,422.08
Less: Impairment loss allowance	6.34	5.69
	1,575.76	1,416.39

- 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 respectively 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.

Trade Receivables (gross) ageing

(₹ in crore)

			Outstanding from due date of payment					
Particulars	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2026								
(i) Undisputed Trade receivables – considered good	1,075.45	90.02	416.63	-	-	-	-	1,582.10
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	888.33	111.18	422.57	-	-	-	-	1,422.08

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	5.69	5.00
Net increase/(decrease) during the year	0.65	0.69
Impairment loss allowance as at the end of the year	6.34	5.69

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

9 Loans

(₹ in crore)

Particulars		At amortised cost	
		As at 31 March 2026	As at 31 March 2025
A.	**Loans**		
	Term loans*	375,817.97	310,286.96
	Finance lease receivable*	349.27	54.53
	Credit substitutes#	624.88	420.03
		376,792.12	310,761.52
	Less: Impairment loss allowance	9,566.16	6,402.36
Total - Net (A)		367,225.96	304,359.16
B.	**Out of above**		
(I)	**Secured by tangible assets**		
	Against hypothecation of automobiles, equipments, durables, plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	183,718.33	147,049.18
	Less: Impairment loss allowance	2,016.62	1,756.60
	Total (I)	181,701.71	145,292.58
(II)	**Unsecured**	193,073.79	163,712.34
	Less: Impairment loss allowance	7,549.54	4,645.76
	Total (II)	185,524.25	159,066.58
	Total (B) = (I+II)	367,225.96	304,359.16
C.	**Out of above**		
(I)	**Loans in India**		
(i)	Public sector	-	-
	Less: Impairment loss allowance	-	-
	Sub-total (i)	-	-
(ii)	Others	376,792.12	310,761.52
	Less: Impairment loss allowance	9,566.16	6,402.36
	Sub-total (ii)	367,225.96	304,359.16
	Total (I) = (i+ii)	367,225.96	304,359.16
(II)	**Loans outside India**	-	-
	Total (C) = (I+II)	367,225.96	304,359.16

*Includes receivables from related parties ₹ 24.69 crore (Previous year ₹ 555.96 crore), details of which are given in note no. 45 'Related party disclosure'.

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

-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.

Loan details

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Total gross loan	380,345.74	313,367.49
Less: EIR impact	3,553.62	2,605.97
Total for gross term loan net of EIR impact	376,792.12	310,761.52

9 Loans (Contd.)

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	367,690.58	4,312.91	4,788.63	376,792.12	302,000.51	5,083.26	3,677.75	310,761.52
Less: Impairment loss allowance	4,683.70	2,023.15	2,859.31	9,566.16	2,767.69	1,677.33	1,957.34	6,402.36
Net carrying amount	363,006.88	2,289.76	1,929.32	367,225.96	299,232.82	3,405.93	1,720.41	304,359.16
Impairment loss allowance as a percentage of gross carrying amount	1.27%	46.91%	59.71%	2.54%	0.92%	33.00%	53.22%	2.06%

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

(₹ 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
As at 31 March 2025	302,000.51	2,767.69	5,083.26	1,677.33	3,677.75	1,957.34	310,761.52	6,402.36
Transfers during the year								
transfers to stage 1	312.78	78.10	(260.19)	(57.44)	(52.59)	(20.66)	-	-
transfers to stage 2	(3,925.93)	(112.85)	3,938.16	117.48	(12.23)	(4.63)	-	-
transfers to stage 3	(7,665.67)	(251.64)	(3,692.51)	(1,366.48)	11,358.18	1,618.12	-	-
	(11,278.82)	(286.39)	(14.54)	(1,306.44)	11,293.36	1,592.83	-	-
Impact of changes in credit risk	-	1,375.93	-	1,765.75	-	9,740.12	-	12,881.80
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(138,805.69)	(1,451.31)	(1,710.68)	(618.40)	(2,937.85)	(2,502.35)	(143,454.22)	(4,572.06)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	215,774.58	2,277.78	954.87	504.91	1,881.49	1,197.49	218,610.94	3,980.18
Amounts written off during the year	-	-	-	-	(9,126.12)	(9,126.12)	(9,126.12)	(9,126.12)
As at 31 March 2026	367,690.58	4,683.70	4,312.91	2,023.15	4,788.63	2,859.31	376,792.12	9,566.16

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

9 Loans (Contd.)

(₹ in crore)

	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
Particulars	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	241,531.22	1,927.56	3,720.93	1,122.25	2,600.38	1,468.29	247,852.53	4,518.10
Transfers during the year								
transfers to stage 1	323.01	75.12	(228.43)	(38.22)	(94.58)	(36.90)	-	-
transfers to stage 2	(4,469.02)	(86.85)	4,485.49	94.54	(16.47)	(7.69)	-	0.00
transfers to stage 3	(7,176.73)	(182.42)	(2,603.16)	(908.48)	9,779.89	1,090.90	-	-
	(11,322.74)	(194.15)	1,653.90	(852.16)	9,668.84	1,046.31	-	0.00
Impact of changes in credit risk	-	663.90	-	1,357.12	-	7,989.66	-	10,010.68
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(105,357.19)	(1,069.37)	(1,724.27)	(472.63)	(2,814.62)	(2,368.88)	(109,896.08)	(3,910.88)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	177,149.22	1,439.75	1,432.70	522.75	1,264.37	863.18	179,846.29	2,825.68
Amounts written off during the year	-	-	-	-	(7,041.22)	(7,041.22)	(7,041.22)	(7,041.22)
As at 31 March 2025	302,000.51	2,767.69	5,083.26	1,677.33	3,677.75	1,957.34	310,761.52	6,402.36

- Details of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles and equipments as a lessor. These are accounted as finance lease as material risks and rewards are transferred to the lessee. The tenor of these leases ranges from 6 months to 84 months (Previous year 12 months to 60 months). The contracted interest rate ranges from 8.70% to 12.07% p.a. (previous year 10.25% to 11.50% p.a.).

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

	As at 31 March	
Particulars	2026	2025
Undiscounted lease payments due		
Within 12 months	118.84	16.66
After 12 months	306.27	51.40
Total undiscounted lease payments receivable	425.11	68.06
Less: Unearned finance income	75.84	13.53
Gross finance lease receivable	349.27	54.53
Less: Impairment loss allowance	2.93	0.35
Net finance lease receivable	346.34	54.18

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

10 Investments

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
(A) At amortised cost		
In pass through certificates (PTC)	88.09	194.63
	88.09	194.63
Less: Impairment loss allowance	0.35	0.78
Total (A)	87.74	193.85
(B) At fair value through other comprehensive income		
(i) In Government securities	22,792.45	20,905.19
Add: Fair value gain/(losses)	(243.25)	131.58
Sub-total (i)	22,549.20	21,036.77
Includes carrying value of: (a) ₹ 4,397.51 crore (Previous year ₹ 4,651.84 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934, (b) ₹ 6,272.06 crore (Previous year ₹ 3,930.77 crore) utilised for Repurchase Agreement borrowing (Repo) transaction, (c) ₹ 10,115.06 crore (Previous year ₹ 12,205.83 crore) pledged for triparty repo dealing and settlement (TREPs), and (d) ₹ 272.78 crore (Previous Year ₹ 199.31 crore) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
(ii) In equity instruments		
- Equity shares (Quoted)	341.26	446.89
Add: Fair value gain/(losses)	(180.70)	(129.90)
	160.56	316.99
- Equity shares (Unquoted)	350.38	318.16
Add: Fair value gain/(losses)	140.37	106.46
	490.75	424.62
- Compulsorily convertible preference shares	32.50	-
Add: Fair value gain/(losses)	3.70	-
	36.20	-
Sub-total (ii)	687.51	741.61
(iii) In Certificate of deposits	1,934.45	2,740.25
Add: Fair value gain/(losses)	(1.22)	4.18
Sub-total (iii)	1,933.23	2,744.43
(iv) In Commercial papers	1,378.88	925.96
Add: Fair value gain/(losses)	0.55	0.42
Sub-total (iv)	1,379.43	926.38
(v) In Non-convertible debentures	-	212.83
Add: Fair value gain/(losses)(previous year ₹ 40,836)	-	
Sub-total (v)	-	212.83
Total (B) = (i+ii+iii+iv+v)	26,549.37	25,662.02

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

10 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(C) At fair value through profit or loss		
(i) In Mutual funds	418.72	5,245.76
Add: Fair value gains/(losses)	(29.00)	17.36
Sub-total (i)	389.72	5,263.12
Includes ₹ 5.92 crore (Previous year ₹ 5.57 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
(ii) In Government securities	50.50	25.05
Add: Fair value gains/(losses)	(0.78)	0.17
Sub-total (ii)	49.72	25.22
Includes ₹ NIL (Previous year ₹ 25.22 crore) pledged for TREPs and ₹ 24.86 crore (Previous Year ₹ NIL) kept as margin for securities segment with CCIL.		
(iii) In Infrastructure investment trust (Invit) units	20.00	20.00
Add: Fair value gains/(losses)	(7.60)	-
Sub-total (iii)	12.40	20.00
Total (C)= (i+ii+iii)	451.84	5,308.34
(D) At cost		
Investment in subsidiaries		
Bajaj Housing Finance Limited (BHFL)	8,954.83	9,121.43
Bajaj Financial Securities Limited (BFinsec)	1,670.38	1,070.38
Investment in associate		
Snapwork Technologies Private Limited	92.74	92.74
Pennant Technologies Private Limited	267.47	267.47
Total (D)	10,985.42	10,552.02
Total (A+B +C+D)	38,074.37	41,716.23

(₹ in crore)

Particulars	As at 31 March 2026	2025
Out of above		
In India	38,074.37	41,716.23
Outside India	-	-
	38,074.37	41,716.23

Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except for investments measured at amortised cost.

Reconciliation of impairment loss allowance on investments measured at amortised cost

(₹ in crore)

Particulars	For the period ended 2026	2025
Impairment loss allowance as at beginning of the year	0.78	1.43
Net increase/(decrease) during the year	(0.43)	(0.65)
Impairment loss allowance as at the end of the year	0.35	0.78

10 Investments (Contd.)

Details of Investment in subsidiaries and associates

Name of the entity	Relationship	Principal place of business	Principal activities	Proportion of the ownership interest	
				As at 31 March 2026	As at 31 March 2025
Bajaj Housing Finance Limited	Subsidiary	Pune	Mortgage lending	86.70%#	88.75%*
Bajaj Financial Securities Limited	Subsidiary	Pune	Broking and depository	100.00%	100.00%
Snapwork Technologies Private Limited	Associate	Mumbai	Software development and allied products	41.50%	41.50%
Pennant Technologies Private Limited	Associate	Hyderabad	Software development and allied products	26.53%	26.53%

#The company sold 166,600,000 equity shares of Bajaj Housing Finance Limited (BHFL) through open market mechanism by executing a bulk deal in secondary market, at an average price of ₹ 95.31 each amounting to ₹ 1,587.82 crore on 2 December 2025, as a step towards achieving minimum public shareholding requirement in BHFL. Consequent to this BFL's shareholding in BHFL reduced from 88.75% to 86.70%.

*The Company's subsidiary, BHFL, concluded its Initial Public Offer (IPO) of ₹ 6,560 crore in the previous year. This included issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by BFL amounting to ₹ 3,000 crore. BHFL equity shares were listed on stock exchanges on 16 September 2024. Consequently, BFL's shareholding in BHFL reduced from 100% to 88.75%.

Details of equity instruments (quoted) designated under FVOCI derecognised during the year:

Name of the Company	FY 2025-26			
	No. of shares de-recognised	Average purchase price per share (₹)	Average fair valuation as on de-recognition (₹)	Cumulative loss on de-recognition (₹ in crore)*
RBL Bank Limited	3,009,504	351.00	326.65	(7.54)

*net of selling expenses

Cumulative loss (net of tax) on sale of these shares has been transferred from other comprehensive income to retained earnings. The Company had no such transaction in the previous financial year.

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Security deposits	187.30	126.16
Advances to dealers	15.28	52.63
Credit cover under Government guarantee schemes	2,676.54	1,108.74
Receivable from debt management agencies	214.55	216.72
Receivable from online payment aggregators and gateways	60.74	92.51
Receivable from assignment servicing partners	417.05	403.77
Interest only strip receivable	511.31	371.87
Others	93.92	59.83
	4,176.69	2,432.23
Less: Impairment loss allowance	3.96	5.31
	4,172.73	2,426.92

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

11 Other financial assets (Contd.)

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the period ended 31 March 2026	2025
Impairment loss allowance as at beginning of the year	5.31	2.77
Net increase/(decrease) during the year	(1.35)	2.54
Impairment loss allowance as at the end of the year	3.96	5.31

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Profit before tax	23,671.90	21,676.09
At corporate tax rate of 25.17% (Previous year 25.17%)	5,957.74	5,455.87
Current tax adjustment with respect to earlier years*	-	(249.47)
Impact of income taxed at different rates**	(154.11)	(275.80)
Tax on expenditure not considered for tax provision (net of allowance)*	105.44	86.39
Tax benefit on additional deductions	(41.04)	(2.40)
Tax expense (effective tax rate of 24.789%, Previous year 23.134%)	5,868.03	5,014.59

*In the previous year, the Company had re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Company had reversed tax expense for earlier years and reduced the current tax provision.

** On 2 December 2025, the Company sold 166,600,000 equity shares of one of its subsidiary viz. Bajaj Housing Finance Ltd. through open market mechanism by executing a bulk deal in secondary market, at an average price of ₹ 95.31 each, as a step towards achieving minimum public shareholding requirement in BHFL. This resulted in a capital gain which is taxable at the rate of 14.30%. The impact on account of different tax rate (i.e. 25.17% minus 14.30%) is ₹ 154.11 crore.

**In the previous year, the Company had sold 428,571,428 equity shares of one of its subsidiary viz. Bajaj Housing Finance Ltd. at ₹ 70 per share, aggregating to ₹ 3,000 crore. This had resulted in a capital gain which was taxed at the rate of 14.30%. The impact on account of different tax rate (i.e. 25.17% minus 14.30%) is ₹ 275.80 crore.

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2025-26

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2026
(a)	Deferred tax asset				
	Remeasurements of employee benefits	117.23	77.36	(8.89)	185.70
	Expected credit loss	1,039.87	361.55	-	1,401.42
	Cash flow hedge reserve	32.48	-	(32.48)	-
	Cost of hedging reserve	-	-	6.28	6.28
	Right-of-use assets	218.23	63.93	-	282.16
	Changes in fair value on equity instruments designated under FVOCI	3.36	-	1.88	5.24
	Other temporary differences	4.27	0.90	-	5.17
Gross deferred tax assets (a)		1,415.44	503.74	(33.21)	1,885.97

12 Income taxes (Contd.)

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2026
(b)	Deferred tax liabilities				
	Property, plant and equipment and intangible assets	(39.49)	4.21	-	(35.28)
	Service asset and Interest only strip receivable on assigned loans	(106.62)	(26.17)	-	(132.79)
	Changes in fair value on debt instruments at FVTPL	(4.23)	4.23	-	-
	Cash flow hedge reserve	-	-	(39.58)	(39.58)
	Changes in fair value on debt instruments designated under FVOCI	(27.63)	(68.16)	95.68	(0.11)
	Cost of hedging reserve	(1.44)	-	1.44	-
	Lease liability	(191.89)	(55.88)	-	(247.77)
Gross deferred tax liabilities (b)		(371.30)	(141.77)	57.54	(455.53)
Deferred tax assets/(liabilities), net (a+b)		1,044.14	361.97	24.33	1,430.44

For the financial year 2024-25

(₹ in crore)

Particulars		Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2025
(a)	Deferred tax asset				
	Remeasurements of employee benefits	100.10	11.50	5.63	117.23
	Expected credit loss	869.86	170.01	-	1,039.87
	Cash flow hedge reserve	3.00	-	29.48	32.48
	Right-of-use assets	158.80	59.43	-	218.23
	Changes in fair value on equity instruments designated under FVOCI	-	-	3.36	3.36
	Changes in fair value on debt instruments designated under FVOCI	0.20	-	(0.20)	-
	Other temporary differences	4.11	0.16	-	4.27
	Gross deferred tax assets (a)	1,136.07	241.10	38.27	1,415.44
(b)	Deferred tax liabilities				
	Property, plant and equipment and intangible assets	(29.81)	(9.68)	-	(39.49)
	Service asset and Interest only strip receivable on assigned loans	(15.23)	(91.39)	-	(106.62)
	Changes in fair value on debt instruments at FVTPL	(1.84)	(2.39)	-	(4.23)
	Changes in fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-
	Changes in fair value on debt instruments designated under FVOCI	-	3.07	(30.70)	(27.63)
	Cost of hedging reserve	-	-	(1.44)	(1.44)
	Lease liability	(140.62)	(51.27)	-	(191.89)
Gross deferred tax liabilities (b)		(209.36)	(151.66)	(10.28)	(371.30)
Deferred tax assets/(liabilities), net (a+b)		926.71	89.44	27.99	1,044.14

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

13 (A) Property, plant and equipment and intangible assets

For the financial year 2025-26

(₹ in crore)

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 (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	261.38	-	-	261.38	76.43	-	3.67	80.10	181.28
Computers and data processing units	624.72	189.28	82.80	731.20	283.47	54.85	135.56	364.18	367.02
Office equipment	407.54	71.90	30.43	449.01	238.97	17.61	63.19	284.55	164.46
Furniture and fixtures	327.84	37.63	10.03	355.44	148.06	7.94	38.70	178.82	176.62
Vehicles	480.16	148.99	62.87	566.28	141.46	33.01	88.70	197.15	369.13
Leasehold improvements	318.19	24.28	3.32	339.15	228.61	3.10	21.35	246.86	92.29
Sub-total (i)	2,693.14	472.08	189.45	2,975.77	1,117.00	116.51	351.17	1,351.66	1,624.12
Right-of-use (f)									
Right-of-use - Premises (e)	1,440.92	364.61	87.47	1,718.06	495.37	83.36	255.61	667.62	1,050.44
Right-of-use - Server	29.59	-	-	29.59	19.77	-	3.77	23.54	6.05
Sub-total (ii)	1,470.51	364.61	87.47	1,747.65	515.14	83.36	259.38	691.16	1,056.49
Sub-total (iii=i+ii)	**4,163.65**	**836.69**	**276.92**	**4,723.42**	**1,632.14**	**199.87**	**610.55**	**2,042.82**	**2,680.61**
Intangible assets (d)									
Computer softwares	937.99	190.75	21.84	1,106.90	429.57	16.74	171.55	584.38	522.52
Internally generated software	760.23	146.54	-	906.77	225.51	-	160.09	385.60	521.17
Sub-total (iv)	**1,698.22**	**337.29**	**21.84**	**2,013.67**	**655.08**	**16.74**	**331.64**	**969.98**	**1,043.69**
Total (v=iii+iv)	**5,861.87**	**1,173.98**	**298.76**	**6,737.09**	**2,287.22**	**216.61**	**942.19**	**3,012.80**	**3,724.30**

For the financial year 2024-25

(₹ in crore)

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 (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	261.38	-	-	261.38	72.76	-	3.67	76.43	184.95
Computers and data processing units	517.74	187.84	80.86	624.72	227.42	59.60	115.65	283.47	341.25
Office equipment	320.43	106.78	19.67	407.54	197.85	17.79	58.91	238.97	168.57
Furniture and fixtures	285.00	54.73	11.89	327.84	123.24	10.30	35.12	148.06	179.78
Vehicles	338.96	178.45	37.25	480.16	88.48	19.67	72.65	141.46	338.70
Leasehold improvements	291.73	40.15	13.69	318.19	215.04	13.63	27.20	228.61	89.58
Sub-total (i)	2,288.55	567.95	163.36	2,693.14	924.79	120.99	313.20	1,117.00	1,576.14
Right-of-use (f)									
Right-of-use - Premises (e)	1,197.44	356.02	112.54	1,440.92	366.75	112.01	240.63	495.37	945.55
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,234.92	357.91	122.32	1,470.51	386.22	115.80	244.72	515.14	955.37
Sub-total (iii=i+ii)	**3,523.47**	**925.86**	**285.68**	**4,163.65**	**1,311.01**	**236.79**	**557.92**	**1,632.14**	**2,531.51**
Intangible assets (d)									
Computer softwares	841.12	241.05	144.18	937.99	395.75	120.52	154.34	429.57	508.42
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	**1,359.01**	**483.39**	**144.18**	**1,698.22**	**511.54**	**120.52**	**264.06**	**655.08**	**1,043.14**
Total (v=iii+iv)	**4,882.48**	**1,409.25**	**429.86**	**5,861.87**	**1,822.55**	**357.31**	**821.98**	**2,287.22**	**3,574.65**

(a) See note no. 3.6
(b) Represents share in undivided portion of land on purchase/construction of office premises.
(c) Includes cost of shares in co-operative society of ₹ 500 (Previous year ₹ 500).
(d) See note no. 3.7
(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.
(f) See note no. 3.9
(g) The Company had mortgaged one of its offices in Chennai having carrying value of ₹ 4.32 crore as on 31 March 2026 (Previous year ₹ 4.42 crore) on pari passu charge against specific secured NCDs.

13 (A) Property, plant and equipment and intangible assets (Contd.)

Depreciation and amortisation

Depreciation and amortisation is provided using straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Company
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and Networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Air conditioner#	8 years*
Other office equipment's	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements#	Lease tenure or 9 years, whichever is less
Intangible assets including those internally generated	License tenure or 5 years, whichever is less

* Evaluated useful life is different from Schedule II of Companies Act, 2013.

The Company has changed estimated useful life of air conditioners and leasehold Improvements from 5 years to 8 years and from 5 years to lease tenure or 9 years, whichever is less, respectively. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would had been lower by ₹ 14.84 crore.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13 (B) Capital work-in-progress, Intangible assets under development

The Company discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

	For the year ended 31 March	
Particulars	2026	2025
Opening balance	26.74	25.35
Additions	70.86	74.01
Deductions/Adjustments	35.77	72.62
Closing balance	61.83	26.74

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

13 (B) Capital work-in-progress, Intangible assets under development (Contd.)

Ageing for capital work-in-progress

(₹ in crore)

		Amount for a period of				
Particulars	As at	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2026	39.91	5.16	2.33	14.43	61.83
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74

Intangible assets under development

(₹ in crore)

	For the year ended 31 March	
Particulars	2026	2025
Opening balance	12.46	17.24
Additions	382.26	478.61
Deductions/Adjustments	337.29	483.39
Closing balance	57.43	12.46

Ageing for Intangible assets under development

(₹ in crore)

		Amount for a period of				
Particulars	As at	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2026	56.85	0.58	-	-	57.43
Projects in progress	31 March 2025	12.46	-	-	-	12.46

The Company does not have any project temporarily suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP and intangible asset under development completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

	As at 31 March	
Particulars	2026	2025
Capital advances	14.23	5.69
Deposits against appeals	86.27	40.50
Advances to suppliers and others	86.93	184.75
	187.43	230.94

-Impairment loss allowance recognised on other non financial assets is ₹ Nil (Previous year ₹ Nil).

15 Payables

(₹ in crore)

Particulars	As at 31 March 2026	2025
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises#	0.91	1.27
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,280.50	1,119.84
	1,281.41	1,121.11
(II) Other payables*		
Total outstanding dues of micro enterprises and small enterprises#	0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	994.95	806.19
	995.28	806.61

* Includes payable towards employee performance incentives and capital goods.

Based on and to the extent of 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 of MSMED Act, 2006 as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2026	2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	1.24	1.69
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	79.32	33.21
Interest paid to suppliers under MSMED Act (section 16)	0.80	0.42
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 (since paid)	-	-

Trade Payables ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
(i) MSME	0.91		-	-	-	-	0.91
(ii) Others	63.57	1,122.53	94.00	0.40	-	-	1,280.50
	64.48	1,122.53	94.00	0.40	-	-	1,281.41
As at 31 March 2025							
(i) MSME	1.27	-	-	-	-	-	1.27
(ii) Others	75.33	852.73	191.04	0.74	-	-	1,119.84
	76.60	852.73	191.04	0.74	-	-	1,121.11

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2026	2025
A. At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	106,696.58	82,282.99
Unsecured and fully paid	6,246.97	6,253.19
Unsecured and partly paid	1,491.33	1,118.56
	114,434.88	89,654.74
Commercial papers - Unsecured	19,092.20	21,356.14
	133,527.08	111,010.88
B. Out of above		
In India	133,527.08	111,010.88
Outside India	-	-
	133,527.08	111,010.88

* All the secured non-convertible debentures (NCD) 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. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company has, at all times, for the secured NCDs, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon, and such other sums as mentioned therein.

C. Terms of repayment of non-convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2026	2025
Redeemable at par					
INE296A07FV8	9.05%	07-Apr-15	07-Apr-25	-	170.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	-	1,317.00
INE296A07SB3	7.38%	08-Aug-22	08-Aug-25	-	1,575.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	-	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	-	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	-	5,100.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	-	681.00
INE296A07QS1	8.95%	09-Jan-19	08-Jan-26	-	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	-	300.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	-	1,795.00
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	-	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	-	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	-	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	-	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	500.00
INE296A07LG7	8.65%	04-Jul-16	03-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	500.00
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	08-Jan-27	1,625.00	1,625.00
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	1,000.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2026	2025
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	1,980.00
INE296A07RZ4	7.70%	07-Jun-22	07-Jun-27	1,581.00	1,581.00
INE296A07TK2	7.23%	28-Apr-25	28-Jun-27	1,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	2,815.00
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE296A07TF2	7.80%	09-Oct-24	10-Dec-27	1,750.00	1,750.00
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE296A07TT3	7.31%	12-Feb-26	11-Feb-28	500.00	-
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE296A07SN8	7.73%	07-Jun-23	07-Jun-28	500.00	500.00
INE296A07TJ4	7.38%	17-Apr-25	26-Jun-28	6,275.00	-
INE296A07TM8	7.11%	08-Jul-25	10-Jul-28	1,500.00	-
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07TN6	7.07%	30-Jul-25	21-Sep-28	1,750.00	-
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07TP1	7.24%	12-Sep-25	12-Dec-28	1,350.00	-
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07TV9	7.40%	20-Feb-26	12-Mar-29	1,000.00	-
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	4,777.20
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	4,852.00
INE296A08870	8.06%	04-Oct-16	04-Oct-29	365.00	365.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	2,858.40
INE296A07TI6	7.57%	03-Apr-25	03-Apr-30	3,000.00	-
INE296A07TL0	7.38%	28-Apr-25	28-Jun-30	4,765.00	-
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07TQ9	7.37%	29-Sep-25	27-Sep-30	4,015.00	-
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07TU1	7.55%	20-Feb-26	20-Feb-31	1,500.00	-
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,719.50	2,483.00
INE296A07RW1	7.15%	02-Dec-21	02-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	06-Jun-17	07-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	08-Sep-22	08-Sep-32	327.00	327.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	06-Nov-18	02-Nov-33	4,575.00	4,575.00
INE296A07TS5	7.65%	27-Jan-26	27-Jan-34	1,024.00	-
INE296A07SV1	7.82%	08-Feb-24	31-Jan-34	7,995.00	7,995.00

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2026	2025
INE296A07SU3	7.87%	08-Feb-24	08-Feb-34	1,887.30	1,887.30
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	02-May-24	02-May-34	2,360.50	2,360.50
INE296A07TE5	7.70%	04-Oct-24	04-Oct-34	750.00	750.00
INE296A07TS5	7.65%	27-Jan-26	27-Jan-35	1,024.00	-
INE296A07TH8	7.55%	03-Apr-25	03-Apr-35	4,240.00	-
INE296A08987/ INE296A08995	7.99%	01-Jun-22	01-Jun-35	1,400.00	1,050.00
INE296A07TR7	7.45%	15-Oct-25	15-Oct-35	500.00	-
INE296A07TS5	7.65%	27-Jan-26	27-Jan-36	3,072.00	-
Redeemable at premium					
INE296A07RY7	6.42%	18-02-2022	18-Feb-26	-	906.00
				109,813.00	86,316.50
Interest accrued				4,659.19	3,423.14
Impact of EIR (including premium and discount on NCD)				(37.31)	(84.90)
				114,434.88	89,654.74

-Includes partly paid NCD on which amount to be called is ₹ 350 crore in June 2026.

Out of above NCD having put option are as under:

(₹ in crore)

ISIN	Coupon Rate	Put option date	Outstanding as at 31 March 2026	2025
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	07-Feb-27	7,995.00	7,995.00
			10,070.00	10,070.00

D. Terms of repayment of commercial papers

(₹ in crore)

	As at 31 March 2026	2025
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	19,096.22	21,361.23
Impact of EIR	(4.02)	(5.09)
	19,092.20	21,356.14

-Interest rate ranges from 6.56% to 7.80% p.a as at 31 March 2026 (Previous year 7.70% to 7.95% p.a)

-As at 31 March 2026, face value of commercial paper is ₹ 19,395 crore (Previous year ₹ 21,700 crore)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at31 March 2026	2025
(A) In India		
At amortised cost:		
Term loans from banks	56,430.73	45,418.62
Term loans from Developement Financial Institutions	8,280.91	6,533.36
Cash credit/Overdraft facility	5,517.73	3,527.04
Working capital demand loans	3,222.31	1,820.68
Triparty repo dealing and settlement (TREPs) against Government securities	8,636.93	11,380.87
Repurchase agreement borrowings (Repo)	6,350.75	3,929.78
Securitisation liabilities#	6,694.12	1,753.68
	95,133.48	74,364.03
Outside India		
External commercial borrowing*	22,866.97	15,373.63
	22,866.97	15,373.63
(B) Out of above		
Secured (Against loans, book debts and other receivables)	116,599.37	88,288.13
Unsecured	1,401.08	1,449.53
	118,000.45	89,737.66

#Represents associated liabilities in respect of securitisation transactions. The outstanding value is proceeds received from the trust which is net of the Investment in Pass-through Certificates by the Company. The Company has provided additional external credit enhancement to the trust by way of cash collateral.

*External commercial borrowing is denominated in foreign currency and secured against book debts.

-The Company has not been declared as Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof under the RBI guidelines on wilful defaulters.

(C) Terms of repayment of term loans from banks and developement financial institutions as at 31 March 2026

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	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
Monthly										
Up to 3 years	120	603.13	64	224.17	34	93.89	-	-	218	921.19
Over 3 to 4 years	120	615.54	120	542.82	106	503.93	12	103.16	358	1,765.45
Quarterly										
Up to 3 years	10	341.68	8	116.64	-	-	-	-	18	458.32
Over 3 to 4 years	92	2,210.70	78	1,645.07	62	1,112.87	30	660.94	262	5,629.58
Over 4 years	40	179.04	40	179.04	40	179.04	22	93.45	142	630.57
Half yearly										
Up to 3 years	10	816.33	4	199.67	2	84.00	-	-	16	1,100.00

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

17 Borrowings (other than debt securities) (Contd.)

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	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
Over 3 to 4 years	22	1,668.16	10	675.89	4	106.25	-	-	36	2,450.30
Over 4 years	96	9,261.08	98	9,846.84	73	7,099.45	86	6,866.01	353	33,073.38
Yearly										
Up to 3 years	2	108.00	2	158.00	1	34.00	-	-	5	300.00
Over 4 years	3	291.67	2	208.33	2	208.33	-	-	7	708.33
On maturity (Bullet)										
Up to 3 years	14	9,250.00	3	2,415.00	1	500.00	-	-	18	12,165.00
Over 3 to 4 years	-	-	2	1,500.00	2	1,000.00	-	-	4	2,500.00
Over 4 years	-	-	-	-	-	-	1	3,000.00	1	3,000.00
Interest accrued	-	9.79	-	-	-	-	-	-	-	9.79
Impact of EIR										(0.27)
										64,711.64

-Interest rate ranges from 5.25% to 8.05% p.a as at 31 March 2026.

Terms of repayment of term loans from Banks and Developement Financial Institutions as at 31 March 2025

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	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
Monthly										
Up to 3 years	72	422.5	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	25	276.76	23	201.14	16	91.76	19	111.76	83	681.42
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	76	6,325.72	91	8,966.63	73	7,872.93	61	6,442.68	301	29,607.96
Yearly										
Up to 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 4 years	5	516.67	5	516.67	3	333.22	2	208.33	15	1,574.89
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	1	500.00	-	-	11	7,350.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Interest accrued	-	13.29	-	-	-	-	-	-	-	13.29
Impact of EIR										0.69
										51,951.98

-Interest rate ranges from 6.61% to 8.80% p.a as at 31 March 2025.

17 Borrowings (other than debt securities) (Contd.)

(D) Terms of repayment of working capital demand loans from bank

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	9	3,222.00	4	1,820.00
Interest accrued		0.31		0.68
	9	3,222.31	4	1,820.68

-Interest rate ranges from 6.50% p.a to 7.90% as at 31 March 2026 (Previous year 7.11% p.a to 9.30%).

(E) Terms of repayment of TREPs

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	18	8,636.93	26	11,380.87
	18	8,636.93	26	11,380.87

-Interest rate ranges from 5.95% p.a to 6.77% p.a as at 31 March 2026 (Previous year 6% p.a to 6.99% p.a).

-As at 31 March 2026, face value of TREPs is ₹ 8,640 crore (Previous year ₹ 11,385 crore).

(F) Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of Instalments	₹ in crore	Total no. of Instalments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	5	4,022.81	-	-
Original maturity over 3 years	4	2,839.63	-	-
Due in 1 to 2 year				
Original maturity over 2 to 3 years	11	9,465.43	5	3,637.21
Original maturity over 3 years	1	711.26	4	2,567.44
Due in 2 to 3 year				
Original maturity over 2 to 3 years	5	5,829.19	11	8,558.14
Original maturity over 3 years	-	-	1	641.06
Interest accrued		58.99		34.80
Impact of EIR		(60.34)		(65.02)
	26	22,866.97	21	15,373.63

-Contracted Interest rate ranges from 4.60% p.a to 4.94% p.a as at 31 March 2026 (Previous year 5.30% p.a to 5.61% p.a).

-Interest rate ranges from 7.17% p.a to 8.11% p.a post effective hedge as at 31 March 2026 (Previous year 7.47% p.a to 8.11% p.a).

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

17 Borrowings (other than debt securities) (Contd.)

(G) Terms of repayment of repo borrowing

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	9	6,350.75	10	3,929.78
	9	6,350.75	10	3,929.78

-Contracted Interest rate is 6.50% p.a to 7.90% p.a as at 31 March 2026 (Previous year 7.40%)

(H) Terms of repayment of securitisation liabilities

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	60	2,122.60	12	396.97
Due in 1 to 2 years	60	1,937.56	12	413.91
Due in 2 to 3 years	60	1,650.81	12	381.74
Due in over 3 years	57	969.87	24	556.29
Interest Accrued		13.73		4.89
Impact of EIR		(0.45)		(0.12)
	237	6,694.12	60	1,753.68

-Contracted Interest rate is 6.64% p.a to 7.75% p.a as at 31 March 2026 (Previous year 7.75%).

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
(A) At amortised cost		
Public deposits*	39,379.73	41,792.22
From others	29,105.82	29,573.30
	68,485.55	71,365.52

*As defined in Master direction - Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(B) Terms of repayment of deposits as at 31 March 2026

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits				Total
	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	
Up to 1 year	10,933.72	-	-	-	10,933.72
Over 1 to 2 years	9,391.81	4,002.00	-	-	13,393.81
Over 2 to 3 years	3,035.36	4,347.64	3,001.29	-	10,384.29
Over 3 years	8,785.34	12,956.77	6,950.12	1,411.51	30,103.74
Interest accrued	2,093.80	1,358.79	325.81	35.24	3,813.64
Impact of EIR					(143.65)
					68,485.55

18 Deposits (Unsecured) (Contd.)

Terms of repayment of deposits as at 31 March 2025

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Up to 1 year	12,200.60	-	-	-	12,200.60
Over 1 to 2 years	8,707.42	6,292.21	-	-	14,999.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,703.61	8,945.86	13,246.01	5,710.50	30,605.98
Interest accrued	1,394.45	876.34	623.13	77.01	2,970.93
Impact of EIR					(191.28)
					71,365.52

19 Subordinated liabilities (Unsecured)

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	2,805.31	3,103.54
	2,805.31	3,103.54
(B) Outside India	-	-

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

				Outstanding as at 31 March	
ISIN	**Coupon rate**	**Issue date**	**Date of redemption**	**2026**	**2025**
Redeemable at par					
INE296A08755	8.94%	21-Oct-15	21-Oct-25	-	40.00
INE296A08763	8.94%	09-Nov-15	07-Nov-25	-	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	02-Dec-16	02-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,660.00	2,950.00
Interest accrued				148.72	158.92
Impact of EIR				(3.41)	(5.38)
				2,805.31	3,103.54

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	
	2026	2025
Unclaimed dividends*	5.96	4.29
Book overdraft	413.21	26.48
Security deposits	184.47	190.00
Unclaimed matured deposits*	0.38	0.35
Lease liability+	1,162.89	1,031.99
Payable on account of assignment	62.79	47.62
Outstanding liability for prepaid instrument	189.84	120.11
Unspent CSR liability	15.16	6.24
Advance received towards ECB variation margin	101.31	-
Others	360.49	263.56
	2,496.50	1,690.64

- Others includes amounts pertaining to sale of customers securities, ICD and deposits under process, FLDG advance etc.

* There are no undisputed amounts which were due and unpaid to Investor Education and Protection Fund as at the close of the year.

+Disclosures as required by Ind AS 116 - 'Leases':

The Company as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 13 to 218 months. The discount rate ranges from 5.95% to 9.15%.

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Opening Balance	1,031.99	920.93
Add: Addition during the year	357.03	314.78
Interest on lease liability	85.09	78.80
Less: Deletion during the year	5.93	8.90
Lease rental payments	305.29	273.62
Balance at the end of the year	1,162.89	1,031.99

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
-Not later than one year	316.48	278.91
-Later than one year but not Later than five years	785.54	737.17
-Later than five years	375.90	267.46
	1,477.92	1,283.54

20 Other financial liabilities (Contd.)

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Within 12 months	236.70	207.07
After 12 months	926.19	824.92

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on lease liabilities	85.10	78.80
Depreciation charge for the year	259.38	244.72
Expense related to short-term leases	2.94	3.66
(Gain)/loss on pre-mature lease closure	(1.82)	(2.38)
	345.60	324.80

(E) Total cash outflow for leases

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Cash outflow for leases	305.29	273.62
Cash outflow for short-term leases	2.94	3.66
	308.23	277.28

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2026	2025
Provision for employee benefits		
Gratuity	600.49	390.38
Compensated absences*	51.97	22.50
Other long-term service benefits	2.04	51.39
Impairment allowance on undrawn loan commitments	18.76	-
	673.26	464.27

* Includes amount payable for encashable leaves not permitted to be carried forward of ₹ 12.68 crore (Previous year ₹ 22.50 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	2025
Statutory dues	629.02	462.42
Others	11.57	30.70
	640.59	493.12

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2026	2025
Authorised		
10,000,000,000 equity shares of ₹1 each (Previous year 750,000,000 equity shares of ₹2 each)	1,000.00	150.00
Issued		
6,222,481,865 equity shares of ₹1 each (Previous year 621,428,652 equity shares of ₹ 2 each)	622.25	124.29
Subscribed and paid up		
6,222,481,865 equity shares of ₹1 each fully called up and paid up (Previous year 621,428,652 equity shares of ₹ 2 each fully called up and paid up)	622.25	124.29
Less: 4,605,529 equity shares of ₹1 each held in a trust for employees under ESOP Scheme [See footnote (f) below] (Previous year 616,288 equity shares of ₹2 each held in a trust for employees under employees under ESOP Scheme)		
	0.46	0.12
	621.79	124.17

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	0.00
	621,428,652	124.29
Less: Equity shares held in trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17
As at 1 April 2025	621,428,652	124.29
Adjusted no. of shares on account of sub-division of equity share#	1,242,857,304	124.29
Add: Issue of bonus shares during the year to eligible shareholders#	4,971,429,216	497.14
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	8,195,345	0.82
	6,222,481,865	622.25
Less: Equity shares held in trust for employees under ESOP scheme	4,605,529	0.46
As at 31 March 2026	6,217,876,336	621.79

#During FY 2025-26, pursuant to approval of the Members.

i. Authorised share capital of the Company was increased from ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each to ₹ 1,000 crore consisting of 10,000,000,000 equity shares of face value of ₹ 1 each, subsequently 621,428,652 equity shares of face value of ₹ 2 each as on the record date i.e. 16 June 2025 (end of the day), were sub-divided into 1,242,857,304 equity shares of face value of ₹ 1 each; and

ii. On 17 June 2025 (deemed allotment date), the Allotment Committee of the Board of Directors allotted 4,971,429,216 equity shares of face value of ₹ 1 each as bonus shares in the proportion of four bonus equity shares for every one equity share of face value of ₹ 1 held as on the record date i.e. 16 June 2025 (end of day), by capitalising an amount of ₹ 4,971,429,216 out of securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 18 June 2025.

iii. Consequently, in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

* On 24 July 2025, the Board of Directors of the Company had approved issue of 8,195,345 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 25 August 2025, the Allotment committee alloted the equity shares.

23 Equity share capital (Contd.)

(B) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Shares held by Holding Company

	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
Particulars	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	3,193,661,300	319.37	319,366,130	63.87

* An associate of Bajaj Holdings and Investments Limited.

(D) Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
Particulars	Nos.	%Holding	Nos.	%Holding
Bajaj Finserv Limited*	3,193,661,300	51.32%	319,366,130	51.39%

* An associate of Bajaj Holdings and Investments Limited.

(E) Shareholding of Promoters

	As at 31 March 2026		As at 31 March 2025		% Changes during the year in number of shares#	% Changes during the previous year in number of shares
	Face value ₹ 1 per share		Face value ₹ 2 per share			
Particulars	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	3,193,661,300	51.32%	319,366,130	51.39%	0.00%	0.49%
Promoter Group:						
Aryaman Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Bachhraj Factories Private Limited	720,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj General Insurance Limited	921,000	0.01%	48,000	0.01%	91.88%	Nil
Bajaj Life Insurance Limited	2,470,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	3,085,000	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	1,176,000	0.02%	117,600	0.02%	0.00%	0.00%
Jamnalal Sons Private Limited	1,276,400	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	40,000	0.00%	2,000	0.00%	100.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	-	0.00%	2,000	0.00%	(100%)	0.00%

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital (Contd.)

Particulars	As at 31 March 2026 Face value ₹ 1 per share Nos.	% Holding	As at 31 March 2025 Face value ₹ 2 per share Nos.	% Holding	% Changes during the year in number of shares#	% Changes during the previous year in number of shares
Nimisha Jaipuria (A/c Kumud Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Neelima Bajaj Swamy (A/c Kumud Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	190,261,600	3.06%	18,974,660	3.05%	0.27%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Rajivnayan Bajaj	10,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Sanjali Bajaj	1,553,540	0.02%	65,104	0.01%	138.62%	0.00%
Sanjivnayan Bajaj	4,676,880	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	631,040	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	1,553,040	0.02%	65,104	0.01%	138.55%	0.00%
Suman Jain	70,150	0.00%	7,015	0.00%	0.00%	0.00%

#Percentage change in number of shares has been calculated by adjusting previous year numbers for split and bonus to make it comparable.

(F) Shares reserved for issue under employee stock option plan

	Particulars	No. of stock options/ Equity shares as at 31 March 2026*	31 March 2025
a.	Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 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)	350,711,600	35,071,160
b.	Options granted under the scheme	344,274,350	33,044,110
c.	Options cancelled and added back to pool for future grants	45,691,416	4,247,656
d.	Options granted net of cancellation under the scheme (d = b-c)	298,582,934	28,796,454
e.	Balance available under the scheme for future grants (e=a-d)	52,128,666	6,274,706
f.	Equity shares allotted to BFL Employee Welfare Trust	246,192,385	23,799,704
g.	Stock options exercised	241,586,856	23,183,416
h.	Balance stock options available with BFL Employee Welfare trust (h = f-g)	4,605,529	616,288

*All number are adjusted for split and bonus action during the year.

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 ₹ 218.12 crore (as at 31 March 2025 ₹ 304.96 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the trust.

Dividends declared by the Company do not accrete to the shares held by the ESOP trust towards unexercised options. Accordingly, any dividend received by the ESOP trust is remitted back to the Company and adjusted against the source from which dividend has been paid.

24 Other equity

(₹ in crore)

S. No.	Particulars	Nature and purpose	As at 31 March 2026	As at 31 March 2025
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	28,396.39	28,281.59
(ii)	Retained earnings	Retained earnings represents the surplus in Profit and Loss account post appropriations made from retained earnings.	55,216.31	44,459.20
(iii)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Company transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	17,129.75	13,567.75
(iv)	General reserve	Amount set aside from retained profits as a reserve to be utilised for permissible general purpose as per law.	796.99	792.29
(v)	Infrastructure reserve in terms of section 36 (1) (viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36 (1) (viii) the Income Tax Act 1961 on profits derived from the business of providing short-term finance for development of infrastructure facility in India.	9.25	9.25
(vi)	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 group.	1,157.76	934.86
(vii)	Remeasurement of defined benefit plans	The Company recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(136.80)	(163.23)
(viii)	Other comprehensive income			
	(a) On equity investments	The Company has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(31.38)	(20.09)
	(b) On debt investments	The Company recognises changes in the fair value of debt instruments held with a dual business objective to 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 instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	(182.54)	101.90
	(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	117.71	(96.53)
	(d) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	27.11	4.55
			102,500.55	87,871.54

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

25 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			
	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
On loans*	-	58,661.10	-	58,661.10	-	49,055.77	-	49,055.77
On investments	1,707.94	20.68	1.46	1,730.08	1,558.05	36.34	39.51	1,633.90
On deposits with bank	-	668.25	-	668.25	-	496.25	-	496.25
On others	-	297.68	-	297.68	-	362.65	-	362.65
	1,707.94	59,647.71	1.46	61,357.11	1,558.05	49,951.01	39.51	51,548.57

*Includes ₹ 17.18 crore (Previous year ₹ 1.34 crore) of interest income from Finance lease.

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Service and administration charges	2,717.47	2,101.17
Fees on value added services and products	797.79	857.50
Foreclosure income	687.57	488.14
Distribution income	3,115.95	2,194.06
	7,318.78	5,640.87

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on investments at FVTPL	262.50	242.09
Unrealised gain/(loss) on investments at FVTPL	(55.16)	9.40
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	129.59	92.51
	336.93	344.00

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Service fees for management of assigned portfolio of loans	10.62	18.11
	10.62	18.11

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Income on derecognised (assigned) loans	364.02	459.02
	364.02	459.02

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Marketing, branding and allied services	435.77	466.35
Grant towards QR deployment operating expenditure*	2.00	1.21
Dividend income	4.50	10.96
Others	21.06	34.48
	463.33	513.00

* The Company has received a government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 2.00 crore in current year (Previous year ₹ 1.21 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under 'Ind AS 20 - Accounting for government grants and disclosure of government assistance'. The Company does not have any unfulfilled conditions relating to the grant recognised.

- The Company has changed presentation of recoveries against written off financial assets and net realisation on sale of written off loans from 'Other Operating Income' to 'impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in other operating income and impairment of financial instruments to the extent of ₹ 786.19 crore in financial year ended March 2026 and ₹ 856.17 crore in financial year ended March 2025.

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on income tax refund	-	25.41
Miscellaneous income	3.16	14.69
	3.16	40.10

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
On financial liabilities measured at amortised cost:		
On debt securities	9,444.13	7,563.14
On borrowings other than debt securities	6,061.70	5,339.50
On subordinated liabilities	245.33	277.69
On deposits	5,535.90	5,140.12
On lease liability	85.10	78.80
On others	13.23	12.36
Other interest expenses*	31.59	24.70
	21,416.98	18,436.31

*Includes interest on net defined benefit liability of gratuity of ₹ 31.59 crore (Previous year ₹ 19.46 crore).

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Commission and incentives	94.41	79.08
Recovery costs	2,571.58	1,973.59
Credit guarantee fees	945.53	508.76
Loan portfolio management service charges	38.45	38.36
	3,649.97	2,599.79

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
On loans		
Gross of recoveries against written off loans	9,997.47	7,829.28
Recoveries against written off financial assets*	(786.19)	(693.27)
Net realisation on sale of written off loans*	-	(162.90)
	9,211.28	6,973.11
On others	78.56	53.58
	9,289.84	7,026.69

*The Company has changed presentation of recoveries against written off financial assets and net realisation on sale of written off loans from 'Other Operating Income' to 'impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in 'other operating income' and 'impairment of financial instruments'.

35 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Employees emoluments	7,517.02	6,171.54
Contribution to provident fund and other funds	263.14	215.49
Gratuity expense	29.91	84.44
Share based payment to employees	395.19	358.37
Staff welfare expenses	80.54	77.44
	8,285.80	6,907.28

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Communication expenses	231.23	168.60
Outsourcing/back office expenses	400.51	527.19
Travelling expenses	508.39	474.30
Information technology expenses	911.37	708.12
Bank charges	230.74	219.32
Net loss on disposal of property, plant and equipment and intangible assets	17.16	32.86
Auditor's fees and expenses*	2.37	1.98
Insurance charges	16.66	11.29
Rent, taxes and energy cost	121.23	109.75
Director's fees, commission and expenses	18.03	13.10
Advertisement, branding and promotion expenses	429.96	461.24
Expenditure towards Corporate Social Responsibility activities**	333.97	263.74
Repairs, maintenance and office expenses	241.76	259.49
Employee training, recruitment and management expenses	73.37	84.92
Printing and stationery expenses	8.12	8.60
Legal and professional charges	52.68	49.20
Customer experience cost	81.64	118.82
Miscellaneous expenses+	84.46	127.12
	3,763.65	3,639.64

+Includes donation of ₹ Nil (Previous year ₹ 25 crore) made to political parties.

*** Auditor's fees and expenses** (net of GST credit availed)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Audit fee	1.72	1.39
Tax audit fee	0.14	0.14
Limited review fees	0.32	0.30
In other capacity:		
Other services	0.09	0.08
Reimbursement of expenses	0.10	0.07
	2.37	1.98

**** Corporate social responsibility expenditure**

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(a)	Gross amount required to be spent by the Company during the year	333.97	263.74
(b)	Excess amount spent in previous financial year carried forward	-	-
(c)	Net amount required to be spent by the Company during the year (a-b)	333.97	263.74
(d)	Amount spent during the year on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purpose other than (i) above	318.81	257.50
(e)	Excess/(Shortfall) at the end of the year (d-c)	(15.16)	(6.24)
(f)	Total of previous years excess/(shortfall)	-	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

36 Other expenses (Contd.)

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(g)	Reason for shortfall	Refer note (i) below	Refer note (i) below
(h)	Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii, iii, iv, vi, ix, xii	Activities mentioned in i, ii, iii, iv, v, vi, ix, xii
(i)	Details of related party transactions (Refer Note (ii) below)	-	3.05
(j)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation		
	Opening provision balance	6.24	6.18
	Provision created during the year	15.16	6.24
	Amount spent during the year	(6.24)	(6.18)
	Closing provision balance	15.16	6.24

(k) In case of section 135(6) Details of ongoing projects

For the year ended 31 March 2026

(₹ in crore)

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank a/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
For the year 2025	-	6.24	-	-	6.24	-	-
For the year 2026	-	-	333.97	318.81	-	-	15.16

For the year ended 31 March 2025

(₹ in crore)

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank a/c	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
For the year 2024	-	6.18	-	-	6.18	-	-
For the year 2025	-	-	263.74	257.50	-	-	6.24

Notes:

(i) Current year:

The unspent amount primarily pertains to ongoing projects that were initiated during the current financial year. These projects span over two to three years and operate under milestone-based payment structures tied to agreed deliverables. The amounts allocated in respect of these projects for current financial year have already been disbursed, while the balance will be paid in subsequent years upon achievement of the remaining milestones. The unspent amount of ₹ 15.16 crore would be transferred to a designated Unspent Corporate Social Responsibility Account with scheduled commercial bank in line with the requirement prescribed in the Act.

Previous year:

Due to delay in commencement of projects as compared to approved timelines, some part of the mandatory obligations for few ongoing projects remained unspent as on 31 March 2025. The unspent amount of ₹ 6.24 crore was transferred to a designated Unspent Corporate Social Responsibility Account with scheduled commercial bank in line with the requirement prescribed in the Act.

(ii) During the Previous year ended 31 March 2025, the Company had entered into a transaction with Pratham Education Foundation for ₹ 3.05 crore for implementation of its corporate social responsibility activities.

37 Exceptional Items

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Gain on sale of shares of subsidiary (refer note (a) and (c) below)	1,416.38	2,544.11
Charge of New Labour Codes (refer note (b) below)	(250.00)	-
	1,166.38	2,544.11

a) On 2 December 2025, the Company sold 166,600,000 equity shares of Bajaj Housing Finance Ltd. (BHFL) through open market mechanism by executing a bulk deal in secondary market, at an average price of ₹ 95.31 each, as a step towards achieving minimum public shareholding requirement in BHFL. This has resulted in a gain of ₹ 1,416.38 crore, net of selling expenses.

b) On 21 November 2025, the Government of India has notified four New Labour Codes by consolidating 29 existing labour laws. These changes have resulted in an estimated increase in the past service cost of gratuity by ₹ 250 crore. Considering that the impact arising out of an enactment of the new legislation is a non-recurring event, the Company has presented this one-time charge under 'Exceptional Item'. The Ministry of Labour and Employment have published draft Central rules and various FAQs. The Company continues to monitor the clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

c) On 13 September 2024, the Company sold 428,571,428 equity shares of BHFL at ₹ 70 each, aggregating to ₹ 3,000 crore, as part of BHFL's Initial Public Offer. This has resulted in a gain of ₹ 2,544.11 crore, net of issue expenses.

38 Earnings per equity share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings per share' by dividing the 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 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)	17,803.87	16,661.50
(B)	Weighted average number of equity shares for basic earnings per share	6,214,050,375	6,186,356,840
	Effect of dilution:		
	Employee stock options	19,919,777	17,136,160
(C)	Weighted average number of equity shares for diluted earnings per share	6,233,970,152	6,203,492,990
	Earning per share (basic) (₹) (A/B)	28.65	26.93
	Earning per share (diluted) (₹) (A/C)	28.56	26.86

- Basic and diluted earnings per share for the year ended March 2025 have been restated for split and bonus action (refer note no. 23a) as per the requirement of Ind AS 33 Earnings per share.

39 Segment Information

The Company is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

40 (A) Transfer of financial assets that are derecognised in their entirety 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

(₹ in crore)

Particulars	As at 31 March 2026	2025
Securitisations		
Carrying amount of transferred assets measured at amortised costs	7,733.03	1,976.92
Carrying amount of Securitisation liabilities - Borrowing other than debt securities (measured at amortised cost)	6,694.12	1,753.68
Fair value of assets (A)	7,723.72	1,975.04
Fair value of associated liabilities (B)	6,701.25	1,742.93
Net position at fair value (A-B)	1,022.47	232.11

41 (A) Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Type of services		
Service and administration charges	2,717.47	2,101.17
Fees on value added services and products	797.79	857.50
Foreclosure charges	687.57	488.14
Distribution income	3,115.95	2,194.06
Marketing, branding and allied services	435.77	466.35
	7,754.55	6,107.22
Geographical markets		
India	7,754.55	6,107.22
Outside India	-	-
	7,754.55	6,107.22
Timing of revenue recognition		
Services transferred at a point in time	7,754.55	6,107.22
Services transferred over time	-	-
	7,754.55	6,107.22

Contract balances

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fees, commission and other receivables	381.37	447.64
	381.37	447.64

- Impairment allowance recognised on contract balances is ₹ 1.53 crore (Previous year ₹ 1.79 crore)
- Contract asset as on 31 March 2026 is ₹ Nil (Previous year ₹ Nil)

41 (B) Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below:

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(i)	Income from insurance intermediation		
	Commission income - Life insurance	1,132.21	663.05
	Commission income - General insurance	636.94	495.87
		1,769.15	1,158.92
(ii)	Other income/reimbursement of cost		
	Marketing, branding and allied services	428.41	466.35
	Reimbursement of outsourced resources and manpower cost*	53.00	122.74
		481.41	589.09
		2,250.56	1,748.01

* Accounted under interest income being part of EIR.

42 Employee benefit plans

(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 diffrential payment for any shortfall between defined benefit payments and the contribution made by the Company.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	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.
(ii)	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.
(iii)	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.
(iv)	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.

Gratuity

With the introduction of the Code on Social Security, 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 new code has also defined the eligibility of fixed-term employees for gratuity after completion of one year of service and introduced new definition of 'wages'.

The Company has a gratuity plan for its employee's, and gratuity benefit applicable to the employees of the Company is higher of (a) gratuity computed on the basis of wages capped at ₹ 20 lakh and (b) gratuity computed on the basis of Company's internal gratuity scheme.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

42 Employee benefit plans (Contd.)

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 wages/eligible salary at the time of separation/retirement.

The Company has a funded gratuity plan. 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 in plan assets as compared to actuarial liability determined by an 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 based on past trends and forseeable changes in consultation with actuary. 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.

Movement in defined benefit obligations

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Defined benefit obligation as at the beginning of the year	600.17	468.26
Current service cost	142.69	84.44
Past service cost	149.98	7.57
Interest on defined benefit obligation	45.72	32.75
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(17.25)	23.12
Actuarial loss/(gain) arising from change in demographic assumptions	(86.56)	11.70
Actuarial loss/(gain) arising on account of experience changes	59.34	(13.83)
Benefits paid	(28.89)	(12.54)
Liabilities assumed/(settled)*	(0.54)	(1.30)
Defined benefit obligation as at the end of the year	864.66	600.17

* Towards continuity of service offered to employees on movement.

Movement in plan assets

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Fair value of plan asset as at the beginning of the year	209.79	184.20
Employer contributions	80.48	27.50
Interest on plan assets	14.34	13.29
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(11.01)	(1.36)
Benefits paid	(28.89)	(12.54)
Assets acquired/(settled)*	(0.54)	(1.30)
Fair value of plan asset as at the end of the year	264.17	209.79

* Towards continuity of service offered to employees on movement.

42 Employee benefit plans (Contd.)

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Net defined benefit liability/(asset) as at the beginning of the year	390.38	284.06
Expense charged to Statement of Profit and Loss	324.04	111.46
Amount recognised in other comprehensive income	(33.45)	22.36
Employers contribution	(80.48)	(27.50)
Net defined benefit liability/(asset) as at the end of the year	600.49	390.38

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Current service cost	142.69	84.44
Past service cost	149.98	7.56
Interest cost	31.38	19.46
	324.05	111.46

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening amount recognised in other comprehensive income	216.67	194.32
Changes in financial assumptions	(17.25)	23.12
Changes in demographic assumptions	(86.56)	11.70
Experience adjustments	59.34	(13.83)
Actual return on plan assets less interest on plan assets	11.01	1.36
Closing amount recognised outside profit or loss in other comprehensive income	183.21	216.67

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of funded defined benefit obligation (A)	864.66	600.17
Fair value of plan assets (B)	264.17	209.79
Net funded defined benefit obligation C=(A-B)	600.49	390.38
Net defined benefit liability recognised in Balance Sheet	600.49	390.38

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

42 Employee benefit plans (Contd.)

Key actuarial assumptions

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Discount rate (p.a.)	7.15%	6.85%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100%	100%

Sensitivity analysis for significant assumptions

(₹ in crore)

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	(57.82)	56.00	(32.80)	34.09
Impact of decrease in 50 bps on defined benefit obligation	65.60	(51.30)	35.62	(31.78)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Maturity Profile		
Expected benefits for year 1	112.19	26.02
Expected benefits for year 2	96.85	28.54
Expected benefits for year 3	93.12	32.04
Expected benefits for year 4	93.59	34.09
Expected benefits for year 5	87.47	45.63
Expected benefits for year 6	82.31	41.37
Expected benefits for year 7	80.16	39.73
Expected benefits for year 8	80.77	46.41
Expected benefits for year 9	76.58	53.31
Expected benefits for year 10 and above	823.15	1,176.68

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Expected contribution to fund in the next year	112.50	26.00

42 Employee benefit plans (Contd.)

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss account is as below:

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Provident fund and pension scheme of Employees' Provident Fund Organisation	305.98	182.53
National pension scheme	13.40	10.74
Superannuation fund	0.14	0.29

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Maturity profile		
Present value of unfunded obligations	39.29	-
Expense recognised in the Statement of Profit and Loss	39.29	-

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Key actuarial assumptions		
Discount rate (p.a.)	7.15%	6.85%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		

B) Long-term service benefit liability

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Present value of unfunded obligations	-	48.32
Expense recognised in the Statement of Profit and Loss	(45.12)	(15.47)
Discount rate (p.a.)	-	6.85%

43 Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Disputed claims against the Company not acknowledged as debts	153.90	141.20
PF matters under appeal	110.76	110.76
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank Guarantees	0.50	0.50

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

43 Contingent liabilities and commitments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2026	2025
Service tax/Goods and Service Tax matters under appeal		
- On interest subsidy [Refer footnote (ii) below]	2,552.20	2,422.92
- On interest collected upfront [Refer footnote (iii) below]	936.22	874.79
- On additional reversal of credit on investment activity [Refer footnote (iv) below]	658.57	630.32
- On reversal of input tax credit on credit note by the customer	22.99	14.13
- On excess claim ITC and diff in GSTR-1 Vs GSTR 3B	32.42	33.29
- On others	4.77	15.48
Income tax matters:		
- Appeals by the Company	159.27	72.61
- Appeals by the Income tax department	-	-

(i) The Company is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense.

(ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Company in relation to the interest subsidy received by the Company from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 1,174.32 crore. In accordance with legal advice, the Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Company in relation to the interest subsidy received by the Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 295.34 crore. In accordance with legal advice, the Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

(iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Company in relation to interest collected upfront by the Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Company pays the GST liability demanded, which as at 31 March 2026 amounted to ₹ 253.64 crore. In accordance with legal advice, the Company has filed an appeal on 23 April 2025 before the office of the Commissioner (Appeals), Pune disputing the demand. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

(iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Company, in accordance with Rule 6(3)(i) Cenvat Credit rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest

43 Contingent liabilities and commitments (Contd.)

on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 281.83 crore. In accordance with legal advice, the Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

(v) It is not practicable for the Company to estimate the timings of the cash flows, 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	As at 31 March 2025
(i)	Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
	Tangible	67.71	28.30
	Intangible	14.40	17.80
(ii)	Other commitments		
	Towards partially disbursed/un-encashed loans	3,786.70	3,120.24
	Towards investment	3.98	-
	Towards future corporate social responsibility spend	263.45	178.05
		4,136.24	3,344.39

44 Changes in liability arising from Financing Activities (Ind AS 7 - Statement of Cash flows)

(₹ in crore)

Particulars	As at 1 April 2025	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2026
Debt securities	111,010.88	21,309.56	-	1,206.64	133,527.08
Borrowings (other than debt securities)	89,737.66	26,279.79	1,956.08	26.92	118,000.45
Deposits	71,365.52	(3,770.31)	-	890.34	68,485.55
Subordinated liabilities	3,103.54	(290.00)	-	(8.23)	2,805.31
Lease liabilities	1,031.99	(220.19)	-	351.09	1,162.89
	276,249.59	43,308.85	1,956.08	2,466.76	323,981.28

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2025
Debt securities	87,596.09	22,334.64	-	1,080.15	111,010.88
Borrowings (other than debt securities)	69,238.00	20,207.53	284.01	8.12	89,737.66
Deposits	59,966.66	10,668.56	-	730.30	71,365.52
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liabilities	920.93	(194.82)	-	305.88	1,031.99
	221,299.58	52,563.41	284.01	2,102.59	276,249.59

*Includes movement in interest accrued and impact of EIR.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
(A)	**Parent**					
1.	Bajaj Finserv Limited	Contribution to equity (3,193,661,300 shares of ₹ 1 each, adjusted for split and bonus, previous year 319,366,130 share of ₹ 2 each)	-	(319.37)	-	(63.87)
		Proceeds for conversion of 1,550,000 warrants	-	-	891.64	-
		Secured non-convertible debentures issued	-	(300.00)	-	(800.00)
		Secured non-convertible debentures redemption	500.00	-	195.00	-
		Security deposit for leased premises	1.30	1.30	-	-
		Interest paid on non-convertible debentures	64.52	-	47.92	-
		Inter-corporate deposits accepted	-	(550.00)	-	(550.00)
		Interest accrued on inter-corporate deposits	49.19	(114.06)	45.82	(69.78)
		Dividend paid	1,788.45	-	1,144.14	-
		Asset sales	0.85	-	-	-
		Business support charges received	-	-	0.46	-
		Business support charges paid	16.97	-	16.52	-
		Fair value of ESOP paid	0.81	-	4.06	-
		Rent and maintenance expenses	2.59	-	-	-
(B)	**Subsidiaries**					
1.	Bajaj Housing Finance Limited	Investment in equity shares	-	8,954.83	2,000.00	9,121.43
		Fair value of ESOP received	10.03	-	21.17	-
		Loan portfolio - Assigned in	3,645.28	-	3,361.67	-
		Asset purchases	0.74	-	0.93	-
		Asset sales	0.43	-	0.02	0.02
		Security deposit for leased premises	-	0.08	-	0.08
		Business support charges received	3.01	-	3.67	-
		Servicing fee received	6.09	-	7.66	-
		Sourcing commission received	6.31	0.81	5.68	0.64
		Business support charges paid	0.33	-	0.55	-
		Rent and maintenance expenses	0.23	-	0.22	-
		Reimbursement of share issues expenses towards BHFL IPO/OFS	-	-	23.12	(1.98)
		Servicing fee paid	25.42	-	34.77	-
		Sourcing commission paid	-	-	0.16	-

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
2.	Bajaj Financial Securities Limited	Investment in equity shares	600.00	1,670.38	200.00	1,070.38
		Fair value of ESOP received	3.18	-	1.84	-
		Loan given against flexi limit of ₹ 1,000 crore	47,007.00	-	19,170.00	525.00
		Loan repayment received	47,532.00	-	18,800.00	-
		Interest received on loan given	1.88	-	5.48	-
		Dividend received	3.36	-	9.68	-
		Asset purchases	0.31	-	-	-
		Asset sales	0.20	-	0.47	0.02
		Sourcing commission received	-	-	0.16	-
		Business support charges received	0.28	-	0.33	-
		Business support charges paid	1.13	-	1.39	-
		Sourcing commission paid	0.11	-	0.08	(0.02)
		Brokerage and allied charges paid	0.57	-	0.17	-
		Depository service charges paid	1.32	-	1.46	-
		Advance towards depository service charges	-	0.10	-	0.10
(C)	**Fellow subsidiaries**					
1.	Bajaj Life Insurance Limited (Formerly known as Bajaj Allianz Life Insurance Company Limited)	Contribution to equity (2,470,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 247,000 shares of ₹ 2 each)	-	(0.25)	-	(0.05)
		Secured non-convertible debentures issued	-	(499.80)	-	(350.00)
		Unsecured non-convertible debentures issued	70.00	(2,475.00)	70.00	(2,405.00)
		Interest paid on non-convertible debentures	246.41	-	226.53	-
		Dividend paid	1.38	-	0.89	-
		Asset sales	-	-	0.19	-
		Security deposit for leased premises	-	1.82	-	1.82
		Advance towards insurance	-	5.61	-	5.60
		Commission income	626.54	37.92	361.01	26.94
		Marketing, branding and allied service charges received	192.02	24.05	143.82	19.19
		Business support charges received	0.32	0.36	0.27	-
		Business support charges paid	0.06	-	1.70	(0.27)
		Insurance expenses	55.19	-	64.85	-
		Rent and maintenance expenses	2.91	-	2.79	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
2. Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Contribution to equity (921,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 48,000 shares of ₹ 2 each)	-	(0.09)	-	(0.01)
	Secured non-convertible debentures issued	-	(243.50)	-	(143.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Interest paid on non-convertible debentures	14.53	-	14.50	-
	Dividend paid	0.27	-	0.17	-
	Asset purchases	0.47	-	-	-
	Asset sales	-	-	0.06	0.06
	Advance towards insurance	-	6.38	-	5.45
	Commission income	65.02	4.91	75.73	8.00
	Business support charges received	3.19	1.57	0.90	0.30
	Business support charges paid	-	-	0.44	-
	Insurance expenses	105.88	-	83.64	-
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	283.16	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	-	-	280.47	280.47
	Information technology design and development charges paid	50.40	(2.84)	74.08	(14.66)
	Asset purchases	4.32	(0.01)	7.17	(6.65)
	Asset sales	1.17	0.10	1.02	-
	Business support charges received	0.74	0.29	5.09	0.11
	Business support charges paid	5.78	-	77.97	(5.12)
	Sourcing commission paid	116.45	(17.01)	158.98	(17.00)
	Information technology support and usage charges paid	6.13	(0.44)	23.72	(1.35)
	Annual maintenance charges on loan	3.66	-	6.32	(0.01)
	Guarantee/Service fees paid for FLDG	15.07	(1.62)	18.79	-
	Cash Deposit received towards First Loss Default Guarantee (FLDG) arrangement	-	(1.32)	12.04	(21.11)
	Invocation of deposit towards FLDG	19.79	-	13.33	-
	Interest accrued on deposit received towards FLDG	0.72	(0.06)	2.03	(0.36)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
4.	Bajaj Finserv Health Limited	Asset purchases	0.08	-	0.07	-
		Commission income	162.00	19.47	145.78	8.17
		Reimbursement of Manpower cost received	39.98	11.21	-	-
		Interest subsidy received (previous year transaction value ₹ 1,710)	-	-		-
		Business support charges received	0.63	-	0.58	-
		Business support charges paid	2.82	(0.36)	0.42	(0.46)
		Product distribution fee	-	-	0.03	-
		Services received	3.37	-	1.69	(0.02)
		Settlement of security deposit on leased premises on behalf of lessor	-	-	1.79	-
5.	Bajaj Finserv Asset Management Limited	Business support charges received	0.27	-	0.24	-
		Asset purchases	0.26	-	-	-
6.	Bajaj Finserv Ventures Limited	Asset sales	0.12	-	0.08	-
		Asset purchases	-	-	7.17	(0.02)
		Business support charges received	-	-	11.00	6.22
		Business support charges paid	-	-	1.10	(1.18)
7.	VH Medcare Private Limited	Asset sales	0.45	-	-	-
		Sourcing commission paid	3.66	(0.44)	-	-
(D)	**Associates**					
1.	Snapwork Technologies Private Limited	Investment in equity shares	-	28.49	-	28.49
		Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
		Information technology design and development charges paid	29.22	-	19.53	-
2.	Pennant Technologies Private Limited	Investment in equity shares	-	113.75	-	113.75
		Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	-	153.72
		Inter-corporate deposits accepted	42.91	(42.91)	40.00	(40.00)
		Inter-corporate deposits repaid	40.00	-	-	-
		Interest accrued on inter-corporate deposits	3.06	(1.46)	1.80	(1.62)
		Information technology design and development charges paid	22.11	-	28.24	(11.84)
		Annual maintenance charges paid	4.18	-	3.48	-
		Finance lease given	0.85	0.93	0.26	0.26
		Finance lease repayment received	0.26	-	-	-
		Interest income on finance lease	0.07	-		-
		Advance given towards lease related transactions	0.09	0.13	0.06	0.06
		Receipt of repayment towards advance given	0.02	-	-	-
		Lease management and other charges received	0.02	-	-	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
(E)	**Key Management Personnel (KMP) of the entity or its parent**					
1.	Sanjiv Bajaj (Chairman and Promoter group)	Contribution to equity (4,676,880 shares of ₹ 1 each, adjusted for split and bonus, previous year 467,688 shares of ₹ 2 each)	-	(0.47)	-	(0.09)
		Short-term employee benefits:				
		Sitting fees	0.29	-	0.34	-
		Commission	6.91	(6.22)	5.06	(4.55)
		Dividend paid	2.62	-	1.68	-
2.	Rajeev Jain (Vice Chairman, w.e.f. 1 Apr 2025 to 21 Jul 2025, Vice Chairman and Managing Director w.e.f. 22 Jul 2025)	Contribution to equity (1,699,500 shares of ₹ 1 each, adjusted for split and bonus, previous year 169,950 shares of ₹ 2 each)	-	(0.17)	-	(0.03)
		Short-term employee benefits:				
		Remuneration	28.87	(20.73)	21.41	(7.08)
		Share-based payment	42.60	-	39.06	-
		Equity shares issued pursuant to stock option scheme	-	-	40.52	-
		Assets purchases	-	-	0.50	-
		Dividend paid	0.95	-	0.61	-
		Cashback given (previous year transaction value ₹ 666)	-	-		-
		Fastag fee received (previous year transaction value ₹ 200)	-	-		-
3.	Anup Saha (Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Short-term employee benefits:				
		Remuneration	10.38	-	13.97	(9.19)
		Share-based payment	5.04	-	13.33	-
		Equity shares issued pursuant to stock option scheme	15.89	-	-	-
		Dividend paid	0.02	-	-	-
		Asset sales	-	-	0.02	-
		Fixed deposit accepted (previous year transaction value ₹ 25,000)	-	-		(0.01)
		Interest accrued on fixed deposit (transaction value ₹ 2,925, previous year ₹ 8,716, outstanding ₹ 12,817)		-		
		Cashback given (previous year transaction value ₹ 175)	-	-		-
		Fastag fee received (previous year transaction value ₹ 200)	-	-		-
4.	Rajiv Bajaj (Director and Promoter group)	Contribution to equity (10,000 shares of ₹ 1 each, adjusted for split and bonus) (outstanding ₹ 10,000), (previous year 1,000 shares of ₹ 2 each) (outstanding ₹ 2,000)	-		-	
		Short-term employee benefits:				
		Sitting fees	0.05	-	0.07	-
		Commission	0.24	(0.22)	0.28	(0.25)
		Dividend paid (previous year transaction value ₹ 36,000)	0.01	-		-
5.	Anami N Roy (Director)	Short-term employee benefits:				
		Sitting fees	0.44	-	0.31	(0.01)
		Commission	1.41	(1.27)	1.20	(1.08)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
6.	Dr. Naushad Forbes (Director)	Short-term employee benefits:				
		Sitting fees	0.13	-	0.24	-
		Commission	0.64	(0.58)	0.96	(0.86)
7.	Pramit Jhaveri (Director)	Short-term employee benefits:				
		Sitting fees	0.29	-	0.32	-
		Commission	1.41	(1.27)	1.28	(1.15)
8.	Radhika Haribhakti (Director)	Short-term employee benefits:				
		Sitting fees	0.36	-	0.20	(0.01)
		Commission	1.03	(0.93)	0.76	(0.68)
9.	Dr. Arindam Bhattacharya (Director)	Contribution to equity (5,000 shares of ₹ 1 each, adjusted for split and bonus) (outstanding ₹ 5,000), (previous year 724 shares of ₹ 2 each) (outstanding ₹ 1,448)	-		-	
		Short-term employee benefits:				
		Sitting fees	0.16	-	0.14	-
		Commission	0.78	(0.70)	0.56	(0.50)
		Dividend paid (transaction value ₹ 40,544, previous year ₹ 26,064)		-		-
		Loan Given	0.02	-	-	-
		Loan repayment received	0.02	-	-	-
		Cashback given (transaction value ₹ 8,167)		-	-	-
		Other Income (transaction value ₹ 328)		-	-	-
10.	Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
		Sitting fees	0.23	-	0.05	-
		Commission	1.14	(1.03)	0.20	(0.18)
11.	Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
		Sitting fees	0.21	-	0.01	-
		Commission	1.01	(0.91)	0.04	(0.04)
(F)	**Close members of the families of key management personnel of the entity or its parent**					
1.	Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
		Remuneration	-	-	0.05	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
2. Archana Jain (Spouse of Rajeev Jain, Vice Chairman and Managing Director of the Company)	Assets Purchases	-	-	0.31	-
3. Tapati Saha (Spouse of Anup Saha, Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Fixed deposit accepted	-	-	-	(1.66)
	Interest accrued on fixed deposit	0.04	-	0.14	(0.31)
4. Siddhant Bajaj (Son of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.10	-	-	-
(G) Entities in which key management personnel or close members of their families have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Inter-corporate deposits accepted	745.00	(745.00)	480.00	(280.00)
	Inter-corporate deposits repaid	280.00	-	700.00	-
	Interest accrued on inter-corporate deposits	31.35	(22.30)	29.77	(13.84)
	Security deposit for leased premises	-	0.21	-	0.21
	Dividend received (transaction value ₹ 31,500, previous year ₹ 12,000)		-		-
	Business support charges paid	29.93	-	28.91	-
	Rent and maintenance expenses	1.76	-	1.70	-
	Finance lease given	15.86	21.17	8.76	8.29
	Finance lease repayment received	4.36	-	0.78	-
	Interest income on finance lease	1.37	-	0.31	-
	Advance given towards lease related transactions	3.10	3.98	1.95	1.77
	Receipt of repayment towards advance given	0.90	-	0.18	-
	Lease management charges received	0.22	-	0.04	-
2. Bajaj Auto Technology Limited	Inter-corporate deposits accepted	296.80	(296.80)	243.50	(223.50)
	Inter-corporate deposits repaid	223.50	-	20.00	-
	Interest accrued on inter-corporate deposits	17.68	(7.12)	8.06	(6.80)
	Finance lease given	1.55	1.81	0.40	0.39
	Finance lease repayment received	0.21	-	0.03	-
	Interest income on finance lease	0.08	-	0.01	-
	Advance given towards lease related transactions	0.45	0.49	0.10	0.09
	Receipt of repayment towards advance given	0.05	-	0.01	-
	Lease management charges received (previous year transaction value ₹ 14,157)	0.01	-		-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
3.	Bajaj Auto Credit Limited	Asset sales	1.49	-	2.55	(0.11)
		Business support charges received	0.93	-	-	-
		Business support charges paid	4.67	-	-	-
		Fair value of ESOP received	4.10	-	-	-
		Finance lease given	0.57	0.77	0.34	0.34
		Finance lease repayment received (previous year transaction value ₹ 19,048)	0.18	-		-
		Interest income on finance lease (previous year transaction value ₹ 31,232)	0.04	-		-
		Advance given towards lease related transactions	0.11	0.15	0.08	0.08
		Receipt of repayment towards advance given (previous year transaction value ₹ 3,869)	0.03	-		-
		Lease management charges received (previous year transaction value ₹ 1,363)	0.01	-		-
4.	Bajaj Holdings and Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
		Security deposit for leased premises	-	-	-	0.70
		Received refund of security deposit	0.70	-	-	-
		Dividend received (transaction value ₹ 6,975, previous year ₹ 6,450)		-		-
		Business support charges paid	21.71	-	21.87	-
		Rent and maintenance expenses	-	-	1.99	-
5.	Hind Musafir Agency Limited	Charges for services received including actual travel fair cost	46.13	(1.76)	44.84	(0.04)
6.	Bajaj Electricals Limited	Inter-corporate deposits accepted	285.00	(285.00)	198.00	(183.00)
		Inter-corporate deposits repaid	183.00	-	75.00	-
		Interest accrued on inter-corporate deposits	9.56	(5.39)	13.06	(10.22)
		Interest subsidy received	3.48	0.80	2.31	0.62
		Purchase of electrical equipments and other services (transaction value ₹ 7,840)		-	-	-
7.	Bajel Projects Limited	Inter-corporate deposits accepted	-	-	20.00	-
		Interest accrued on inter-corporate deposits	-	-	0.61	-
		Inter-corporate deposits repaid	-	-	20.00	-
		Loan given against flexi limit of ₹ 110 crore	146.00	-	203.00	21.00
		Loan Repayment received	167.00	-	182.00	-
		Interest income on loan given	1.03	-	6.45	0.66
		Processing fees received	0.20	-	0.22	-
8.	Jamnalal Sons Private Limited	Contribution to equity (1,276,400 shares of ₹ 1 each, adjusted for split and bonus, previous year 127,640 shares of ₹ 2 each)	-	(0.13)	-	(0.03)
		Dividend paid	0.71	-	0.46	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
9.	Maharashtra Scooters Limited	Contribution to equity (190,261,600 shares of ₹ 1 each, adjusted for split and bonus, previous year 18,974,660 shares of ₹ 2 each)	-	(19.03)	-	(3.79)
		Secured non-convertible debentures issued	-	(150.00)	-	(150.00)
		Secured non-convertible debentures redemption	-	-	50.00	-
		Interest paid on non-convertible debentures	13.81	-	2.83	-
		Dividend paid	106.26	-	68.31	-
10.	Bachhraj Factories Private Limited	Contribution to equity (720,000 shares of ₹ 1 each, adjusted for split and bonus, previous year, 72,000 shares of ₹ 2 each)	-	(0.07)	-	(0.01)
		Dividend paid	0.40	-	0.26	-
11.	Baroda Industries Private Limited	Contribution to equity (1,176,000 shares of ₹ 1 each, adjusted for split and bonus), previous year (117,600 shares of ₹ 2 each)	-	(0.12)	-	(0.02)
		Dividend paid	0.66	-	0.42	-
12.	Bajaj Sevashram Private Limited	Contribution to equity (3,085,000 shares of ₹ 1 each, adjusted for split and bonus), previous year (308,500 shares of ₹ 2 each)	-	(0.31)	-	(0.06)
		Dividend paid	1.73	-	1.11	-
(H)	**Other persons**					
1.	Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2.	Niraj Bajaj (Promoter group)	Nil	-	-	-	-
(I)	**Post employment benefit plans**					
1.	Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(15.00)	-	(25.00)
		Unsecured non-convertible debentures redemption	10.00	-	11.00	-
		Interest paid on non-convertible debentures	2.22	-	3.32	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	-	-	0.15	-
3.	Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	67.95	-	16.00	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	11.37	-	11.50	-

45 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
(J)	**Post employment benefit plans of related parties**					
1.	Bajaj Electricals Limited Employees Provident Fund	Interest paid on non-convertible debentures	0.13	-	-	-
		Unsecured non-convertible debentures redemption	1.50	-	-	-
2.	Bachhraj and Co Limited Provident Fund Institution	Unsecured non-convertible debentures issued	-	(0.30)	-	-
		Secured non-convertible debentures issued	-	(1.60)	-	-
		Interest paid on non-convertible debentures	0.09	-	-	-
3.	Bajaj International Provident Fund Institution	Secured non-convertible debentures issued	-	(0.10)	-	-

Notes:

* Transaction values 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 nature of related party transaction and hence are not disclosed.

* Name of the related party and nature of the related party relationship 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 management 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 (except deemed equity and preferential warrants) and are unsecured (except secured non-convertible debentures issued to related parties which are disclosed appropriately).

* Provisions for gratuity, compensated absences and other short-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.

* During the year, the Company subdivided its shares into face value from ₹ 2 to ₹ 1 per fully paid equity share and issued four fully paid bonus equity shares for every one fully paid equity share of face value ₹1 (refer note no. 23(a). These actions were uniformly applied to all equity shareholders, including related parties.

* During the year, the Company sold 16.66 crore shares of BHFL through Open Market mechanism by executing a bulk deal in secondary market. Consequently, the Company's shareholding in BHFL reduced from 88.75% to 86.70%.

* During the period, Bajaj Financial Securities Limited (Bfinsec) has charged brokerage and other transaction charges amounting to ₹ 4.47 crore (previous year ₹ 9.00 crore) related to sale of securities on behalf of the Company's loan against securities customers. The Company receives net sale value i.e. after deduction of these charges which are ultimately borne by its customers. The Company does not recognise these customer related charges in its Statement of Profit and Loss. Amount receivable from BFinsec as on 31 March 2026 is ₹ 4.91 crore (previous year ₹ 17.28 crore) towards such sale transaction on behalf of loan against shares customers has been shown as payable to customers.

* Non-convertible debentures (NCDs) transactions include only issuance from primary market,and outstanding balance is balances of NCDs held by related parties as on reporting date.

* The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (IND AS) 24.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

45 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note no. 45(A)

(₹ in crore)

S. No	Nature of relationship	Nature of Transaction	FY2025-26 Transaction Value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction Value	FY2024-25 Outstanding amounts carried in Balance Sheet
1	Close members of the families of key Management personnel of the entity or its parent	Contribution to equity (38,37,089 share of ₹ 1 each, adjusted for split and bonus, previous year 203,005 shares of ₹ 2 each)	-	(0.38)	-	(0.04)
		Dividend Paid	1.14	-	0.73	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (18,60,000 share of ₹ 1 each,adjusted for split and bonus, previous year 186,000 shares of ₹ 2 each)	-	(0.19)	-	(0.04)
		Dividend Paid	1.03	-	0.67	-

45 (C) Details of commitment given to related parties

(₹ in crore)

S No	Name of the related party and nature of relationship	Nature of Commitment	As at 31 March 2026	As at 31 March 2025
A.	**Subsidiaries**			
1	Bajaj Housing Finance Limited	Unsecured Flexi term loan facility (Up to 84 months tenor from the date of each drawal, and interest rate at arm's length)	2,500.00	2,500.00
2	Bajaj Financial Securities Limited	Unsecured Flexi term loan facility (Up to 24 months tenor from the date of each drawal, and interest rate at arm's length)	1,000.00	475.00
B.	**Fellow Subsidiaries**			
1	Bajaj Finserv Direct Limited	Information technology design and development charges paid	0.51	1.22
2	Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Insurance expenses on assets purchases	-	0.02
C.	**Associates**			
	Snapwork Technologies Private Limited	Information technology design and development charges paid	-	0.04
D.	**Entities in which KMP and close members of their famalies have significant influence**			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (Up to 12 months tenor from the date of disbursement and interest rate at arm's length)	110.00	89.00

45 (D) Summary of total compensation to Key management personnel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2026	2025
1	Short-term employee benefits	55.99	47.40
2	Share-based payment	47.64	52.39
		103.63	99.79

45 (E) Disclosure pursuant to Schedule V of clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures relating Loans and Advances/Investments

(₹ in crore)

S. No	Loans and Advances in the nature of Loans	FY2025-26 Outstanding at year end	FY2025-26 Maximum outstanding during the year	FY2024-25 Outstanding at year end	FY2024-25 Maximum outstanding during the year
1	**To Subsidiaries**				
	Bajaj Financial Securities Limited	-	725.00	525.00	730.00
2	**To Associates**			-	
	Pennant Technologies Private Limited	0.93	1.12	0.32	0.32
3	**To Firms/Companies in which Directors are Interested (other than (A) and (B) above**				
	Bajaj Auto Limited	25.14	25.14	10.06	10.06
	Bajaj Auto Technology Limited	2.29	2.29	0.47	0.47
	Bajaj Auto Credit Limited	0.93	1.03	0.42	0.42
	Bajel Projects Limited	-	76.00	21.00	108.00
4	**To Investments by the loanee in the shares of parent company and subsidiary company**	-		-	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

46 Capital

The Company actively manages its capital base to cover risks inherent to its business and meet the capital adequacy requirement of RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by 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 the risks inherent to its business and growth strategies. 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 the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Company monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of standalone profits after tax.

Further, the Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

(ii) Regulatory capital

(₹ in crore)

Particulars	As at 31 March 2026	2025
Tier I capital	95,751.27	82,233.86
Tier II capital	4,091.48	3,284.64
Total capital	99,842.75	85,518.50
Risk weighted assets	463,323.41	389,981.09
Tier I CRAR	20.67%	21.09%
Tier II CRAR	0.88%	0.84%
Total CRAR	21.55%	21.93%

46 Capital (Contd.)

(iii) Dividend distributions made and proposed

The Company recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Company. A corresponding amount is recognised directly in other equity.

Dividend on equity shares declared and paid during the year

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Dividend paid out of profits of previous year*	3,480.00	2,228.39
Profit for the relevant year	16,661.50	12,644.11
Dividend as a percentage of profit for the relevant year	20.89%	17.62%

* Includes amount paid ₹ 1.72 crore (Previous year ₹ 1.93 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as at 31 March 2026)

(₹ in crore)

Particulars	FY2025-26
Final dividend on equity share at ₹ 6 per share (a)	3,733.49
Profit after tax for the year ended 31 March 2026 (b)	17,803.87
Final dividend proposed as a percentage of profit after tax (a/b)	20.97%

47 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

48 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

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 of assets qualifying for fair valuation.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

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.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Company including risk, treasury and finance. The Company has an established procedure governing valuation which ensures 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 under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model.
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.
- The Company has also hedged some of its foreign currency exposure under external commercial borrowings using currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair values of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case of cash and cash equivalents, bank balances, trade receivables, short-term loans, floating rate loans, trade payables, short-term debts, borrowings, bank overdrafts and other current liabilities, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2026

(₹ in crore)

Particulars	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	451.84	-	-	451.84
Equity instruments designated under FVOCI (Unquoted)	-	-	526.95	526.95
Equity instruments designated under FVOCI (Quoted)	160.56	-	-	160.56
Debt instruments designated under FVOCI	22,549.20	3,312.66	-	25,861.86
Derivative financial instruments (net)	-	2,385.16	-	2,385.16
	23,161.60	5,697.82	526.95	29,386.37

48 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	5,308.34	-	-	5,308.34
Equity instruments designated under FVOCI (Unquoted)	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	316.99	-	-	316.99
Debt instrument designated under FVOCI	21,036.77	3,883.64	-	24,920.41
Derivative financial instruments (net)	-	176.44	-	176.44
	26,662.10	4,060.08	424.62	31,146.80

- The Company does not carry any financial asset and liability which is fair valued on a non recurring basis.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Opening balance	424.62	699.22
Acquisitions during the year	64.72	35.00
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from Level 3 to Level 1	-	(296.89)
Gains/(losses) recognised in other comprehensive income	37.61	(12.71)
Closing balance	526.95	424.62

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2026		Sensitivity to fair value as at 31 March 2025	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(28.96)	32.20	(28.51)	33.06
Cash flows	13.36	(12.15)	15.02	(13.10)

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost 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					
Loans	367,225.96	-	-	367,337.37	367,337.37
Investments	87.74	-	-	88.20	88.20
	367,313.70	-	-	367,425.57	367,425.57
Financial liabilities					
Debt Securities	133,527.08	-	133,633.97	-	133,633.97
Borrowings (other than debt securities)	118,000.45	-	-	118,007.13	118,007.13
Deposits	68,485.55	-	-	69,518.11	69,518.11
Subordinated liabilities	2,805.31	-	2,812.64	-	2,812.64
	322,818.39	-	136,446.61	187,525.24	323,971.85

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Loans	304,359.16	-	-	304,703.42	304,703.42
Investments	193.85	-	-	194.64	194.64
	304,553.01	-	-	304,898.06	304,898.06
Financial liabilities					
Debt Securities	111,010.88	-	112,546.20	-	112,546.20
Borrowings (other than debt securities)	89,737.66	-	-	89,726.79	89,726.79
Deposits	71,365.52	-	-	71,680.85	71,680.85
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	275,217.60	-	115,687.12	161,407.64	277,094.76

49 Financial risk management

A summary of the major risks arising from financial instrument which are 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	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations • when long-term assets cannot be funded at the expected term resulting in Cash flows mismatches; • Amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by – identification of gaps in the structural and dynamic liquidity. – assessment of incremental borrowings required for servicing repayment obligation, the Company's business plan and prevailing market conditions. – liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. • monitored by – assessment of the gap between maturity of its assets and liabilities – a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. – periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. • managed by the Company's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices	Board constituted RMC and ALCO	Market risk for the Company encompasses exposures to fair value movement in equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating rate assets and liabilities. The Company has a market risk management module which is integrated with it's treasury system; and • managed by the Company's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company.	Board constituted RMC, and Chief Risk Officer (CRO)	Credit risk is: • 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 sectoral exposure, and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. Internal capital adequacy assessment process (ICAAP) Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

49 Financial risk management (Contd.)

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, External commercial borrowings (ECBs), securitisation, public and other deposits and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Company maintain a healthy asset liability position and interest rate during the financial year ended 31 March 2026 (FY 2025-26). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 322,818.39 crore as of 31 March 2026 (previous year ₹ 275,217.60 crore). The weighted average cost of borrowing was 7.60% for FY 2025-26 (previous year 7.99%).

The Company continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain an average liquidity buffer of 4% to 6% of its overall net borrowings under various market scenario.

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, collateral management for derivative exposure, 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 mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2026, the Company maintained a LCR of 128.38% (previous year 124.93%), 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 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 Team (CMT) constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

The table below summarises the maturity profile of the undiscounted contractual cash flow of the Company's financial liabilities:

As at 31 March 2026

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 month	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	5,070.92	14,180.13	12,562.62	84,524.88	59,451.01	175,789.56
Borrowings (other than debt securities)	24,536.59	8,185.97	29,956.90	63,792.52	177.20	126,649.18
Deposits	3,030.75	7,431.84	26,449.83	38,524.17		75,436.59
Subordinated liabilities	-	48.90	2,238.52	648.90	-	2,936.32
Trade payables	691.30	424.88	165.23	-	-	1,281.41
Other payables	755.40	-	239.88	-	-	995.28
Other financial liabilities	947.52	57.88	641.59	788.07	376.47	2,811.53
	35,032.48	30,329.60	72,254.57	188,278.54	60,004.68	385,899.87

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	6,687.44	12,958.28	22,756.25	55,837.21	49,001.21	147,240.39
Borrowings (other than debt securities)	20,260.62	5,992.73	17,193.27	55,427.04	167.29	99,040.95
Deposits	2,657.78	5,303.17	24,494.98	48,167.66	-	80,623.60
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	787.91	219.42	113.78	-	-	1,121.11
Other payables	568.66	-	237.95	-	-	806.61
Other financial liabilities	373.29	72.92	491.34	737.17	267.46	1,942.18
	31,335.70	24,595.42	65,782.18	163,105.40	49,435.96	334,254.67

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	1,633.88	-	1,633.88	3,374.41	-	3,374.41
Bank balances other than cash and cash equivalents	10,799.62	672.32	11,471.94	9,079.04	1.94	9,080.98
Derivative financial instruments	980.38	1,404.78	2,385.16	-	201.97	201.97
Trade receivables	1,566.04	9.72	1,575.76	1,381.16	35.23	1,416.39
Loans	146,975.55	220,250.41	367,225.96	118,565.83	185,793.33	304,359.16
Investments	22,150.42	15,923.95	38,074.37	25,628.19	16,088.04	41,716.23
Other financial assets	3,739.63	433.10	4,172.73	2,136.94	289.98	2,426.92
Non-financial assets						
Current tax assets (net)	-	202.08	202.08	-	404.57	404.57
Deferred tax assets (net)	-	1,430.44	1,430.44	-	1,044.14	1,044.14
Property, plant and equipment	-	2,680.61	2,680.61	-	2,531.51	2,531.51
Capital work-in-progress	-	61.83	61.83	-	26.74	26.74
Intangible assets under development	-	57.43	57.43	-	12.46	12.46
Other intangible assets	-	1,043.69	1,043.69	-	1,043.14	1,043.14
Other non-financial assets	101.16	86.27	187.43	190.44	40.50	230.94
	187,946.68	244,256.63	432,203.31	160,356.01	207,513.55	367,869.56

49 Financial risk management (Contd.)

(₹ 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
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	-	-	25.53	-	25.53
Trade payables	1,281.41	-	1,281.41	1,121.11	-	1,121.11
Other payables	995.28	-	995.28	806.61	-	806.61
Debt securities	27,430.33	106,096.75	133,527.08	38,354.15	72,656.73	111,010.88
Borrowings (other than debt securities)	58,128.32	59,872.13	118,000.45	39,337.40	50,400.26	89,737.66
Deposits	34,212.12	34,273.43	68,485.55	29,570.80	41,794.72	71,365.52
Subordinated liabilities	2,206.00	599.31	2,805.31	448.44	2,655.10	3,103.54
Other financial liabilities						
Lease liabilities	236.70	926.19	1,162.89	207.07	824.92	1,031.99
Others	1,333.61	-	1,333.61	658.65	-	658.65
Non-financial liabilities						
Current tax liabilities (net)	175.54	-	175.54	54.97	-	54.97
Provisions	45.70	627.56	673.26	25.08	439.19	464.27
Other non-financial liabilities	629.02	11.57	640.59	462.42	30.70	493.12
	126,674.03	202,406.94	329,080.97	111,072.23	168,801.62	279,873.85

Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates, equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate assets 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 assets and liabilities, as follows:

Sensitivity Analysis as at 31 March 2026

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	85,502.79	855.03	(855.03)
Borrowings (other than debt securities)	66,031.14	(660.31)	660.31

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Sensitivity Analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	69,034.02	690.34	(690.34)
Borrowings (other than debt securities)	51,937.97	(519.38)	519.38

(ii) Price risk

The Company's quoted equity investments, mutual funds and Invit carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Company periodically monitors the sectors it has invested in, performance of the investee companies and measures mark- to- market gains/(losses).

Sensitivity Analysis as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	160.56	160.56	16.06	(16.06)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,549.20	22,549.20	225.49	(225.49)
Investment at FVTPL	451.84	451.84	4.52	(4.52)

Sensitivity Analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	316.98	316.98	31.70	(31.70)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	21,036.77	21,036.77	210.37	(210.37)
Investment at FVTPL	5,308.34	5,308.34	53.08	(53.08)

49 Financial risk management (Contd.)

(iii) Foreign currency risk

The Company is exposed to foreign currency fluctuation risk for its external commercial borrowing (ECB). The Company's borrowings in foreign currency are governed by extant RBI guidelines and Board approved policies. As a matter of prudence, the Company hedges the entire ECB exposure for the full tenure as per its Board approved Interest rate and currency risk hedging policy.

The Company evaluates its fully hedged cost for raising ECB. The Company manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

The Company's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Hedged		
ECB (USD 2,415 million, previous year USD 1,800 million)	(20,599.60)	(15,091.03)
Derivative financial instrument*	20,599.60	15,091.03
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument.

Foreign currency sensitivity impact on profit or loss and OCI:

The sensitivity to changes in exchange rates arises mainly from foreign-currency-denominated financial instruments and derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The resulting impact of movements in exchange rates on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Company has assumed a uniform increase and decrease of ±5% against the relevant foreign currencies to determine the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
USD sensitivity				
INR/USD - increase by 5%	-	-	1,164.52	789.13
INR/USD - decrease by 5%	-	-	(1,164.52)	(789.13)

Interest rate sensitivity impact on profit or loss and OCI:

The sensitivity to changes in interest rates arises from derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The impact of interest rate movements on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Company has considered a uniform increase and decrease of ±1% in the relevant interest rates to assess the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
Interest rate - increase by 1%	-	-	260.95	282.01
Interest rate - decrease by 1%	-	-	(268.96)	(290.77)

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Hedging policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument matches with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

Impact of hedge on the Balance Sheet

As at 31 March 2026

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-

As at 31 March 2025

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-

Movement in cash flow hedge reserve and cost of hedging reserve

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Movement in cash flow hedge reserve		
Balance at the beginning of the year	(96.53)	(8.87)
Changes in the fair value during the year	286.30	(117.14)
Deferred tax related to above (net)	(72.06)	29.48
Balance at the end of the year	117.71	(96.53)
Movement in cost of hedging reserve		
Balance at the beginning of the year	4.55	-
Changes in the fair value during the year	(30.68)	5.74
Amortisation of time value	45.52	0.25
Deferred tax related to above (net)	7.72	(1.44)
Balance at the end of the year	27.11	4.55

49 Financial risk management (Contd.)

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 spread across secured and unsecured products. 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: which are not credit impaired as on date 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 therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 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 instruments'. ECL uses three main components: PD (Probability of Default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no 3.3 (i).

The Company recalibrates components of its ECL model periodically by; (1) incorporating the available incremental and recent information, except where such information does not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Company has recalibrated various components of its ECL model and used them in redevelopement of the model. The changes to ECL model and its implementation are approved by Board and its Committee.

During the year, to enhance Balance sheet resilience and further strengthen its ECL framework, the Company introduced LGD flooring across various businesses. LGD flooring has been introduced as a more conservative and prudent approach to provisioning and the Company will continue the same over the medium term period.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="9">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates.</td><td rowspan="9">Empirical performance across different DPD (Days Past Due) ranges</td><td rowspan="15">100%</td><td rowspan="9">Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="4">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 or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Captive Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>MSME lending</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C</td><td>Personal loans to salaried, self employed customers, professionals</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td>Based on Management judgement</td></tr>
<tr><td>Open market Two and three wheeler finance</td><td>Open market Two and three wheeler financing</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Used Car loans</td><td>Used car financing</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates and management evaluation/judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Tractor/ Commercial Vehicle Finance</td><td>Financing for the purchase of tractor/ Commercial vehicle</td><td colspan="2" rowspan="2">Basis Industry Benchmark</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Micro financing</td><td>Loans provided under micro finance</td></tr>
<tr><td>New Car financing</td><td>New car loans</td><td colspan="2">Use of empirical default rates for Stage 1 and proxy from Used car finance for Stage 2</td><td>Use of empirical information for Stage 1 and proxy for Stage 2</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Loan against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

49 Financial risk management (Contd.)

The table below summarises stage wise gross carrying values and the associated allowances for expected credit loss (ECL) for loan portfolio:

As at 31 March 2026

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	180,458.38	1,393.39	1,866.56	187,232.20	2,919.52	2,922.07
Allowance for ECL	777.79	368.18	870.65	3,905.91	1,654.97	1,988.66
ECL coverage ratio	0.43%	26.42%	46.64%	2.09%	56.69%	68.06%

As at 31 March 2025

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	143,338.34	2,036.55	1,674.29	158,662.17	3,046.71	2,003.46
Allowance for ECL	538.19	427.72	790.69	2,229.50	1,249.61	1,166.65
ECL coverage ratio	0.38%	21.00%	47.23%	1.41%	41.02%	58.23%

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 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 effect in mitigating the Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Gold loans	Pledge of gold jewellery
MSME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loan against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.
Tractor and commercial Vehicle loans	Hypothecation of underlying vehicle

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 and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Company recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. 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 Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to qualifying customers.

Analysis of concentration risk

The Company focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically by incorporating available incremental and recent information. It is possible that internal estimates of PD, EAD 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 forecasted 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 Downside and Upside scenarios. The Company has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. On 8 April 2026, the MPC (Monetary Policy Committee of the RBI) opined that the intensity and the duration of the (West Asia) conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to withstand shocks now than in the past.

Additionally, the Company also reviewed the appropriateness of the Forward-looking Economic Guidance (FEG) assumptions used for Expected Credit Loss (ECL) assessment under Ind AS 109 by evaluating alternative scenario weightings of 75:15:10 and 80:15:5 for the central, downside and upside scenarios, respectively. In determining the most appropriate scenario, the Company considered (a) the RBI Governor's statement dated 8 April 2026 reaffirming the resilience of the Indian economy and supporting macro-economic indicators, (b) proactive measures undertaken by the Government of India to mitigate inflationary pressures by containing retail fuel price increases, including the reduction in special excise duties on petrol by ₹10 per litre and diesel, and (c) the stability of the Company's business operations, EMI default rates and collection efficiencies since the onset of the West Asia conflict.

Based on the above assessment, the scenario weights of 80:10:10 for the central, downside and upside scenarios, respectively, are considered appropriate for an unbiased estimation of the impact of macro-economic factors on ECL. The key scenario assumptions incorporate external economic forecasts and

49 Financial risk management (Contd.)

management estimates to ensure objectivity and balance in the measurement of credit risk. The Company will continue to closely monitor macro-economic conditions, geopolitical developments and portfolio performance, and will revise scenario weights and ECL provisions, as necessary, in response to emerging trends and uncertainties.

The Company uses multiple economic factors and tests their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Company evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), unemployment rate, crude oil prices and policy interest rates etc.

Real GDP (year on year rate) and unemployment rate (year on year rate with lag effect) reflected higher and acceptable correlation with past observed default rates and basis their linkage with Company's business were considered appropriate by the Management . Unemployment has a direct relation with the income levels and so with the growth of the economy from an expenditure side. GDP has a direct relation with the overall income levels and with the broader growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For unemployment, the Company has relied on data published by a leading business information provider tracking Indian economic indicators. In FY 2025-26, unemployment rate over the quarters has been oscillating around 6.3-7.7%. For the central scenario, it has considered the current unemployment level based on a quarterly average of 6.7% and assumed a gradual normalisation towards a long-term average of 5.2% by end of FY2027. Under the downside scenario, unemployment is assumed to peak at 11.5%, followed by a mean reversion trend, normalising to approximately 7.4%. In the upside scenario, factoring in improving employment trends and industrial recovery indicated by various surveys and studies, unemployment is assumed to improve to a best case level of 3.3% by June–September 2027, before reverting to the long-term average of 7.4%.

For Real GDP growth, the Company has based its assumptions on projections published by the Reserve Bank of India (RBI). With Real GDP growth at 7.3% year on year in Q4 FY 2025-26, it has adopted the RBI's projected growth rate of 6.9% year on year as the central scenario, with growth moderating to 6.3% over a three year horizon. In the downside scenario, considering ongoing uncertainties such as geopolitical developments and tariff related risks, GDP growth is assumed to decline to 3.3% in Q2 FY2027, aligned with the lowest pre COVID-19 levels, before normalising to around 6.3% within the following two years. In contrast, the upside scenario assumes an optimistic growth rate of 10.3% in Q2 FY2027, consistent with the highest pre COVID-19 levels, with growth averaging back to 6.3% over the subsequent two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Gross carrying amount of loans	376,792.12	310,761.52
Reported ECL on loans	9,566.16	6,402.36
Reported ECL coverage	2.54%	2.06%
Base ECL without macro-economic provisions	9,461.16	6,369.36
ECL amounts for alternate scenario		
Central scenario (80%)	9,520.51	6,415.30
Downside scenario (10%)	10,630.01	6,804.07
Upside scenario (10%)	8,867.49	5,897.20
Reported ECL	9,566.16	6,402.36
Macro-economic provisions	105.00	33.00
ECL Coverage ratios by scenario		
Central scenario (80%)	2.53%	2.06%
Downside scenario (10%)	2.82%	2.19%
Upside scenario (10%)	2.35%	1.90%

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

The Company has an Employee Stock Option Plan, 2009 ('ESOP Plan') duly approved by its Board of Directors and shareholders. As of 31 March 2025, total number of equity shares approved and reserved for issue under the ESOP plan were 35,071,160 equity shares of face value of ₹ 2 each. The ESOP plan covers employees of the Company and that of its Group companies including parent, subsidiaries, associates and any Successor company thereof.

As of 31 March 2026, consequent to the sub-division of equity shares from a face value of ₹ 2 each into ₹ 1 each and the issuance of bonus equity shares in the ratio of 4:1, total number of equity shares reserved for issue under the ESOP Plan were proportionately adjusted to 350,711,600 equity shares of face value ₹ 1 each.

The options issued under the ESOP Plan 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 and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Company has approved the following grants to eligible senior and middle level executives of the Company and its subsidiaries in accordance with the ESOP Plan. Details of grants given and the related disclosures up to the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 24-May-16	3.59 - 76.54	222,718,000	-	-	189,723,050	32,994,950	-	-
17-May-17	134.78	11,207,500	157,140	-	9,597,360	1,413,630	39,370	157,140
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	5,000	-	700,360	489,640	5,000	5,000
17-May-18	192.00	12,734,160	626,560	-	10,008,960	2,080,400	18,240	626,560
16-May-19	300.28	11,239,000	2,611,006	-	7,735,564	884,570	7,860	2,611,006
19-May-20	193.86	20,542,500	5,399,830	-	13,285,770	1,856,900	-	5,399,830
27-Apr-21	473.66	9,366,430	4,286,570	-	4,350,730	729,130	-	4,286,570
26-Apr-22	700.55	10,037,560	4,511,509	2,340,050	2,071,041	1,114,960	-	6,851,559
25-Jul-22	625.83	193,490	18,860	18,860	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	4,637,510	6,480,350	2,806,819	1,709,291	-	11,117,860
25-Apr-24	732.92	15,366,090	2,722,213	10,213,570	987,932	1,442,375	-	12,935,783
12-Sep-24	734.56	38,900	9,730	29,170	-	-	-	38,900
28-Apr-25	911.20	13,833,250	18,020	12,839,660	-	975,570	-	12,857,680
		344,274,350	25,003,948	31,921,660	241,586,856	45,691,416	70,470	56,925,608

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 20-May-15	3.59 - 44.82	208,418,000	-	-	177,676,800	30,741,200	-	-
24-May-16	76.54	14,300,000	242,500	-	11,803,750	2,253,750	-	242,500
17-May-17	134.78	11,207,500	474,350	-	9,293,280	1,413,630	26,240	474,350
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	10,000	-	700,360	489,640	-	10,000
17-May-18	192.00	12,734,160	1,405,900	-	9,257,010	2,062,140	9,110	1,405,900

50 Employee stock option plan (Contd.)

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
16-May-19	300.28	11,239,000	3,992,180	-	6,385,890	860,930	-	3,992,180
19-May-20	193.86	20,542,500	6,998,650	-	11,730,400	1,813,450	-	6,998,650
27-Apr-21	473.66	9,366,430	3,602,070	2,058,420	3,017,730	688,210	-	5,660,490
26-Apr-22	700.55	10,037,560	3,824,530	4,737,290	654,060	821,680	-	8,561,820
25-Jul-22	625.83	193,490	-	37,720	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	2,865,240	10,861,110	995,610	912,010	-	13,726,350
25-Apr-24	732.92	15,366,090	-	14,946,170	-	419,920	-	14,946,170
12-Sep-24	734.56	38,900	-	38,900	-	-	-	38,900
		330,441,100	23,415,420	32,679,610	231,834,160	42,476,560	35,350	56,095,030

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2025-26	FY2024-25	FY2024-25
Grant date	28-Apr-25	25-Apr-24	12-Sep-24
No. of options granted	13,833,250	15,366,090	38,900
Weighted average fair value (₹)	350.67	312.05	302.56

Following table depicts range of exercise prices and weighted average remaining contractual life:

For the year ended 31 March 2026

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	56,095,030	76.54-734.56	551.46	4.82
Granted during the year	13,833,250	911.20	911.20	
Cancelled during the year	3,214,856	192.00-911.20	736.13	
Lapsed during the year	35,120	134.78-300.28	191.39	
Exercised during the year	9,752,696	76.54-732.92	446.98	
Outstanding at the end of the year	56,925,608	134.78-911.20	646.58	4.65
Exercisable at the end of the year	25,003,948	134.78-911.20	480.41	2.77

For the year ended 31 March 2025

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	54,897,890	44.82-700.55	443.13	4.80
Granted during the year	15,404,990	732.92-734.56	732.92	
Cancelled during the year	1,643,380	473.66-732.92	658.39	
Lapsed during the year	22,240	134.78-192.00	158.21	
Exercised during the year	12,542,230	44.82-700.55	286.86	
Outstanding at the end of the year	56,095,030	76.54-734.56	551.46	4.82
Exercisable at the end of the year	23,415,420	76.54-700.55	385.89	2.91

The weighted average market price of equity shares for options exercised during the year is ₹ 943.60 (Previous year ₹ 754.27).

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan (Contd.)

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*	Options granted	Vesting period
25-Apr-24	7.10%	3.5 - 6.5 years	36.87%	0.41%	732.92	15,366,090	4 years on SLM basis
12-Sep-24	6.68%	3.5 - 6.5 years	36.29%	0.49%	734.56	38,900	4 years on SLM basis
28-Apr-25	6.11%	3.5 - 6.5 years	33.03%	0.40%	911.20	13,833,250	4 years on SLM basis

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Company has recognised ₹ 394.32 crore as employee benefit expenses (note no.35) towards employee stock option plan (Previous year ₹ 353.99 crore). As of 31 March 2026, the employee share options outstanding reserve is ₹ 1,157.76 crore (Previous year ₹ 934.86 crore).

(B) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the holding Company has approved grant of 183,050 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 Holding Company. The weighted average fair value of the option granted is ₹ 689.20. There has been no vesting and excercise during the year. As of 31 March 2026, the number of stock option outstanding (net of cancellation) is 119,930.

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 grant is:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

*Price of the underlying share in the market at the time of the option grant.

For the year ended 31 March 2026, the Company has recognised ₹ 0.88 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 4.38 crore).

51 Ultimate beneficiary

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 Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

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, 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.

52 Relationship with Struck off Companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended 31 March 2026 and 31 March 2025 are given below:

(₹ in crore)

S. No	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	Balance outstanding as at 31 March 2025
1	Abhilash Global Corporation Private Limited	Loan receivable	No	-	0.02
2	Adwave Publicity and Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	-	0.02
4	Astroid Pharma Private Limited	Loan receivable	No	-	0.01
5	Criper Garments (India) Private Limited	Loan receivable	No	-	-
6	CSE Computer Solutions East Private Limited	Loan receivable	No	-	0.06
7	D.H.Power Engineers Private Limited	Loan receivable	No	-	-
8	DVR Marine Exports Private Limited	Loan receivable	No	0.09	0.11
9	Enkoway Motors Private Limited	Loan receivable	No	-	-
10	Farm Protector Private Limited	Loan receivable	No	-	-
11	First Office Solutions India Private Limited	Loan receivable	No	-	0.01
12	Grabstance Technologies Private Limited	Loan receivable	No	-	-
13	Green Way Super Market Private Limited	Loan receivable	No	-	0.11
14	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
15	Indira Smart Systems Private Limited	Loan receivable	No	0.05	0.07
16	Koolair Systems Private Limited	Loan receivable	No	-	-
17	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
18	Mahakash Sales Private Limited	Loan receivable	No	-	-
19	Mechwing Engineering and Services Private Limited	Loan receivable	No	-	-
20	Memmo Global Telecommunications Private Limited	Loan receivable	No	-	-
21	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
22	Nature Bless International Private Limited	Loan receivable	No	-	-
23	Sawalka Autotech Private Limited	Loan receivable	No	-	1.17
24	Smart Choice Retail Private Limited	Loan receivable	No	-	-
25	Spice Flora (India) Private Limited	Loan receivable	No	-	-
26	Sri Beera Barji Trading Co. Private Limited	Loan receivable	No	-	-
27	Sustainable Technologies and Environmental Projects Private Limited	Loan receivable	No	-	-
28	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
29	Volando Tours Private Limited	Loan receivable	No	-	-
30	Yayin Enterprises Private Limited	Loan receivable	No	-	-
31	Aleem Autos Private Limited	Payables	No	-	-
32	Fident Wealth Private Limited	Payables	No	-	-
33	Impact Agencies Private Limited	Payables	No	-	-
34	Keen Financial Services Private Limited	Payables	No	-	-
35	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
36	Visakam Motors Private Limited	Payables	No	-	-

The above disclosure has been prepared basis the relevant information compiled by the Company on best effort basis.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

53 Disclosure pertaining to stock statement filed with banks or financial institutions

The Company has availed facilities (secured borrowings) from the lenders inter alia on the condition that, the Company shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year ended 31 March 2026 and previous year ended 31 March 2025, the quarterly statements or returns of current assets filed by the Company with banks or financial institutions are in agreement with books of accounts.

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time

(A) Capital

(₹ in crore)

Particulars		As at 31 March 2026	As at 31 March 2025
(i)	CRAR (%)	21.55%	21.93%
(ii)	CRAR -Tier I Capital (%)	20.67%	21.09%
(iii)	CRAR -Tier II Capital (%)	0.88%	0.84%
(iv)	Amount of subordinated liabilities raised as Tier II capital (Raised during the year ₹ Nil, previous year ₹ Nil)	2,805.31	3,103.54
(v)	Discounted value of tier II bonds considered for the purpose of Tier II capital	119.86	650.85

(B) Investments

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(I)	**Value of investments**			
	(i)	Gross value of investments		
		- In India	38,392.65	41,586.74
		- Outside India	-	-
	(ii)	Provisions for depreciation/amortisations/(appreciation)		
		- In India	318.28	(129.49)
		- Outside India	-	-
	(iii)	Net value of investments		
		- In India	38,074.37	41,716.23
		- Outside India	-	-
(II)	**Movement of provisions held towards depreciation/appreciation/ amortisation on investments**			
	(i)	Opening balance	(129.49)	(91.72)
	(ii)	Add: Provisions made during the year (net of appreciation)	403.85	(95.72)
	(iii)	Less: Writeoff/write back of excess provisions during the year	(43.92)	(57.95)
	(iv)	Closing balance	318.28	(129.49)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(C) Derivatives

(I) Forward rate agreement/interest rate swap

(₹ in crore)

Particulars		As at 31 March 2026	As at 31 March 2025
(i)	The notional principal of swap agreements	4,567.29	643.74
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the applicable NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps#	-	-
(v)	The fair value of the swap book, net	40.36	(2.95)

- For accounting policy and risk management policy. (refer note no. 3.11 and 49)

#Concentration of credit risk arising from swaps with banks.

(II) Exchange traded interest rate derivatives

The Company has not traded in exchange traded interest rate derivative during the current and previous year.

(III) Disclosures on risk exposure in derivatives

Qualitative disclosure

Details for qualitative disclosure are part of accounting policy as per financial statements. (refer note no. 3.11 and 49)

Quantitative disclosure

(₹ in crore)

Particulars		As at 31 March 2026		As at 31 March 2025	
		Currency derivatives*	Interest rate derivatives	Currency derivatives*	Interest rate derivatives
(i)	Derivatives (notional principal amount) for hedging	20,599.60	4,567.29	15,091.03	643.74
(ii)	Marked to market positions				
	(a) Asset	2,344.80	40.36	201.97	-
	(b) Liability	-	-	22.58	2.95
(iii)	Credit exposure**	3,923.48	86.03	1,855.55	6.44
(iv)	Unhedged exposures#	-	-	-	-

*Includes cross currency interest rate swaps

Refer Foreign Currency risk under note no. 49

**Credit Exposure is calculated using current exposure method i.e. converting the notional amount of the derivative transaction into a credit equivalent amount by multiplying the amount by the specified credit conversion factor and addition of gross positive mark-to-market value of all contracts as specified in Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025.

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(D) Asset Liability Management - maturity pattern of certain items of assets and liabilities*

As at 31 March 2026

(₹ in crore)

Particulars	Over 1 day to 7 days	Over 8 days to 14 days	Over 15 days to 30 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	1,088.94	567.51	1,579.78	4,083.01	3,460.10	10,055.31	14,707.34	31,654.38	1,289.17	-	68,485.55
Advances ((loans)	12,064.85	2,763.52	8,574.41	19,979.43	17,614.10	42,813.51	75,930.01	131,952.29	33,753.73	21,780.11	367,225.96
Investments	9,241.81	39.61	12,605.04	17.49	3.05	42.77	200.65	932.02	460.62	14,531.31	38,074.37
Borrowings	19,109.55	4,136.67	5,895.60	9,428.14	13,398.52	11,474.54	27,418.88	64,506.16	38,247.19	37,850.62	231,465.87
Foreign currency liabilities	-	-	12.17	10.96	35.87	-	6,850.41	15,957.57	-	-	22,866.97

As at 31 March 2025

(₹ in crore)

Particulars	Over 1 day to 7 days	Over 8 days to 14 days	Over 15 days to 30 days	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Deposits	869.90	489.41	1,516.06	2,432.51	3,101.68	8,037.42	14,976.48	34,890.11	5,051.95	-	71,365.52
Advances (loans)	10,678.90	2,851.24	6,803.66	17,290.63	14,782.49	36,767.68	56,074.06	109,520.42	29,159.36	20,430.72	304,359.16
Investments	14,961.02	-	10,386.70	51.84	8.08	48.50	152.04	3,754.89	145.19	12,207.97	41,716.23
Borrowings	19,912.09	3.13	7,239.61	8,666.99	9,024.04	9,049.56	24,209.75	54,301.02	28,220.38	27,851.88	188,478.45
Foreign currency liabilities	-	-	-	6.84	27.97	-	-	15,338.82	-	-	15,373.63

*Amounts disclosed as per the behaviouralised pattern

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(E) Exposures

(I) Exposure to real estate sector

(₹ in crore)

Category			As at 31 March 2026	As at 31 March 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	12,573.03	9,208.25
	(b)	Commercial real estate lending secured by mortgages on commercial real estates	11,347.01	10,178.03
	(c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures:	-	
		- Residential	87.74	140.28
		- Commercial real estate	-	-
(ii)	**Indirect Exposure**			
		Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	4,841.12	4,632.82
		Investment in Housing Finance Companies	8,954.83	9,121.43

-In addition to above, the Company has loan exposures amounting ₹ 10,329.28 crore as on 31 March 2026 (Previous year ₹ 8,146.44 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

(₹ in crore)

Particulars		As at 31 March 2026	As at 31 March 2025
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer note (a) below)	12,045.99	11,979.58
(ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds; (Refer note (b) below)	1,543.01	4,590.45
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security; (Refer note (c) & (d) below)	46,013.46	38,042.32
(iv)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,495.95	1,842.50
(v)	Financing to stockbrokers for margin trading	1,132.60	721.58
		62,231.01	57,176.43

Note:

(a) Includes investments in equity shares of own subsidiaries amounting to ₹ 10,625.21 crore current year (Previous year ₹ 10,191.81 crore)

(b) Includes advances against pledge of shares of companies where the borrower is a promoter, amounting to ₹ 80.49 crore in the current year (previous year ₹55.41 crore).

(c) Includes advances against pledge of shares of companies where the borrower is a promoter, amounting to ₹ 9,701.49 crore in the current year (previous year ₹8,066.85 crore).

(d) Includes advances extended against the pledge of existing shares/securtiries.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(III) Intra-group exposures

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total amount of intra-group exposures	15,040.17	14,561.13
Total amount of top 20 intra-group exposures	15,040.17	14,561.13
Percentage of intra-group exposures to total exposure of the borrowers/ customers	3.10%	3.54%

- Includes credit exposure (funded and non-funded credit limits) and investment exposure

(IV) Unhedged foreign currency exposure

The Company's exposure of unhedged foreign currency risk at the end of the reporting period is ₹ Nil (Previous year ₹ Nil). (refer note no. 49(b)(iii)).

(V) Details of financing of Parent Company products

The Company does not have any financing of Parent Company products during the current and previous year.

(VI) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded

The Company has not exceeded the prudential exposure limits during the current and previous year.

(VII) Unsecured advances

Gross loans and advances includes unsecured advances ₹ 1,93,073.79 crore (Previous year ₹ 163,712.34 crore). Unsecured advances constitutes 51.24% (Previous year 52.68%) of the total loans and advances. There are no advances secured against intangible assets.

(F) Registration obtained from other financial sector regulators

Regulators	Registration no.	Valid Up to
Insurance Regulatory and Development Authority of India (IRDAI) - Corporate agent	CA0101	Valid till 31-Mar-28
AMFI Registered Mutual Fund Advisor (ARMFA)	ARN - 90319	Valid till 26-June-28

(G) Details of penalties and strictures imposed by RBI and other regulators

Current year:

No penalty levied during the year

Previous year:

IRDAI levied a penalty of ₹ 2 crore on Bajaj Finance Limited on 15 July 2024 for non-adherence of IRDAI (Registration of Corporate Agents) Regulations, 2015, (i) with respect to reconciliation of commission and professional fees received and that reported to the Authority; and (ii) with respect to maintenance of records of customer documentation. Further, IRDAI also issued additional directions to the Company and advised the Company to comply with those directions in a time-bound manner. The Company had taken necessary corrective actions in this respect.

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(H) Details of ratings assigned by credit rating agencies and migration of ratings during the year

Rating agency	Programme	Ratings assigned	Migration in ratings during the year
India Ratings	Non-convertible debenture	IND AAA/Stable	Nil
	Subordinate debt	IND AAA/Stable	Nil
	Long-term bank rating	IND AAA/Stable	Nil
	Short-term bank rating	IND A1+	Nil
CRISIL	Non-convertible debenture	CRISIL AAA/Stable	Nil
	Lower tier II bond	CRISIL AAA/Stable	Nil
	Fixed deposit	CRISIL AAA/Stable	Nil
	Long-term bank rating	CRISIL AAA/Stable	Nil
	Short-term bank rating	CRISIL A1+	Nil
	Subordinate debt	CRISIL AAA/Stable	Nil
	Short-term debt	CRISIL A1+	Nil
ICRA	Non-convertible debenture	ICRA AAA/Stable	Nil
	Fixed deposit	ICRA AAA/Stable	Nil
	Subordinate debt	ICRA AAA/Stable	Nil
	Short-term debt	ICRA A1+	Nil
CARE	Non-convertible debenture	CARE AAA/Stable	Nil
	Subordinate debt	CARE AAA/Stable	Nil
Moody's	Entity level	Baa3 Corporate Family Rating (CFR)/Stable	New Corporate Family Rating Assigned. Withdrawal of old Baa3 (long-term)/P-3 (short-term) rating
S&P Global	Entity level	Long-term issuer rating of 'BBB' with Stable outlook	Upgraded from BBB- with Positive outlook
		Short-term rating of 'A-2'	Upgraded from A-3

- S&P Global ratings, on 14 August 2025, upgraded long-term outlook for the Company from 'BBB-/Positive/A-3' to BBB/Stable/A-2
- S&P Global ratings, on 14 August 2025, Company's standalone credit profile (SACP) rating remains unchangedfrom 'bbb' to 'bbb'

(I) Remuneration of non-executive Directors

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Anami N Roy	1.85	1.51
Dr. Naushad Forbes	0.77	1.20
Dr. Arindam Bhattacharya	0.94	0.70
Pramit Jhaveri	1.70	1.60
Radhika Haribhakti	1.39	0.96
Rajiv Bajaj	0.29	0.35
Sanjiv Bajaj	7.20	5.40
Ajay Kumar Choudhary (appointed w.e.f. 1 February 2025)	1.22	0.05
Tarun Bajaj (appointed w.e.f. 1 August 2024)	1.37	0.25

-Excluding taxes

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(J) Provisions and contingencies

(₹ in crore)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2026	2025
Provision for non performing assets*	901.97	489.05
Provision for income tax (including adjustment for earlier years)	6,230.00	5,104.03
Provision for standard assets**	2,261.83	1,395.21
Provision for employee benefits	190.23	79.04
Other provisions and contingencies	17.63	2.58

* Represents impairment loss allowance on stage 3 loans

** Represents impairment loss allowance on stage 1 and stage 2 loans

(K) Draw Down from Reserves

During the year, the Company has not drawn down any amount from reserves.

(L) Concentration of deposits, advances, exposures and NPAs

(I) Concentration of deposits

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total deposits of twenty largest depositors	13,346.95	11,194.76
Percentage of deposits to twenty largest depositors to total deposits	19.49%	15.69%

(II) Concentration of advances

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total advances to twenty largest borrowers	14,951.00	14,032.99
Percentage of advances to twenty largest borrowers to total advances	3.35%	3.80%

- Includes credit exposure (funded and non-funded credit limits).

(III) Concentration of exposures

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total exposure to twenty largest borrowers/customers#	25,576.21	24,224.80
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	5.28%	5.89%

- Includes credit exposure (funded and non-funded credit limits) and investment exposure.

Includes credit exposure (funded and non-funded) as well as investment exposure in respect of twenty largest borrowers.

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(IV) Concentration of NPs

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total exposure to top four NPA accounts	41.23	39.43

- The above exposures denotes gross carrying amount

(V) Sectoral exposure

Sector	As at 31 March 2026 Total Exposure (includes on Balance Sheet and off-Balance Sheet exposure) (₹ in crore) (A)	Gross NPAs (B)	Percentage of Gross NPAs to total exposure in that sector (B/A)*	As at 31 March 2025 Total Exposure (includes on Balance Sheet and off-Balance Sheet exposure) (₹ in crore) (A)	Gross NPAs (B)	Percentage of Gross NPAs to total exposure in that sector (B/A)*
1. Agriculture and allied activities	3,159.45	17.48	0.55%	1,221.59	17.78	1.46%
2. Industry	33,192.99	297.45	0.90%	27,835.58	156.51	0.56%
i. Other industries	18,365.78	286.13	1.56%	12,825.40	156.51	1.22%
ii. Industry - Large	14,827.21	11.32	0.08%	15,010.18	-	0.00%
3. Services	135,111.26	1,771.14	1.31%	115,371.77	1,015.64	0.88%
i. Transport operators	7,049.86	428.49	6.08%	7,615.91	334.98	4.40%
ii. Professional services	25,831.31	349.06	1.35%	21,575.18	134.37	0.62%
iii. Retail Trade	33,876.30	729.66	2.15%	29,421.68	412.49	1.40%
iv. Commercial real estate	11,347.01	1.22	0.01%	10,178.03	0.30	0.00%
v. NBFCs	20,677.26	14.32	0.07%	18,807.47	0.87	0.00%
vi. Other services	36,329.52	248.39	0.68%	27,773.50	132.63	0.48%
Of 3. Services:						
(a) Micro and small enterprises	29,280.17	728.67	2.49%	24,307.85	289.49	1.19%
(b) Large enterprises	18,707.00	-	0.00%	17,793.98	-	0.00%
(c) Others	87,124.09	1,042.47	1.20%	73,269.94	726.15	0.99%
4. Personal Loans	275,197.33	2,702.56	0.98%	225,184.45	2,487.82	1.10%
i. Consumer durables	45,832.16	197.28	0.43%	35,476.18	217.43	0.61%
ii. Vehicle/auto loans	22,274.79	583.64	2.62%	22,186.64	704.49	3.18%
iii. Advances to Individuals against shares, bonds	18,886.28	2.74	0.01%	18,449.75	0.58	0.00%
iv. Advances to individuals against gold	17,836.84	58.10	0.33%	8,311.66	24.95	0.30%
v. Other retail loans	170,367.26	1,860.80	1.09%	140,760.22	1,540.37	1.09%
	446,661.03	4,788.63	1.07%	369,613.39	3,677.75	1.00%

*As per the disclosure requirement for the purpose of above disclosure GNPA ratio is computed on total exposure (includes on Balance Sheet and off-Balance Sheet exposure) i.e Percentage of Gross NPAs to total exposure to respective sectors. Actual GNPA ratio of the Company is computed on the basis of on Balance Sheet exposure and accordingly are not comparable.

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(M) Movement of NPAs

(₹ in crore)

Particulars			For the year ended 31 March 2026	2025
(i)	**Net NPAs to net advances (%)**		0.52%	0.56%
(ii)	**Movement of NPAs (Gross)**			
	(a)	Opening balance	3,677.75	2,600.38
	(b)	Additions during the year	13,239.67	11,044.26
	(c)	Reductions during the year (including loans written-off)	12,128.79	9,966.89
	(d)	Closing balance	4,788.63	3,677.75
(iii)	**Movement of net NPAs**			
	(a)	Opening balance	1,720.41	1,132.09
	(b)	Additions during the year	683.94	1,100.52
	(c)	Reductions during the year	475.03	512.20
	(d)	Closing balance	1,929.32	1,720.41
(iv)	**Movement of provisions for NPAs**			
	(a)	Opening balance	1,957.34	1,468.29
	(b)	Provisions made during the year	12,555.73	9,943.74
	(c)	write-off/write-back of excess provisions	11,653.76	9,454.69
	(d)	Closing balance	2,859.31	1,957.34

(N) Disclosure of complaints

Customer complaints

Particulars	For the year ended 31 March 2026	2025
Number of complaints pending at the beginning of the year	3	10
Number of complaints received during the year	17,256	5,446
Number of complaints disposed during the year	17,259	5,453
Of which, number of complaints rejected during the year	6,337	829
No. of complaints pending at the end of the year	-	3

In lieu of 'Reserve Bank of India (Non-Banking Financial Companies - Internal Ombudsman) Directions, 2026', issued on 14 January 2026, the definition of Complaint has been modified to also include alleging deficiency in service on the part of NBFC as a Complaint. Thus, the previous year details are not comparable.

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

Complaints from Office of Ombudsman

Particulars	For the Year ended 31 March 2026	2025
Number of maintainable complaints received from Office of Ombudsman	2,434	1,612
Number of complaints resolved in favour by Office of Ombudsman	1,246	749
Number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	1,045	649
Number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
Others#	143	214
Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme

#Others includes RBI escalations for which closure details are not available, cases received over email, and which have been subsequently rejected etc.

Top five grounds of complaints received from customers

Grounds of complaints	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Number of complaints pending beyond 30 days
FY 2025-26					
Debt management services	-	5,956	211%	-	-
Payments (wallet) related	-	1,236	133%	-	-
Sales process related	-	992	85%	-	-
Foreclosure related	-	902	14933%	-	-
EMI Card related	-	876	9633%	-	-
Others	3	7,294	198%	-	-
	3	17,256	-	-	
FY 2024-25					
Debt management services	-	1,914	36%	-	-
Co-branded credit card	10	714	(56%)	3	3
Customer profile related	-	531	31%	-	-
Payments (wallet) related	-	531	(51%)	-	-
Communication related	-	446	1015%	-	-
Others	-	1,310	20%	-	-
	10	5,446		3	3

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(O) Disclosure of gold loan portfolio

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Total gold loan portfolio	17,836.84	8,311.66
Total assets (Loans)	376,792.12	310,761.52
Gold loan portfolio as % of total assets	4.73%	2.67%

- The above exposures denotes gross carrying amount

(P) Disclosure of gold auction

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Number of loan accounts	5,655	11,605
Outstanding amount	31.91	96.27
Value fetched on auctions	44.82	104.36

- None of the sister concerns of the Company participated in the auction.

(Q) The disclosures as required by the Master Direction -Fraud Risk Management in NBFCs (Reserve Bank) Directions, 2024

	For the year ended 31 March 2026		For the year ended 31 March 2025	
Particulars	**No. of cases**	**₹ in crore**	**No. of cases**	**₹ in crore**
Lending related fraud	2,846	64.84	1,735	43.14
Wallet related fraud	149	0.32	1,044	0.92

(R) Disclosures as required for liquidity risk

(I) Funding concentration based on significant counterparty (both deposits and borrowings)

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Borrowings		
Number of significant counter parties	17	17
Amount (₹ in crore)	141,948.28	107,496.80
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	43.13%	38.41%

(II) Top 20 large deposits

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Total amount of top 20 deposits	13,346.95	11,194.76
Percentage of amount of top 20 deposits to total deposits	19.49%	15.69%

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(III) Top 10 borrowings

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total amount of top 10 borrowings	111,624.81	83,414.57
Percentage of amount of top 10 borrowings to total borrowings	34.58%	30.31%

(IV) Funding concentration based on significant instrument/product

(₹ in crore)

Particulars	As at 31 March 2026	Percentage of total liabilities	As at 31 March 2025	Percentage of total liabilities
Non-convertible debentures	114,434.88	34.77%	89,654.74	32.03%
Deposits	68,485.55	20.81%	71,365.52	25.50%
Loans from bank	65,170.77	19.80%	50,766.34	18.14%
Term loans from Developement Financial Institutions	8,280.91	2.52%	6,533.36	2.33%
Commercial paper	19,092.20	5.80%	21,356.14	7.63%
External commercial borrowings	22,866.97	6.95%	15,373.63	5.49%
Repurchase Agreement borrowings (Repo)	6,350.75	1.93%	3,929.78	1.40%
TREPs	8,636.93	2.62%	11,380.87	4.07%
Securitisation liabilities	6,694.12	2.03%	1,753.68	0.63%
Subordinated liabilities	2,805.31	0.85%	3,103.54	1.11%

(V) Stock ratios

Particulars		As at 31 March 2026	2025
(i)	Commercial paper as a percentage of total public funds*	5.91%	7.76%
(ii)	Commercial paper as a percentage of total liabilities#	5.80%	7.63%
(iii)	Commercial paper as a percentage of total assets	4.42%	5.81%
(iv)	Other short-term liabilities## as a percentage of total public funds	33.33%	32.60%
(v)	Other short-term liabilities## as a percentage of total liabilities#	32.69%	32.06%
(vi)	Other short-term liabilities## as a percentage of total assets	24.89%	24.39%
(vii)	Non-convertible debentures** as a percentage of total public funds	NA	NA
(viii)	Non-convertible debentures** as a percentage of total liabilities#	NA	NA
(ix)	Non-convertible debentures** as a percentage of total assets	NA	NA

*Public funds includes funds raised either directly or indirectly through public deposits, inter-corporate deposits, bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc. but excludes funds raised by issue of instruments compulsorily convertible into equity shares within a period not exceeding 5 years from the date of issue

** Non-convertible debentures with original maturity of less than one year

Total liabilities comprises of total financial liabilities and total non-financial liabilities

Other short-term liabilities comprises of all liabilities maturing within one year excluding commercial paper

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(VI) Institutional set-up for liquidity risk management

For qualitative disclosure on liquidity risk management, refer note no. 49.

Quarter on quarter Liquidity Coverage Ratio for the financial year ended 31 March 2026:

(₹ in crore)

		Q1 FY26		Q2 FY26		Q3 FY26		Q4 FY26	
	High Quality Liquid Assets (HQLA)	**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)**
1	Total High Quality Liquid Assets (HQLA)	12,285.61	11,134.29	12,567.83	11,375.70	13,144.51	11,914.84	13,677.46	12,532.04
	Cash Outflows								
2	Deposits (for deposit taking companies)	2,697.98	3,102.68	2,717.64	3,125.29	2,694.10	3,098.21	3,730.91	4,290.55
3	Unsecured wholesale funding	5,500.72	6,325.83	2,496.19	2,870.62	4,317.09	4,964.65	4,780.14	5,497.16
4	Secured wholesale funding	3,510.81	4,037.43	2,700.45	3,105.52	4,399.47	5,059.40	5,275.34	6,066.64
5	Additional requirements, of which	2,761.69	3,175.94	2,390.89	2,749.52	2,605.04	2,995.80	2,684.43	3,087.09
	(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	2,761.69	3,175.94	2,390.89	2,749.52	2,605.04	2,995.80	2,684.43	3,087.09
6	Other contractual funding obligations	2,780.16	3,197.18	3,292.68	3,786.58	2,675.18	3,076.45	2,676.68	3,078.18
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	**17,251.36**	**19,839.06**	**13,597.85**	**15,637.53**	**16,690.88**	**19,194.51**	**19,147.50**	**22,019.62**
	Cash Inflows								
9	Secured lending	419.27	314.45	39.51	29.63	52.69	39.52	106.45	79.84
10	Inflows from fully performing exposures	16,728.94	12,546.71	17,186.37	12,889.78	17,979.55	13,484.66	19,491.13	14,618.35
11	Other cash inflows	18,063.87	13,547.90	17,031.83	12,773.87	19,900.42	14,925.32	19,781.29	14,835.97
12	**Total cash inflows**	**35,212.08**	**26,409.06**	**34,257.71**	**25,693.28**	**37,932.66**	**28,449.50**	**39,378.87**	**29,534.16**
		Total adjusted value		**Total adjusted value**		**Total adjusted value**		**Total adjusted value**	
13	Total HQLA		11,134.29		11,375.70		11,914.84		12,532.04
14	Total net cash outflow		4,959.77		3,909.38		4,798.63		5,504.90
15	Liquidity coverage ratio (%)		224.49%		290.98%		248.30%		227.65%
	High Quality Liquid Assets (HQLA)	**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)**
1	Assets to be included as HQLA without any haircut	6,415.11	6,415.11	6,607.19	6,607.19	6,996.18	6,996.18	7,950.37	7,950.37
	(a) T-Bills	5,520.40	5,520.40	5,330.43	5,330.43	5,880.95	5,880.95	7,107.41	7,107.41
	(b) Bank balance	894.71	894.71	1,276.76	1,276.76	1,115.23	1,115.23	842.96	842.96
2	Assets to be considered for HQLA with a minimum haircut of 15%	455.60	387.26	-	-	-	-	-	-
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 - Government Securities	5,414.90	4,331.92	5,960.64	4,768.51	6,148.33	4,918.66	5,727.09	4,581.67
	Total HQLA	**12,285.61**	**11,134.29**	**12,567.83**	**11,375.70**	**13,144.51**	**11,914.84**	**13,677.46**	**12,532.04**

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

Quarter on quarter Liquidity Coverage Ratio for the financial year ended 31 March 2025

(₹ in crore)

		Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
High Quality Liquid Assets		**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)**
1	Total High Quality Liquid Assets (HQLA)	14,738.12	13,692.81	13,838.75	12,663.08	10,541.27	9,490.20	13,222.46	12,046.14
	Cash Outflows								
2	Deposits (for deposit taking companies)	2,712.48	3,119.36	2,566.05	2,950.96	3,061.68	3,520.93	3,271.19	3,761.87
3	Unsecured wholesale funding	5,135.99	5,906.39	5,469.35	6,289.75	1,921.67	2,209.92	2,032.22	2,337.05
4	Secured wholesale funding	3,402.63	3,913.02	2,122.85	2,441.28	2,930.16	3,369.68	4,024.64	4,628.34
5	Additional requirements, of which	2,511.07	2,887.74	2,312.83	2,659.76	2,324.11	2,672.73	2,805.18	3,225.95
	(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	2,511.07	2,887.74	2,312.83	2,659.76	2,324.11	2,672.73	2,805.18	3,225.95
6	Other contractual funding obligations	2,416.37	2,778.83	2,944.66	3,386.36	2,420.25	2,783.28	2,408.06	2,769.27
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	**Total Cash outflows**	16,178.54	18,605.34	15,415.74	17,728.11	12,657.87	14,556.54	14,541.30	16,722.49
	Cash Inflows								
9	Secured lending	21.42	16.06	78.04	58.53	26.11	19.58	81.29	60.97
10	Inflows from fully performing exposures	14,090.11	10,567.58	14,080.32	10,560.24	15,300.32	11,475.24	16,409.23	12,306.92
11	Other cash inflows	13,391.08	10,043.31	21,185.56	15,889.17	17,040.45	12,780.34	16,531.28	12,398.46
12	**Total cash inflows**	27,502.61	20,626.95	35,343.92	26,507.94	32,366.88	24,275.16	33,021.80	24,766.35
		Total adjusted value		**Total adjusted value**		**Total adjusted value**		**Total adjusted value**	
13	Total HQLA		13,692.81		12,663.09		9,490.20		12,046.14
14	Total net cash outflow		4,651.33		4,432.03		3,639.14		4,180.62
15	Liquidity coverage ratio (%)		294.38%		285.72%		260.78%		288.14%

High Quality Liquid Assets (HQLA)		**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)**
1	Assets to be included as HQLA without any haircut	9,511.59	9,511.59	7,960.41	7,960.41	5,285.90	5,285.90	7,340.89	7,340.89
	(a) T-Bills	8,628.89	8,628.89	7,018.83	7,018.83	4,423.49	4,423.49	6,501.68	6,501.68
	(b) Bank balance	882.70	882.70	941.58	941.58	862.41	862.41	839.21	839.21
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 - Government Securities	5,226.53	4,181.22	5,878.34	4,702.67	5,255.37	4,204.30	5,881.57	4,705.25
	Total HQLA	**14,738.12**	**13,692.81**	**13,838.75**	**12,663.08**	**10,541.27**	**9,490.20**	**13,222.46**	**12,046.14**

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein Balance Sheet carries a strong liquidity for short-term cash flow requirements. To ensure strong liquidity NBFCs 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 its treasury team under the guidance from the Asset Liability Committee (ALCO) governed by 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 days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%. The LCR is computed by dividing the stock of HQLA by its total net cash outflows over 30 days stress period.

The borrowing profile of the Company is well diversified across Debt and Money Markets, Bank borrowings, Deposits, External Commercial Borrowings and Securitisation to ensure that there arent any undue concentration on the funding sources. The Company further ensures minimal dependence on short-term liabilities to reduce stress on cash flows. As mandated by the Board approved policy, all derivative transactions are done for the purpose of hedging and Variation Margin settlements are done in concurrance with RBI guidelines and this ensures any impact on maintenance of LCR due to sudden collateral calls is limited . Additionally, Company does not have any unhedged foreign currency exposure on its Balance Sheet and hence the impact on LCR due to currency mismatch is NIL.

The Company for purpose of computing outflows, has considered: (1) all the contractual debt repayments, (2) committed credit facilities contracted with the subsidiaries and customers, and (3) other expected or contracted cash outflows. Inflows comprise of: (1) expected receipts from all performing loans, and (2) liquid investments which are unencumbered and have not been considered as part of HQLA.

For the purpose of HQLA the Company considers: (1) Unencumbered Government securities, (2) Cash and Bank balances and (3) Pledged Government Securities for purpose of Statutory Liquid Ratio (SLR) with haircut of 20%.

(S) Loans to Directors, Senior Officers and relatives of Directors

(₹ in crore)

	Aggregate amount of such sanctioned loans and advances	
	For the year ended 31 March	
Particulars	**2026**	**2025**
Directors and their relatives	0.03	-
Entities associated with directors and their relatives		
Bajaj Financial Securities Limited	Flexi loan facility upto ₹ 1,000 crore	-
Bajel Projects Limited	Flexi loan facility upto ₹ 110 crore	Flexi loan facility upto ₹ 110 crore
Other entities associated with directors and their relatives	73.15	11.94
Senior Offices and their relatives	0.43	0.15

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(T) Disclosure of transactions with related parties

(₹ in crore)

S. No.	Item/Related Party	1. Parent (as per ownership or control)		2. Subsidiaries		3. Associate		4. Director	
		31 March		31 March		31 March		31 March	
		2026	2025	2026	2025	2026	2025	2026	2025
(A)	**Details of Related party transactions during the year ended**								
1	Borrowings	-	-	-	-	-	-	-	-
2	Deposits	-	-	-	-	42.91	40.00	-	0.00
3	Placement of deposits	1.30	-	-	-	-	-	-	-
4	Advances	-	-	47,007.00	19,170.00	0.94	0.32	0.02	-
5	Investmets	-	-	600.00	2,200.00	-	-	-	-
6	Purchase of fixed/other assets	-	-	1.05	0.93	-	-	-	-
7	Sale of fixed/other assets	0.85	-	0.62	0.49	-	-	-	0.02
8	Interest paid	113.71	93.74	-	-	3.06	1.80	0.00	0.00
9	Interest received	-	-	1.88	5.48	0.07	0.00	-	-
10	Others - Loan portfolio Assigned in	-	-	3,645.28	3,361.67	-	-	-	-
11	Others - Dividend paid	1,788.45	1,144.14	-	-	-	-	2.65	1.69
12	Others - Proceeds for conversion of 1,550,000 warrants	-	891.64	-	-	-	-	-	-
13	Others	20.38	21.05	61.36	112.09	55.52	51.25	43.00	39.32
		1,924.69	2,150.56	51,317.19	24,850.66	102.50	93.38	45.67	41.03
(B)	**Outstanding Balances for the year ended**								
1	Borrowings	(300.00)	(800.00)	-	-	-	-	-	-
2	Deposits	(550.00)	(550.00)	-	-	(42.91)	(40.00)	-	(0.01)
3	Placement of deposits	1.30	-	0.08	0.08	-	-	-	-
4	Advances	-	-	-	525.00	1.06	0.32	-	-
5	Investmets	-	-	10,625.21	10,191.81	360.20	360.20	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	-	-	-
7	Sale of fixed/other assets	-	-	-	0.03	-	-	-	-
8	Interest paid	(114.06)	(69.78)	-	-	(1.46)	(1.62)	-	(0.00)
9	Interest received	-	-	-	-	-	-	-	-
10	Others - Contribution to equity shares of BFL	(319.37)	(63.87)	-	-	-	-	(0.47)	(0.09)
11	Others	-	-	0.91	(1.26)	-	(11.84)	(13.11)	(18.51)
		(1,282.13)	(1,483.66)	10,626.20	10,715.66	316.89	307.07	(13.58)	(18.62)
(C)	**Maximum Outstanding balances for the year ended**								
1	Borrowings	(800.00)	(800.00)	-	-	-	-	-	-
2	Deposits	(550.00)	(550.00)	-	-	(42.91)	(40.00)	(0.01)	(0.01)
3	Placement of deposits	1.30	-	0.08	0.08		-	-	-
4	Advances	-	-	725.00	730.00	1.12	0.32	0.02	-
5	Investments	-	-	10,791.81	10,598.38	360.20	360.20	-	-
		(1,348.70)	(1,350.00)	11,516.89	11,328.46	318.41	320.53	0.01	(0.01)

'0.00' represents the amount below the rounding off norm adopted by the Company

With respect to above disclosure, related parties includes all related parties as defined in Indian Accounting Standard 24, as defined in section 2(76) of Companies Act, 2013 and Key Management Personal as defined in section 2(51) of Companies Act, 2013

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(₹ in crore)

5. Relative of Director		6. Other KMP		7. Relatives of Other KMP		8. Other		Total	
31 March		31 March		31 March		31 March		31 March	
2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
-	-	-	-	-	-	70.00	70.00	70.00	70.00
-	-	-	-	-	-	1,426.80	1,364.54	1,469.71	1,404.54
-	-	-	-	-	-	-	-	1.30	-
-	-	-	-	-	-	167.65	214.62	47,175.61	19,384.94
-	-	-	-	-	-	-	280.47	600.00	2,480.47
-	-	-	0.50	-	0.31	5.14	14.42	6.19	16.16
-	-	-	-	-	-	3.23	3.89	4.70	4.39
-	0.14	-	-	0.05	0.01	339.72	351.96	456.54	447.64
-	-	-	-	-	-	6.00	9.08	7.95	14.57
-	-	-	-	-	-	-	-	3,645.28	3,361.67
1.10	0.70	1.55	0.95	0.08	0.10	112.51	72.33	1,906.34	1,219.91
-	-	-	-	-	-	-	-	-	891.64
0.10	0.05	99.55	119.25	0.05	-	1,670.87	1,419.96	1,950.83	1,762.97
1.20	0.89	101.10	120.70	0.18	0.41	3,801.92	3,801.27	57,294.45	31,058.91
-	-	-	-	-	-	(3,425.30)	(3,113.50)	(3,725.30)	(3,913.50)
-	(1.66)	-	-	(0.08)	(0.10)	(1,429.05)	(1,132.30)	(2,022.04)	(1,724.07)
-	-	-	-	-	-	2.03	2.73	3.41	2.82
-	-	-	-	-	-	28.37	31.95	29.43	557.28
-	-	-	-	-	-	283.16	283.16	11,268.57	10,835.18
-	-	-	-	-	-	(0.01)	(6.66)	(0.01)	(6.66)
-	-	-	-	-	-	0.10	(0.05)	0.10	(0.02)
-	(0.31)	-	-	(0.01)	(0.02)	(35.17)	(44.75)	(150.70)	(116.48)
-	-	-	-	-	-	0.80	1.28	0.80	1.28
(0.38)	(0.04)	(0.27)	(0.05)	(0.01)	(0.00)	(20.19)	(4.02)	(340.69)	(68.08)
-	-	(26.31)	(10.64)	-	-	87.30	39.87	48.79	(2.39)
(0.38)	(2.01)	(26.58)	(10.70)	(0.10)	(0.12)	(4,507.96)	(3,942.28)	5,112.36	5,565.35
-	-	-	-	-	-	(3,425.30)	(3,124.50)	(4,225.30)	(3,924.50)
(1.76)	(1.66)		-		(0.10)	(1,427.73)	(1,934.56)	(2,022.41)	(2,526.33)
	-		-		-	2.73	2.73	4.11	2.82
-	-	-	-	-	-	104.47	118.97	830.61	849.30
-	-	-	-	-	-	283.16	283.16	11,435.17	11,241.75
(1.76)	(1.66)	-	-	-	(0.10)	(4,462.67)	(4,654.19)	6,022.18	5,643.03

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(U) The disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Securitisation Transactions) Directions, 2025

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	Non-STC transactions As at31 March 2026	Non-STC transactions As at31 March 2025
1.	No of SPEs holding assets for securitisation transactions originated by the originator	5	1
2.	Total amount of securitised assets as per books of the SPEs	7,792.73	1,987.39
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	96.53	19.88
	• Others	1,182.09	238.49
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	145.54	-
	ii) Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets	9,459.71	1,987.39
	Gain/loss on sale on account of securitisation	-	-
6.	Form and quantum (outstanding value) of services provided by way of:		
	• Post-securitisation asset servicing	-	-
7.	Performance of facility provided.		
	(a) Amount paid	-	-
	(b) Repayment received	-	-
	(c) Outstanding amount	-	-
8.	Average default rate of portfolios observed in the past*.		
	a) Car Finance	0.63%	0.01%
	b) Personal Loan	0.50%	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time (Contd.)

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	Non-STC transactions As at31 March 2026	2025
9.	Amount and number of additional/top up loan given on same underlying asset.		
	a) No of additional loans	942	197
	b) Sanctioned amount	36.74	8.17
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.

-There are no Simple, Transparent and Comparable (STC) transactions in the financial years ended 31 March 2026 and 31 March 2025.

(V) Overseas Assets

The Company does not have any joint ventures and subsidiaries aboard.

(W) Off-Balance sheet SPVs sponsored

The Company does not have any off-Balance sheet SPVs sponsored.

(X) Participation in currency futures and currency options

The Company has not undertaken any transaction during the current year and previous year for currency futures and options.

(Y) 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.

(Z) Revenue recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

(AA) Consolidated financial statement (CFS)

The Company prepares consolidated financial statement considering all its underlying subsidiaries and associates.

(AB) Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2025 and for the year ended 31 March 2024 as per the requirement of the Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time.

(AC) Credit default swap

There are no transaction during the year.

(AD) Non fund based credit facilities

There are no transaction during the year.

(AE) Area of operation

The Company operates in India and do not have any joint ventures and overseas subsidiaries.

55 Disclosure of restructured accounts

(₹ in crore)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Amount Outstanding	Impairment loss allowance	Amount Outstanding	Impairment loss allowance
Standard	372.72	65.81	212.46	9.29
Substandard	1,225.31	594.84	339.02	119.94
Doubtful	432.96	209.41	321.57	125.61
	2,030.99	870.06	873.05	254.84

56 The disclosures for comparison between provisions required under IRACP and impairment loss allowances made under Ind AS 109

As at 31 March 2026

(₹ in crore)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowance (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5) = (3) - (4)	Provision required as per IRACP norms* (6)	Difference between Ind AS 109 provision and IRACP norms (7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	367,690.58	4,683.70	363,006.88	1,532.62	3,151.08
	Stage 2	4,312.91	2,023.15	2,289.76	21.82	2,001.33
Subtotal (a)		372,003.49	6,706.85	365,296.64	1,554.44	5,152.41
(b) Non-Performing Assets						
(i) Substandard	Stage 3	4,167.63	2,539.07	1,628.56	416.38	2,122.69
(ii) Doubtful up to:						
1 year	Stage 3	385.87	201.04	184.83	264.49	(63.45)
1 to 3 years	Stage 3	166.02	81.09	84.93	137.10	(56.01)
More than 3 years	Stage 3	69.11	38.11	31.00	47.56	(9.45)
		621.00	320.24	300.76	449.15	(128.91)
Loss	Stage 3	-	-	-	-	-
Subtotal (b)		4,788.63	2,859.31	1,929.32	865.53	1,993.78
(c) others	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		-	-	-	-	-
	Stage 1	367,690.58	4,683.70	363,006.88	1,532.62	3,151.08
	Stage 2	4,312.91	2,023.15	2,289.76	21.82	2,001.33
	Stage 3	4,788.63	2,859.31	1,929.32	865.53	1,993.78
Total (a+b+c)		376,792.12	9,566.16	367,225.96	2,419.97	7,146.19

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

56 The disclosures for comparison between provisions required under IRACP and impairment loss allowances made under Ind AS 109 (Contd.)

As at 31 March 2025

(₹ in crore)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowance (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5) = (3) - (4)	Provision required as per IRACP norms* (6)	Difference between Ind AS 109 provision and IRACP norms (7) = (4) - (6)
(a) Performing Assets						
Standard	Stage 1	302,000.51	2,767.69	299,232.82	1,259.92	1,507.77
	Stage 2	5,083.26	1,677.33	3,405.93	23.70	1,653.63
Subtotal (a)		307,083.77	4,445.02	302,638.75	1,283.62	3,161.40
(b) Non-Performing Assets						
(i) Substandard	Stage 3	3,204.84	1,749.23	1,455.61	322.31	1,426.92
(ii) Doubtful up to:						
1 year	Stage 3	234.79	107.59	127.20	162.40	(54.81)
1 to 3 years	Stage 3	207.00	87.71	119.29	158.46	(70.75)
More than 3 years	Stage 3	31.12	12.81	18.31	15.89	(3.08)
		472.91	208.11	264.80	336.75	(128.64)
Loss	Stage 3	-	-	-	-	-
Subtotal (b)		3,677.75	1,957.34	1,720.41	659.06	1,298.28
(c) others	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		-	-	-	-	-
	Stage 1	302,000.51	2,767.69	299,232.82	1,259.92	1,507.77
	Stage 2	5,083.26	1,677.33	3,405.93	23.70	1,653.63
	Stage 3	3,677.75	1,957.34	1,720.41	659.06	1,298.28
Total (a+b+c)		310,761.52	6,402.36	304,359.16	1,942.68	4,459.68

*Computed on the value as per the erstwhile IRACP norms.

57 (a) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR. REC.11/21.04.048/2021-22 dated 5 May 2021

For 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 the previous half year i.e. 30 September 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2026	Of (A) amount written off during the half year ended 31 March 2026#	Of (A) amount paid by the borrowers during the half year ended 31 March 2026^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 31 March 2026
Personal Loans*	64.24	2.62	0.52	9.81	51.81
Corporate persons					
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	64.24	2.62	0.52	9.81	51.81

*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 subsequently written off during the half-year
^represents receipts net of interest accruals and disbursements, if any

57 (a) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP. BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR. REC.11/21.04.048/2021-22 dated 5 May 2021 (Contd.)

For 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 the previous half year i.e. 31 March 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2025	Of (A) amount written off during the half year ended 30 September 2025#	Of (A) amount paid by the borrowers during the half year ended 30 September 2025^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 30 September 2025
Personal Loans*	80.63	4.84	0.76	11.55	64.24
Corporate persons	-	-	-	-	-
of which, MSMEs					
Others	-	-	-	-	-
	80.63	4.84	0.76	11.55	64.24

*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 subsequently written off during the half-year
^represents receipts net of interest accruals and disbursements, if any

For half year ended 31 March 2025

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolut ion plan – Position as at the end of the previous half year i.e. 30 September 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2024	Of (A) amount written off during the half year ended 31 March 2024#	Of (A) amount paid by the borrowers during the half year ended 31 March 2024^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 31 March 2024
Personal Loans*	101.00	7.67	0.78	12.70	80.63
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	101.00	7.67	0.78	12.70	80.63

*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 subsequently written off during the half-year
^represents receipts net of interest accruals and disbursements, if any

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

57 (a) Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 (Contd.)

For 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 the previous half year i.e. 31 March 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2023	Of (A) amount written off during the half year ended 30 September 2023#	Of (A) amount paid by the borrowers during the half year ended 30 September 2023^	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half year i.e 30 September 2023
Personal Loans*	132.60	14.27	2.02	17.33	101.00
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	132.60	14.27	2.02	17.33	101.00

*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 subsequently written off during the half-year
^represents receipts net of interest accruals and disbursements, if any

57 (b) Details of resolution plan implemented as per RBI circular on Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances dated 6 August 2020 are given below:

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2026	Amount Outstanding as on 31 March 2026 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2025	Amount Outstanding as on 31 March 2025 (₹ in crore)
MSMEs	1,076	57.06	1,966	76.05

57 (c) Details of resolution plan implemented as per RBI circular on Resolution Framework 2.0 – Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) dated 5 May 2021 are given below:

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2026	Amount Outstanding as on 31 March 2026 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2025	Amount Outstanding as on 31 March 2025 (₹ in crore)
MSMEs	10	3.61	16	11.00

58 Disclosures pertaining 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:

(I) Read with RBI/DOR/2025-26/352 DOR.STR.REC.271/21.04.048/2025-26, 'Master Direction - Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions, 2025' dated 28 November 2025:

(a) Details of transfer through assignment in respect of loans not in default:

Particulars	For the year ended 31 March 2026		2025	
Amount of loans transferred through assignment	₹ 1,537.22 crore	₹ 1,949.94 crore	₹ 2,817.22 crore	₹ 1,265.28 crore
Retention of beneficial economic interest	10%	10%	10%	10%
Weighted average residual maturity	38 months	122 months	35 months	102 months
Weighted average holding period	12 months	17 months	14 months	18 months
Coverage of tangible security coverage	0%	100%	0%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

(b) Details of loans (not in default) acquired through assignment:

Particulars	For the year ended 31 March 2026		
Amount of loans acquired through assignment	₹ 3,332.35 crore	₹ 4,836.21 crore	₹ 3,645.28 crore
Retention of beneficial economic interest	10%	10%	1%
Weighted average residual maturity	32 months	124 months	145 months
Weighted average holding period	8 months	15 months	22 months
Coverage of tangible security coverage	0%	100%	100.00%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated

Particulars	For the year ended 31 March 2025		
Amount of loans acquired through assignment	₹ 1,199.41 crore	₹ 1,567.62 crore	₹ 3,361.67 crore
Retention of beneficial economic interest	10%	10%	1%
Weighted average residual maturity	84 months	33 months	152 months
Weighted average holding period	14 months	7 months	18 months
Coverage of tangible security coverage	100%	0%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

58 Disclosures pertaining 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: (Contd.)

(c) No stressed loans transferred during the financial year ended 31 March 2026

Stressed loans transferred during the financial year ended 31 March 2025

	To permitted transferees	
Particulars	**NPA**	**SMA**
Number of accounts	861	25
Aggregate principal outstanding of loans transferred (₹ in crore)	6.45	0.24
Weighted average residual tenor of the loans transferred (in years)	30	32
Net book value of loans transferred (at the time of transfer) (₹ in crore)	2.05	0.23
Aggregate consideration (₹ in crore)	0.13	0.01
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Excess provision reversed to the Profit and Loss Account on account of sale	-	-

In addition to above, the Company has transferred written off loans amounting to ₹ 7,142.78 crore for a sale consideration of ₹ 162.90 crore.

(d) The Company has not acquired any stressed loan during the financial year ended 31 March 2026 and 31 March 2025.

(e) Details of Co-Lending Arrangements (CLA) as a Partner RE

Sr. No.	Particulars	As at 31 March 2026
1	Quantum of CLAs	
	(i) Number of CLA partners	2
	(ii) Number of outstanding cases	3,941
	(iii) Amount of gross outstanding (₹ in crore)*	131.28
2	Weighted average rate of interest	12.55%
3	Fees paid during the year (₹ in crore)	0.06
4	Broad sectors in which CLA was made	Used car finance, personal loan
5	Performance of loans under CLA (₹ in crore)*	
	(i) Stage I	130.55
	(ii) Stage II	0.47
	(iii) Stage III	0.26
6	Details related to default loss guarantee	One of the partner has provided default loss guarantee up to 5% of total amount disbursed

*Net of write-off

- The above disclosure covers both existing co-lending arrangements entered into under the extant guidelines and new co-lending arrangements undertaken pursuant to the revised co lending guidelines.

58 Disclosures pertaining 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: (Contd.)

(II) Read with RBI Direction – RBI/DOR/2025-26/357 DOR.STR.REC.276/21.04.048/2025-26 Reserve Bank of India (Non-Banking Financial Companies – Resolution of Stressed Assets) Directions, 2025 and RBI/DOR/2025-26/347 DOR.CRE.REC.No.266/07-01-008/2025-26 - Reserve Bank of India (Non-Banking Financial Companies-Credit Facilities) Directions, 2025 dated 28 November 2025. as amended:

The Company has not lent any funds during the year ended 31 March 2026 for project finance activities nor has any recoverable balance as at the same date.

59 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

Schedule to Balance Sheet

The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 as amended from time to time

(₹ in crore)

Particulars			Amount outstanding as on 31 March 2026	Amount overdue
Liabilities side				
(1)	**Loans and advances availed by the Company inclusive of interest accrued thereon but not paid**			
	(a)	Debentures		
		Secured	106,696.58	-
		Unsecured	10,543.61	-
		(Other than falling within the meaning of public deposit)		
	(b)	Deferred credits	-	-
	(c)	Term loans	87,578.61	-
	(d)	Inter-corporate loans and borrowings	26,841.16	-
	(e)	Commercial paper	19,092.20	-
	(f)	Public deposits (As defined in the Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025)	39,379.73	-
	(g)	Other Loans		
		Cash credit/Overdraft facility	5,517.73	-
		Working capital demand loans	3,222.31	-
		Triparty Repo Dealing and Settlement (TREPs) against Government securities	8,636.93	-
		Repurchase agreement borrowings (Repo)	6,350.75	-
		Securitisation liabilities	6,694.12	-
		Deposits - other than public and corporate	2,264.66	-
(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	39,379.73	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

Schedule to Balance Sheet (Contd.)

(₹ in crore)

Particulars			Amount Outstanding as on 31 March 2026
Asset side			
(3)	**Break-up of loans and advances including bills receivables (other than those included in (4) below)**		
	(a)	Secured	181,355.37
	(b)	Unsecured	191,460.17
(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	346.34
		(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	-
	*The Company has not disclosed amount outstanding under assets financing activities under note 4 (iii) and included entire loan amount outstanding under note 3 as RBI has merged Asset Financing Companies, Loan Companies and Investment companies in to a new category "NBFC - Investment and Credit Company" vide its circular no. DN BR (PD) CC . No.097/03.10.001/2018-19 dated February 22, 2019.		
(5)	**Break-up of investments**		
	Current Investments		
	a.	Quoted	
		(i) Shares - (a) Equity	160.36
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	389.72
		(iv) Government securities	18,249.38
		(v) Others - Certificate of Deposits. Commercial paper and Invit units	3,325.06
	b.	Unquoted	
		(i) Shares - (a) Equity	-
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	-
		(v) Others (Pass through certificates)	38.30
	Long-Term Investments		
	a.	Quoted	
		(i) Shares - (a) Equity	0.20
		(b) Preference	-
		(ii) Debentures and bonds	-
		(iii) Units of mutual funds	-
		(iv) Government securities	4,349.54
		(v) Others	-

Notes to standalone financial statements for the year ended 31 March 2026 (Contd.)

Schedule to Balance Sheet (Contd.)

(₹ in crore)

Particulars				Amount Outstanding as on 31 March 2026
b.	Unquoted			
	(i)	Shares - (a)	Equity	11,512.37
			(b) Preference	-
	(ii)	Debentures and bonds		-
	(iii)	Units of mutual funds		-
	(iv)	Government securities		-
	(v)	Others (Pass through certificates)		49.44

(6) Borrower group-wise classification of all leased assets, stock under financing and loans and advances

(₹ in crore)

Category	Amount net of provisions as on 31 March 2026		
	Secured	Unsecured	Total
Related parties			
Subsidiaries	-	0.99	0.99
Companies in the same group	0.93	114.65	115.58
Other related parties	23.74	5.61	29.35
Other than related parties	181,677.04	191,338.92	373,015.96
	181,701.71	191,460.17	373,161.88

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(₹ in crore)

Category	As at 31 March 2026	
	Market value/Break up or fair value or NAV	Book value (Net of provisions)
Related parties		
Subsidiaries	54,889.14	10,625.21
Companies in the same group	866.51	780.08
Other related parties	0.20	0.20
Other than related parties	26,668.88	26,668.88
	82,424.74	38,074.37

(8) Other information

(₹ in crore)

Particulars			As at 31 March 2026
(i)	Gross non-performing assets		
		Related parties	-
		Other than related parties	4,788.63
(ii)	Net non-performing assets *		
		Related parties	-
		Other than related parties	1,929.32
(iii)	Assets acquired in satisfaction of debt		-

*Provision for ECL Stage 3 Net of interest has been considered.

100 Years BAJAJ

BAJAJ FINANCE

WE BUILD FOR



A GENERATION THAT EXPECTS FINANCE AT ITS FINGERTIPS

The future of finance will not be defined by access alone, but by intelligence. Powered by FinAI and enabled through a digital ecosystem of 86 million users that is growing year on year, we are creating experiences that are simpler, more intuitive and increasingly personalized – bringing financial solutions closer to every customer's need, every day.

Because access should be intelligent.

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer note no. 2.5 to the consolidated financial statements), which comprise the consolidated balance sheet as at 31 March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2026 and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report on the standalone financial statements of the Holding Company.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2026, the outstanding balances of loans granted by the Company aggregated to ₹ 376,792.12 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 9,566.16 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), loss given default ('LGD') and exposure at default (Expected Balance at Default together with expected drawdown from committed lines) ('EAD'), staging of loans, etc.	The procedures performed by us included the following: • Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.; ii. Completeness and accuracy of source data used by the Management in the ECL computation; iii. Approval of changes to ECL methodology and models through the Company's governance framework; and iv. Computation of ECL.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	• Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments'; • With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company; • Tested, on a sample basis, the completeness and accuracy of the source data used; • Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year. The Company also upgraded its general ledger application during the year and migrated its data to the newer version. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	The procedures performed by us included the following: • Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting. • Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company. • On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: i. Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured; ii. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorise personnel; iii. Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; and from legacy to newer version of its general ledger application;

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
	iv. IT operations, which includes job scheduling, monitoring, data backup and recovery; v. Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS; and from legacy to newer version of its general ledger application. • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/or performed alternative audit procedures, where necessary.

5. The following key audit matters was included in the audit report issued by the joint auditors, Singhi & Co. and Mukund M. Chitale & Co., of Bajaj Housing Finance Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Allowances for expected credit loss (ECL): Allowances for expected credit losses ('ECL'): 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. 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	*Our audit approach:* We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: 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;

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Key audit matter	How our audit addressed the key audit matter
• Adjustments to model driven ECL results to address emerging trends. (refer note no. 3.3, 9 and 53(c) to the financial statements).	• 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.
Information technology (IT) systems and controls impacting financial controls: The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. 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.	*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. • 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.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

6. The following key audit matter was included in the audit report issued by the auditor, G.M. Kapadia & Co. of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
IT Systems and Controls: Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	We performed the following procedures on the IT infrastructure and applications relevant to financial reporting: We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/system changes, program development and computer operations; Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting. Carried the test of controls with respect to the IT general controls This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.

Other information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

   Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the respective companies.

Auditor's responsibilities for the audit of the consolidated financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

13. We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

16. The financial statements of two subsidiaries, reflect total assets of ₹ 138,606.95 crore and net assets of ₹ 24,608.76 crore as at 31 March 2026, total revenue of ₹ 12,219.99 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,741.55 crore and net cash flows amounting to ₹ (5.03) crore for the year ended on that date, has been considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 16.29 crore for the year ended 31 March 2026 as considered in the consolidated financial statements, in respect of 2 associates companies whose financial statements have not been audited by us. The financial statements of these subsidiaries and associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates and our report in terms of sub-section (3) of section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, and associates, is based on the reports of the other auditors and the procedures performed by us.

    Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on other legal and regulatory requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ('CARO 2020'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these consolidated financial statements.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

18. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India 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 internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

(g) With respect to the other matters to be included in the Auditor's 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– refer note no. 43 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31 March 2026– refer note no. 7 and note no. 9 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, and associates incorporated in India during the year.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

iv. (a) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in note no. 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries/associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries/ associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in the note no. 51 to the financial statements, no funds have been received by the Holding Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates 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.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid by the Holding Company during the year in respect of the prior year ended 31 March 2025 is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend. The interim dividend declared and paid by the Holding Company is in accordance with section 123 of the Act to the extent it applies to declaration and payment of interim dividend. Based on the audit report of statutory auditors of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, the interim dividend declared and paid by Bajaj Financial Securities Limited is in accordance with section 123 of the Act.

Further, as stated in note no. 46 (iii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Group, and its associates have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the Group and its associates.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

19. The Group and its associates incorporated in India have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Annexure 'A' to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements as of and for the year ended 31 March 2026.

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Annexure 'A' to Independent Auditor's Report (Contd.)

Meaning of internal financial controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries, and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, 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 issued by the ICAI.

Other matter

9. Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,896.90	3,642.46
Bank balances other than cash and cash equivalents	6	13,858.42	9,901.08
Derivative financial instruments	7	2,391.86	250.56
Trade receivables	8	1,908.08	1,913.11
Loans	9	498,943.54	407,844.14
Investments	10	30,577.80	34,440.84
Other financial assets	11	4,300.41	2,444.99
		553,877.01	**460,437.18**
Non-financial assets			
Current tax assets (net)		229.59	480.77
Deferred tax assets (net)	12	1,560.07	1,141.20
Property, plant and equipment	13	2,851.06	2,688.89
Capital work-in-progress	13	61.83	26.74
Intangible assets under development	13	57.58	14.55
Goodwill		3.27	3.27
Other intangible assets	13	1,092.23	1,088.01
Other non-financial assets	14	219.72	246.22
		6,075.35	**5,689.65**
Total assets		**559,952.36**	**466,126.83**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	61.58	37.13
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,103.62	1,876.24
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,173.47	930.49
Debt securities	16	193,131.90	154,639.73
Borrowings (other than debt securities)	17	170,642.53	132,102.25
Deposits	18	68,532.75	71,403.13
Subordinated liabilities	19	2,805.31	3,103.54
Other financial liabilities	20	2,796.16	1,948.20
		441,248.56	**366,042.93**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
Non-financial liabilities			
Current tax liabilities (net)		260.24	100.63
Provisions	21	748.94	514.28
Other non-financial liabilities	22	709.08	532.10
		1,718.26	**1,147.01**
Equity			
Equity share capital	23	621.79	124.17
Other equity	24	113,377.23	96,568.70
Equity attributable to owners of the Company		**113,999.02**	**96,692.87**
Non-controlling interest	24	2,986.52	2,244.02
Total Equity		**116,985.54**	**98,936.89**
Total liabilities and equity		**559,952.36**	**466,126.83**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

BAJAJ FINANCE

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Revenue from operations			
Interest income	25	72,776.01	61,163.55
Fees and commission income	26	7,754.39	5,982.84
Net gain on fair value changes	27	471.24	539.03
Sale of services	28	15.71	27.13
Income on derecognised (assigned) loans	29	465.46	552.04
Other operating income	30	499.57	541.12
Total revenue from operations		**81,982.38**	**68,805.71**
Other income	31	7.12	41.27
Total income		**81,989.50**	**68,846.98**
Expenses			
Finance costs	32	28,665.95	24,769.75
Fees and commission expense	33	3,658.10	2,597.66
Impairment on financial instruments	34	9,481.85	7,088.23
Employee benefits expense	35	8,978.53	7,508.34
Depreciation and amortisation expenses	13	1,008.98	880.99
Other expenses	36	4,130.68	3,940.19
Total expenses		**55,924.09**	**46,785.16**
Share of profit/(loss) from associates		16.46	17.81
Profit before exceptional items and tax		**26,081.87**	**22,079.63**
Exceptional items	37	(265.22)	-
Profit before tax		**25,816.65**	**22,079.63**
Tax expense			
Current Tax			
Current year		6,874.08	5,664.86
Earlier years		0.08	(275.12)
Deferred tax (credit)/charge		(389.87)	(89.59)
Total tax expense	12	**6,484.29**	**5,300.15**
Profit after tax		**19,332.36**	**16,779.48**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		35.38	(24.85)
Tax impact on above		(8.91)	6.25
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.15)	(0.32)
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(20.71)	(95.49)
Tax impact on above		2.95	25.22
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		(408.74)	140.79
Tax impact on above		102.88	(35.45)
Net Other adjustments - Share of associate		(0.02)	(0.10)
Cash flow hedge reserve		286.30	(117.14)
Tax impact on above		(72.06)	29.48
Cost of hedging reserve		14.84	5.99
Tax impact on above		7.72	(1.44)
Total other comprehensive income for the year (net of tax)		**(60.52)**	**(67.06)**
Total comprehensive income		**19,271.84**	**16,712.42**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Profit after tax attributable to			
Owner's of the Company		19,017.39	16,637.82
Non-controlling interest		314.97	141.66
Other comprehensive income attributable to			
Owner's of the Company		(58.20)	(67.80)
Non-controlling interest		(2.32)	0.74
Total comprehensive income attributable to			
Owner's of the Company		18,959.19	16,570.02
Non-controlling interest		312.65	142.40
Earnings per equity share:	38		
(Nominal value per share ₹ 1)			
Basic (₹)		30.60	26.89
Diluted (₹)		30.51	26.82
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance at the beginning of the year	124.17	123.60
Changes in equity share capital during the year [refer note no. 23(a)]	497.62	0.57
Balance at the end of the year	**621.79**	**124.17**

Other equity

For the year ended 31 March 2026

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interests	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**
Profit after tax		-	19,017.39	-	-	-	-	-	-	-	-	-	-	-	19,017.39	314.97	19,332.36
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	26.32	(303.54)	(17.78)	214.24	22.56	-	(58.20)	(2.32)	(60.52)
		28,281.33	**70,800.05**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(139.52)**	**(188.48)**	**(37.97)**	**117.71**	**27.11**	**-**	**115,527.89**	**2,556.67**	**118,084.56**
Utilisation for issuance of bonus shares		(497.14)	-	-	-	-	-	-	-	-	-	-	-	-	(497.14)	-	(497.14)
Allotment of shares to ESOP Trust		348.60	-	-	-	-	-	-	-	-	-	-	-	-	348.60	-	348.60
Share issue expenses		(3.47)	-	-	-	-	-	-	-	-	-	-	-	-	(3.47)	-	(3.47)
Transfer on sale of FVOCI equity instrument (net of tax)		-	(6.48)	-	-	-	-	-	-	-	6.48	-	-	-	-	-	-
Adjustment for change of ownership interest in subsidiary without loss of control		-	960.45	-	-	-	-	-	-	-	-	-	-	-	960.45	423.61	1,384.06
Adjustment for movement in reserves for non-controlling interest		-	65.62	(20.22)	-	-	(47.82)	(3.82)	(0.02)	0.02	-	-	-	-	(6.24)	6.24	-
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(3,562.00)	-	3,562.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(152.07)	152.07	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(360.00)	-	-	-	360.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(3,478.28)	-	-	-	-	-	-	-	-	-	-	-	(3,478.28)	-	(3,478.28)
Share based payment to employees		-	-	-	-	-	-	438.58	-	-	-	-	-	-	438.58	-	438.58
Transfer on exercise of stock options by employees		179.94	-	-	-	-	-	(179.94)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	4.70	-	(4.70)	-	-	-	-	-	-	-	-	-
		28,309.26	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,290.39**	**2,986.52**	**116,276.91**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2026		218.12	-	-	-	-	-	-	-	-	-	-	-	-	218.12	-	218.12
Balance as at 31 March 2026	24	**28,396.10**	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,377.23**	**2,986.52**	**116,363.75**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interests	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,571.75**	**-**	**76,571.75**
Profit after tax		-	16,637.82	-	-	-	-	-	-	-	-	-	-	-	16,637.82	141.66	16,779.48
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(18.78)	104.46	(70.37)	(87.66)	4.55	-	(67.80)	0.74	(67.06)
		26,582.00	**53,718.23**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**297.21**	**93,141.77**	**142.40**	**93,284.17**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	891.33	891.33	-	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-	-	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	-	357.44	-	357.44
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.12)	-	(0.12)
Adjustment for change of ownership interest in subsidiary without loss of control		-	4,011.19	-	-		-	-	-	-	-	-	-	-	4,011.19	2,099.10	6,110.29
Adjustment for movement in reserves for non controlling interest		-	47.28	(14.91)	-		(33.75)	(1.14)	-	-	-	-	-	-	(2.52)	2.52	-
Transfer to reserve fund in terms of:		-			-		-	-	-	-	-	-	-	-	-	-	-
Section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	-	3,335.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(132.58)	132.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(300.00)	-	-	-	300.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.46)	-	-	-	-	-	-	-	-	-	-	-	(2,226.46)	-	(2,226.46)
Share based payment to employees		-	-	-	-	-	-	393.97	-	-	-	-	-	-	393.97	-	393.97
Transfer on exercise of stock options by employees		151.37	-	-	-	-	-	(151.37)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-	-	-
		28,279.23	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,566.60**	**2,244.02**	**98,810.62**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(I)	**Operating activities**		
	Profit before tax	25,816.65	22,079.63
	Adjustments for:		
	Interest income	(72,776.01)	(61,163.55)
	Depreciation and amortisation expenses	1,008.98	880.99
	Impairment on financial instruments (Gross of recoveries)	10,281.50	7,966.03
	Net loss on disposal of property, plant and equipment and other intangible assets	18.34	35.50
	Finance costs	28,665.95	24,769.75
	Share based payment expenses	439.60	393.98
	Net gain on fair value changes	(471.24)	(539.03)
	Service fees for management of assigned portfolio of loans	(15.71)	(27.13)
	Income on derecognised (assigned) loans	(465.46)	(552.04)
	Dividend income	(1.14)	(1.28)
	Share of (profit)/loss from associate	(16.46)	(17.81)
		(7,515.00)	(6,174.96)
	Cash inflow from interest on loans	70,393.75	58,185.94
	Cash inflow from interest on investments	2,947.54	2,313.47
	Cash inflow from servicing of assigned loans	51.39	59.31
	Cash outflow towards finance cost	(25,946.79)	(22,420.31)
	Cash generated from operation before working capital changes	**39,930.89**	**31,963.45**
	Working capital changes:		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(4,124.26)	(3,095.95)
	(Increase)/decrease in trade receivables	(52.03)	(206.31)
	(Increase)/decrease in loans	(103,794.27)	(89,988.25)
	(Increase)/decrease in investments classified as FVTPL	6,212.53	(1,429.16)
	(Increase)/decrease in other financial assets	736.52	531.57
	(Increase)/decrease in other non-financial assets	33.81	(116.70)
	(Increase)/decrease in derivative financial instruments (net)	105.12	56.54
	Increase/(decrease) in trade payables	226.49	(186.00)
	Increase/(decrease) in other payables	242.89	166.33
	Increase/(decrease) in other financial liabilities	724.18	(7.48)
	Increase/(decrease) in provisions	250.99	67.31
	Increase/(decrease) in other non-financial liabilities	178.19	38.08
		(99,259.84)	(94,170.02)
	Income tax paid (net of refunds)	(6,460.85)	(5,585.07)
	Net cash used in operating activities (I)	**(65,789.80)**	**(67,791.64)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(560.03)	(584.06)
	Purchase of other intangible assets and intangible assets under development	(401.07)	(497.76)
	Sale of property, plant and equipment and other intangible assets	65.25	36.39
	Purchase of investments measured at amortised cost	(59,340.07)	(27,461.88)
	Proceeds from liquidation of investments measured at amortised cost	59,446.67	27,624.23
	Purchase of investments classified as FVOCI	(44,831.64)	(31,594.18)
	Proceeds from liquidation of investments classified as FVOCI	42,440.11	29,745.96
	Purchase of equity investments designated under FVOCI	(308.14)	(35.00)
	Proceeds from sale of equity investments designated under FVOCI	99.15	-
	Dividend income	1.14	1.28
	Net cash used in investing activities (II)	**(3,388.63)**	**(2,765.02)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(III) Financing activities		
Issue of equity share capital (including securities premium)	435.92	1,251.44
Issue of equity share capital of subsidiary (including securities premium)	2.81	-
Proceeds from dilution of stake in subsidiary (net of expenses and tax)	1,380.22	6,097.67
Share issue expenses	(3.47)	(0.12)
Dividends paid	(3,476.61)	(2,225.24)
Payment of lease liability	(242.53)	(214.57)
Deposits received (net)	(3,761.08)	10,527.22
Short-term borrowing availed (net)	11,884.78	8,787.63
Long-term borrowing availed	113,336.67	84,967.14
Long-term borrowing repaid	(52,123.84)	(39,026.56)
Net cash generated from financing activities (III)	**67,432.87**	**70,164.61**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,745.56)**	**(392.05)**
Cash and cash equivalents at the beginning of the year	**3,642.46**	**4,034.51**
Cash and cash equivalents at the end of the year	**1,896.90**	**3,642.46**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- 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, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.
- Total Income tax paid (net of refunds) amounted to ₹ 6,663.62 crore for the year ended 31 March 2026 (Previous year ₹ 5,947.90 crore).

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash and cash equivalents comprises of		
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	**3,642.46**

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Notes to consolidated financial statements for the year ended 31 March 2026

1 Corporate information

Bajaj Finance Limited ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a Company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company and its subsidiary Bajaj Housing Finance Limited (BHFL) are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company and its subsidiary, BHFL, are also listed on the Stock Exchanges. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provider of broking and depository participant services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its subsidiary company Bajaj Housing Finance Limited are classified as NBFC-UL (upper layer) by the RBI.

2. Basis of preparation

2.1 Statement of compliance

The consolidated 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 extant RBI Regulations. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefit plans 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 Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2026, the Board of Directors of the Company approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present 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'.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

2 Basis of preparation (Contd.)

The Group 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 Group intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Group offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.4 Material accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions 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)(a) and 9]
- Impairment of financial assets [refer note no. 3.3(i), 9 and 49(c)]
- Provisions and contingent liabilities (refer note no. 3.7 and 43)
- Fair value of financial instrument (refer note no. 3.9 and 48)

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net asset of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures':

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Limited (BHFL)	India	86.70%	Subsidiary
Bajaj Financial Securities Limited (Bfinsec)	India	100%	Subsidiary
Snapwork Technologies Private Limited	India	41.50%	Associate
Pennant Technologies Private Limited	India	26.53%	Associate

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of the entities in the Group	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Limited	78.98%	92,400.74	85.86%	16,599.71	64.14%	(38.98)	85.93%	16,560.73
Subsidiaries								
Bajaj Housing Finance Limited	16.64%	19,469.42	11.38%	2,199.28	27.81%	(16.90)	11.32%	2,182.38
Bajaj Financial Securities Limited	1.78%	2,085.97	1.04%	201.94	3.54%	(2.15)	1.04%	199.79
Non-controlling interest in all subsidiaries	2.55%	2,986.52	1.63%	314.97	3.82%	(2.32)	1.62%	312.65
Associates								
Snapwork Technologies Private Limited	0.02%	18.59	0.03%	5.43	0.36%	(0.22)	0.03%	5.21
Pennant Technologies Private Limited	0.02%	24.30	0.06%	11.03	0.33%	(0.20)	0.06%	10.83
	100.00%	116,985.54	100.00%	19,332.36	100.00%	(60.77)	100.00%	19,271.59

3. Summary of material accounting policies

This note provides details 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 Income

(i) Interest income

The Group recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Group 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 presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation, from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment at point in time when the event is concluded.

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Group recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Group records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss with a corresponding receivable in Balance Sheet as 'Interest only strip receivable'. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

Other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The cost of the share option is accounted for on a Straight-line basis over the respective vesting periods of the grant. The cost attributable to the services rendered by the employees of the Group is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3. Summary of material accounting policies (Contd.)

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognised initially at fair value adjusted for transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

The classification depends on the SPPI assessment based on contractual terms of the cash flows of the financial assets, and the business model assessment for managing financial assets. In case of equity instruments, it depends on the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payment of principal and interest (SPPI) assessment

In making this assessment, the Group considers whether the contractual cash flows represents sole payments of principal and interest. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition and interest represents the time value of money at an agreed contractual rate.

Business model assessment

The Group has a Board approved policy for determination of the business model. The policy consider whether the objective of the business model, at initial recognition, is to hold the financial asset only to collect its contractual cash flows or, to also sell the financial asset. The Group determines business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are sole payments of principal and interest (SPPI) on the principal amount outstanding.

The Group may enter into following transactions without affecting business model of the Group:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non-NPA assets and sale of credit impaired assets which are infrequent, insignificant and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Group recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

The Group operates a trading portfolio as a part of its treasury strategy and classifies its equity and debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Group enters into derivative contracts and classifies such contracts under FVTPL.

Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Group has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI. On sale of these investments, the Group transfers the realised gains/losses from OCI to retained earnings.

3. Summary of material accounting policies (Contd.)

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired; or
- The financial assets are written off; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same.

The financial assets transferred through the assignment route are derecognised to the extent of transferred portion as the Group neither has any continuing involvement in the same nor does it retain any control. On derecognition of a financial asset, 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.

The Group, based on economic viability of certain portfolios measured at amortised cost, may enter into infrequent and insignificant transactions of assignment and sale of non NPA portfolios within the threshold defined in business model policy which doesn't affect the business model of the Group.

In case of securitisation transactions by way of pass through certificate (PTC), the Group continues to retain the financial assets on the Balance Sheet and recognises a collateralised borrowing for the proceeds received.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. 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. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made from written off assets are netted off from impairment on financial instrument in Statement of Profit and Loss account.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception 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 Group may apply enforcement activities to certain qualifying financial assets written off.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

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 Group classifies a financial asset as credit impaired (stage 3) when one or more events indicate impairment in the recoverability of future cash flows. The assessment is based on relevant objective evidence, including the following:

- Contractual payments of principal and/or interest are overdue for more than 90 days.
- Where any loan account of a customer is stage 3, all other loan accounts of the same customer are classified as stage 3 and remain so until overdues across all accounts are fully cleared.
- Where any loan account of a customer has been written off or settled under a one time compromise settlement, all other active loan accounts of such customer are classified as stage 3 for 12 months from the date of such event. Thereafter, such accounts are upgraded to stage 1 only upon clearance of all arrears of principal and interest.
- Restructured loans, involving modification of contractual terms due to financial distress of the borrower, are classified as stage 3. Restructuring does not result in derecognition of the financial asset. Such loans are upgraded to stage 1 only if:
  - The restructured loan is not in default until repayment of at least 10% of the principal outstanding or completion of 12 months, whichever is later; and
  - No other loan account of the same customer is in default during this period.
- Loan accounts where a one time compromise settlement is offered or where recovery is pursued through repossession of security involving waiver of interest and/or principal are classified as stage 3.
- Loan is otherwise considered to be in default based on the Group's internal credit risk assessment or other objective evidence indicating unlikelihood of timely repayment.

(b) Significant increase in credit risk (stage 2)

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 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 Group 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, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioural trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

3. Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

(e) Classification of ECL

ECL 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.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group 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 Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

3.4 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 for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. 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 Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment and depreciation thereof

The Group measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

The Group provides for depreciation 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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.7 Provisions and contingent liabilities

The Group creates 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 Group 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.

3. Summary of material accounting policies (Contd.)

3.8 Leases

As a Lessee

The Group follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group'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 Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group'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 Group 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 Group recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Group has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance leases are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under Interest Income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Group's net investment in the lease.

3.9 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

For the purpose of fair value disclosures, the Group 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.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure to interest rate risk and foreign exchange rate risk. Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Parent Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability and one of its subsidiary viz BHFL designates it IRS as fair value hedge of recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows 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.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3. Summary of material accounting policies (Contd.)

Fair value hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Group 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 Group discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has notified following amendments to the existing standards applicable to the Group.

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. 1 April 2025

The amendment clarifies that the classification of liabilities as current or non-current depends on the rights that exist at the end of the reporting period. A liability is classified as non-current only if the entity has a substantive right to defer settlement for at least twelve months after the reporting period. Management expectations or subsequent events after the reporting date do not affect classification. The amendment relating to classification of liabilities has no material impact on the Group's financial statements.

Ind AS 7 - Statement of Cash Flows, 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. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 12 - Income Taxes, applicable w.e.f. 1 April 2025

The amendment provides a temporary exception from recognition and disclosure of deferred taxes arising from Pillar Two income taxes and introduces related disclosure requirements. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025

The amendment specifies how an entity should determine the exchange rate when foreign currency cannot be obtained within a reasonable time and prescribes related disclosures. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025

Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any material impact on the financial statements.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	3,642.46

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fixed deposits (with original maturity more than 3 months)*	13,645.69	9,757.72
Bank balance earmarked against unclaimed dividend	5.96	4.29
Escrow account balance	206.77	139.07
	13,858.42	9,901.08

*includes:

i. ₹ 2,117.12 crore (Previous year ₹ 1,969.01 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;

ii. ₹ 7,355.89 crore (Previous year ₹ 4,226.65 crore) lien marked to banks against overdraft facilities;

iii. ₹ 1,722.40 crore (Previous year ₹ 328.19 crore) fixed deposit under lien with stock exchanges for margin requirement;

iv. ₹ 496.11 crore (Previous year ₹ 489.88 crore) deposits with bank for bank guarantee;

v. ₹ 100.87 crore (Previous year ₹ 19.88 crore) pledged as lien on securtisation borrowing;

vi. ₹ 27.99 crore (Previous year ₹ 1.57 crore) deposits with exchange for trade; and

vii. ₹ 0.27 crore (Previous year ₹ 0.25 crore) deposits with the Pension Fund Regulatory & Development Authority.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2026		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Fair value hedge			
Interest rate swaps	3,500.00	-	61.58
Futures	292.64	6.70	-
	24,392.24	2,391.86	61.58

7 Derivative financial instruments (at FVTPL) (Contd.)

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Fair value hedge			
Interest rate swaps	2,350.00	41.22	-
Futures	262.40	0.02	0.45
Option purchased	588.71	7.35	-
Options sold (written)	270.03	-	11.15
	18,562.17	250.56	37.13

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, interest rate swaps and forward contracts. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. refer note no. 49(b) (iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Considered good - unsecured		
Interest subsidy	1,184.43	922.70
Fees, commission and others	667.71	876.35
Service asset	66.40	123.02
	1,918.54	1,922.07
Less : Impairment loss allowance	10.46	8.96
	1,908.08	1,913.11

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group 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.

Trade receivables (gross) ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
As at 31 March 2026								
(i) Undisputed Trade receivables – considered good	1,142.31	93.98	679.22	1.45	1.58	-	-	1,918.54
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	961.63	113.86	843.56	3.02	-	-	-	1,922.07

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Impairment loss allowance as at beginning of the year	8.96	5.19
Net increase/(decrease) during the year	1.50	3.77
Impairment loss allowance as at the end of the year	10.46	8.96

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

9 Loans

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	At fair value through OCI*	Total	At amortised cost	At fair value through OCI*	Total
(A) Loans						
Term loans	482,325.34	25,944.20	508,269.54	345,415.84	68,936.10	414,351.94
Finance lease receivable	349.27	-	349.27	54.53	-	54.53
Credit substitutes#	624.88	-	624.88	420.03	-	420.03
	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Total - Net (A)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipment's, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	287,632.19	25,944.20	313,576.39	180,170.64	68,936.10	249,106.74
Less: Impairment loss allowance	2,533.72	186.25	2,719.97	1,954.48	356.83	2,311.31
Total (I)	285,098.47	25,757.95	310,856.42	178,216.16	68,579.27	246,795.43
(II) Unsecured	195,667.30	-	195,667.30	165,719.76	-	165,719.76
Less: Impairment loss allowance	7,580.18	-	7,580.18	4,671.05	-	4,671.05
Total (II)	188,087.12	-	188,087.12	161,048.71	-	161,048.71
Total (B) = (I + II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Sub-total (ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
Total (I) = (i+ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14

* The net value is the fair value of these loans

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

-The Group 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.

-Prior to the RBI guidelines pertaining to maintenance of Principal Business Criteria (PBC), one of the subsidiary viz. BHFL used to assign home loans to external partners as part of its treasury strategy. Considering the significant change in the regulatory requirement (PBC) on increasing the home loans as proportion to the total assets, BHFL reassessed the requirement for change in the business model for its home loan portfolio. BHFL had done insignificant amount of assignment transactions for its home loan portfolio in order to retain home loan portfolio as part of total assets, necessitated purely due to the change in regulatory landscape, applicable for BHFL, to continue to be classified as a Housing Finance Company, thereby leading to a change in the business model.

-BHFL 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 (gross) amounting to ₹ 54,128.76 crore from FVOCI to amortised cost.

9 Loans (Contd.)

Loan details

(₹ in crore)

Particulars	As at 31 March 2026	2025
Total gross loan	512,711.39	417,467.61
Less: EIR impact	3,467.70	2,641.11
Total for gross term loan net of EIR impact	509,243.69	414,826.50

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	499,358.88	4,766.02	5,118.79	509,243.69	405,457.84	5,403.92	3,964.74	414,826.50
Less: Impairment loss allowance	5,088.43	2,155.04	3,056.68	10,300.15	3,103.43	1,748.67	2,130.26	6,982.36
Net carrying amount	494,270.45	2,610.98	2,062.11	498,943.54	402,354.41	3,655.25	1,834.48	407,844.14
Impairment loss allowance as a percentage of gross carrying amount	1.02%	45.22%	59.71%	2.02%	0.77%	32.36%	53.73%	1.68%

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

(₹ 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
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36
Transfers during the year								
transfers to stage 1	447.88	109.30	(380.21)	(82.76)	(67.67)	(26.54)	-	-
transfers to stage 2	(4,278.38)	(115.34)	4,302.17	127.76	(23.79)	(12.42)	-	-
transfers to stage 3	(7,825.44)	(252.71)	(3,741.57)	(1,378.29)	11,567.01	1,631.00	-	-
	(11,655.94)	(258.75)	180.39	(1,333.29)	11,475.55	1,592.04	-	-
Impact of changes in credit risk	-	1,333.69	-	1,864.89	-	9,832.04	-	13,030.62
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(160,023.76)	(1,533.67)	(1,789.20)	(638.24)	(3,045.41)	(2,534.03)	(164,858.37)	(4,705.94)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	265,580.74	2,443.73	970.91	513.01	1,887.17	1,199.63	268,438.82	4,156.37
Amounts written off during the year	-	-	-	-	(9,163.26)	(9,163.26)	(9,163.26)	(9,163.26)
As at 31 March 2026	499,358.88	5,088.43	4,766.02	2,155.04	5,118.79	3,056.68	509,243.69	10,300.15

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

9 Loans (Contd.)

(₹ in crore)

	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
Particulars	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the period								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk	-	593.19	-	1,397.76	-	8,063.85	-	10,054.80
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(1,137.11)	(1,785.40)	(486.92)	(2,895.45)	(2,395.53)	(125,054.46)	(4,019.56)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36

- Details of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles and equipments as a lessor. These are accounted as finance lease as material risks and rewards are transferred to the lessee. The tenor of these leases ranges from 6 months to 84 months (Previous year 12 months to 60 months). The contracted interest rate ranges from 8.70% to 12.07% p.a. (previous year 10.25% to 11.50% p.a.)

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

	As at 31 March	
Particulars	2026	2025
Undiscounted lease payments due		
Within 12 months	118.84	16.66
After 12 months	306.27	51.40
Total undiscounted lease payments receivable	425.11	68.06
Less: Unearned finance income	75.84	13.53
Gross finance lease receivable	349.27	54.53
Less: Impairment loss allowance	2.93	0.35
Net finance lease receivable	346.34	54.18

10 Investments

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(A)	**At amortised cost**			
	In pass through certificates (PTC)		88.09	194.63
			88.09	194.63
	Less: Impairment loss allowance		0.35	0.78
	Total (A)		87.74	193.85
(B)	**At fair value through other comprehensive income**			
	(i)	In Government securities	25,371.09	22,297.91
		Add: Fair value gain/(losses)	(253.11)	150.34
		Sub-total (i)	25,117.98	22,448.25
		Includes carrying value of (a) ₹ 4,397.51 crore (Previous year ₹ 4,651.84 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934, (b) ₹ 6,272.06 crore (Previous year ₹ 3,930.77 crore) utilised for Repurchase Agreement borrowing (Repo) transaction, (c) ₹ 10,125.02 crore (Previous year ₹ 13,270.90 crore) pledged for triparty repo dealing and settlement (TREPs), and (d) ₹ 272.78 crore (Previous Year ₹ 199.31 crore) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
	(ii)	In equity instruments		
		Equity shares (Quoted)	341.26	446.89
		Add: Fair value gain/(losses)	(180.70)	(129.90)
			160.56	316.99
		Equity shares (Unquoted)	593.79	318.16
		Add: Fair value gain/(losses)	140.38	106.46
			734.17	424.62
		Compulsorily convertible preference shares	32.50	-
		Add: Fair value gain/(losses)	3.70	-
			36.20	-
		Sub-total (ii)	930.93	741.61
	(iii)	In Certificate of deposits	1,934.45	2,740.25
		Add: Fair value gain/(losses)	(1.22)	4.18
		Sub-total (iii)	1,933.23	2,744.43
	(iv)	In Commercial papers	1,378.88	925.96
		Add: Fair value gain/(losses)	0.55	0.42
		Sub-total (iv)	1,379.43	926.38
	(v)	In Non convertible debentures	-	212.83
		Add: Fair value gain/(losses) (Previous year ₹ 40,836)	-	
		Sub-total (v)	-	212.83
	Total (B) = (i+ii+iii+iv+v)		29,361.57	27,073.50

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

10 Investments (Contd.)

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(C)	**At fair value through profit or loss**			
	(i)	In mutual funds	420.23	5,246.86
		Add: Fair value gains/(losses)	(28.98)	17.45
		Sub-total (i)	391.25	5,264.31
		Includes carrying value of (i) ₹ Nil (Previous year ₹ Nil) under lien with Indian Clearing Corporation Limited for margin requirement (ii) ₹ 5.92 crore (Previous year ₹ 5.57 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
	(ii)	In Government securities	79.16	1,245.43
		Add: Fair value gains/(losses)	(0.78)	0.06
		Sub-total (ii)	78.38	1,245.49
		includes ₹ Nil (Previous year ₹ 25.22 crore) pledged for TREPs and ₹ 24.86 crore (Previous Year ₹ Nil) kept as margin for securities segment with CCIL.		
	(iii)	In equity shares	312.91	280.07
		Add: Fair value gains/(losses)	(69.55)	(23.19)
		Sub-total (iii)	243.36	256.88
		Includes carrying value of ₹ 242.31 crore (Previous year ₹ 0.01 crore) pledged in favour of ICCL for margin requirement.		
	(iv)	In Infrastructure investment trust (Invit) units	20.00	20.00
		Add: Fair value gains/(losses)	(7.60)	-
		Sub-total (iv)	12.40	20.00
	Total (C) = (i+ii+iii+iv)		725.39	6,786.68
D	**At cost**			
		Investment in associate	403.10	386.81
	Total (D)		403.10	386.81
Total (A+B+C+D)			30,577.80	34,440.84

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Out of above		
In India	30,577.80	34,440.84
Outside India	-	-
	30,577.80	34,440.84

Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except for investments measured at amortised cost.

Reconciliation of impairment loss allowance on investments measured at amortised cost

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Impairment loss allowance as at beginning of the year	0.78	1.43
Net increase/(decrease) during the year	(0.43)	(0.65)
Impairment loss allowance as at the end of the year	0.35	0.78

10 Investments (Contd.)

Details of equity instruments (quoted) designated under FVOCI derecognised during the year:

(₹ in crore)

	FY 2025-26			
Name of the Company	No. of shares de-recognised	Average purchase price per share (₹)	Average fair valuation as on de-recognition (₹)	Cumulative loss on de-recognition (₹ in crore)*
RBL Bank Limited	3,009,504	351	326.65	(7.54)

*net of selling expenses

Cumulative loss (net of tax) on sale of these shares has been transferred from other comprehensive income to retained earnings. The Group had no such transaction in the previous financial year.

11 Other financial assets

(₹ in crore)

	As at 31 March	
Particulars	2026	2025
Security deposits	207.95	136.23
Margin with exchanges	47.42	164.26
Advances to dealers	15.28	52.63
Credit cover under Government guarantee schemes	2,676.54	1,108.74
Receivable from debt management agencies	214.55	216.72
Receivable from online payment aggregators and gateways	60.74	92.51
Interest only strip receivable	677.77	474.58
Receivable from assignment servicing partners	309.68	136.65
Others	95.83	69.01
	4,305.76	2,451.33
Less : Impairment loss allowance	5.35	6.34
	4,300.41	2,444.99

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

	For the year ended 31 March	
Particulars	2026	2025
Impairment loss allowance as at beginning of the year	6.34	3.59
Net increase/(decrease) during the year	(0.99)	2.75
Impairment loss allowance as at the end of the year	5.35	6.34

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Profit before tax	25,816.65	22,079.63
At corporate tax rate of 25.17% (Previous year: 25.17%)	6,494.20	5,555.40
Current tax adjustment with respect to earlier years*	(0.24)	(275.12)
Impact of income taxed at different rates	2.87	1.06
Tax on expenditure not considered for tax provision (net of allowance)*	119.14	96.78
Deduction under section 36(1)(viii) of the Income tax Act, 1961#	(90.60)	(75.51)
Tax benefit on additional deductions	(41.08)	(2.46)
Tax expense (Effective tax rate of 25.117%, Previous year 24.005%)	6,484.29	5,300.15

*In the previous year, the Group had re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group had reversed tax expense for earlier years and reduced the current tax provision.

The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss.

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2025-26

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	2.38	0.91	-	-	3.29
	Remeasurements of employee benefits	125.41	89.58	(8.91)	-	206.08
	Expected credit loss	1,155.86	373.26	-	-	1,529.12
	Cash flow hedge reserve	32.48	-	(32.48)	-	-
	Right-of-use assets	247.88	71.76	-	-	319.64
	Changes in fair value on debt instruments at FVTPL	3.54	9.24	2.07	-	14.85
	Changes in fair value on equity instruments designated under FVOCI	3.36	-	1.88	-	5.24
	Changes in fair value on debt instruments designated under FVOCI	-	-	0.40	-	0.40
	Cost of hedging reserve	-	-	6.28	-	6.28
	Other temporary differences	17.61	16.55	-	(2.51)	31.65
	Gross deferred tax assets (a)	1,588.53	561.30	(30.76)	(2.51)	2,116.56

12 Income taxes (Contd.)

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(b)	Deferred tax liabilities					
	Property, plant and equipment and intangible assets	(39.49)	4.21	-	-	(35.28)
	Service asset and interest only strip receivable on assigned loans	(150.41)	(36.89)	-	-	(187.30)
	Changes in fair value on debt instruments at FVTPL	(4.23)	4.23	-	-	-
	Changes in fair value on debt instruments designated under FVOCI	(32.36)	(68.16)	100.41	-	(0.11)
	Cost of hedging reserve	(1.44)	-	1.44	-	-
	Lease liability	(219.32)	(63.49)	-	-	(282.81)
	Cash flow hedge reserve	-	-	(39.58)	-	(39.58)
	Other temporary differences	(0.08)	(11.33)	-	-	(11.41)
Gross deferred tax liabilities (b)		(447.33)	(171.43)	62.27	-	(556.49)
Deferred tax assets/(liabilities), net (a+b)		1,141.20	389.87	31.51	(2.51)	1,560.07

For the financial year 2024-25

(₹ in crore)

Particulars		Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	1.46	0.92	-	-	2.38
	Remeasurements of employee benefits	102.50	16.66	6.25	-	125.41
	Expected credit loss	984.73	171.13	-	-	1,155.86
	Cash flow hedge reserve	3.00	-	29.48	-	32.48
	Right-of-use assets	181.10	66.78	-	-	247.88
	Changes in fair value on debt instruments at FVTPL	-	3.54	-	-	3.54
	Changes in fair value on equity instruments designated under FVOCI	-	-	3.36	-	3.36
	Changes in fair value on debt instruments designated under FVOCI	0.20	-	(0.20)	-	-
	Other temporary differences	6.76	0.74	-	10.11	17.61
	Gross deferred tax assets (a)	1,279.75	259.77	38.89	10.11	1,588.53

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

12 Income taxes (Contd.)

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(29.85)	(9.64)	-	-	(39.49)
Service asset and Interest only strip receivable on assigned loans	(44.20)	(106.21)	-	-	(150.41)
Changes in fair value on debt instruments at FVTPL	(5.07)	0.84	-	-	(4.23)
Changes in fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-	-
Changes in fair value on debt instruments designated under FVOCI	(0.18)	3.07	(35.25)	-	(32.36)
Cost of hedging reserve	-	-	(1.44)	-	(1.44)
Lease liability	(161.16)	(58.16)	-		(219.32)
Other temporary differences	-	(0.08)	-	-	(0.08)
Gross deferred tax liabilities (b)	(262.32)	(170.18)	(14.83)	-	(447.33)
Deferred tax assets/(liabilities), net (a+b)	1,017.43	89.59	24.06	10.11	1,141.20

13 (A) Property, plant and equipment and other intangible assets

For the financial year 2025-26

(₹ in crore)

	Gross block				Depreciation and amortisation				Net block
Particulars	As at 1 April 2025	Addition	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 (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	77.26	-	3.71	80.97	182.63
Computers and data processing units	674.83	204.03	89.88	788.98	309.39	59.88	145.95	395.46	393.52
Office equipment	431.94	76.03	33.29	474.68	257.60	19.47	65.69	303.82	170.86
Furniture and fixtures	339.81	41.09	11.24	369.66	154.33	8.57	40.95	186.71	182.95
Vehicles	522.29	165.74	70.31	617.72	151.88	36.26	95.77	211.39	406.33
Leasehold improvements	340.78	29.59	5.78	364.59	245.12	5.16	24.05	264.01	100.58
Sub-total (i)	2,846.56	516.48	210.50	3,152.54	1,195.58	129.34	376.12	1,442.36	1,710.18
Right-of-use (f)									
Right-of-use - Premises (e)	1,609.08	398.00	102.38	1,904.70	580.99	91.95	280.83	769.87	1,134.83
Right-of-use - Server	29.59	-	-	29.59	19.77	-	3.77	23.54	6.05
Sub-total (ii)	1,638.67	398.00	102.38	1,934.29	600.76	91.95	284.60	793.41	1,140.88
Sub-total (iii=i+ii)	**4,485.23**	**914.48**	**312.88**	**5,086.83**	**1,796.34**	**221.29**	**660.72**	**2,235.77**	**2,851.06**
Other intangible assets (d)									
Computer softwares	1,025.88	211.46	26.52	1,210.82	472.59	21.00	188.17	639.76	571.06
Internally generated software	760.23	146.54	-	906.77	225.51	-	160.09	385.60	521.17
Sub-total (iv)	**1,786.11**	**358.00**	**26.52**	**2,117.59**	**698.10**	**21.00**	**348.26**	**1,025.36**	**1,092.23**
Total (v=iii+iv)	**6,271.34**	**1,272.48**	**339.40**	**7,204.42**	**2,494.44**	**242.29**	**1,008.98**	**3,261.13**	**3,943.29**

13 (A) Property, plant and equipment and other intangible assets (Contd.)

For the financial year 2024-25

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2024	Addition	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 (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	73.59	-	3.67	77.26	186.34
Computers and data processing units	562.93	199.23	87.33	674.83	248.10	63.36	124.65	309.39	365.44
Office equipment	342.65	109.33	20.04	431.94	213.96	18.04	61.68	257.60	174.34
Furniture and fixtures	299.58	56.98	16.75	339.81	130.32	13.33	37.34	154.33	185.48
Vehicles	373.16	193.03	43.90	522.29	96.11	22.44	78.21	151.88	370.41
Leasehold improvements	312.25	42.52	13.99	340.78	229.02	13.85	29.95	245.12	95.66
Sub-total (i)	2,427.48	601.09	182.01	2,846.56	991.10	131.02	335.50	1,195.58	1,650.98
Right-of-use (f)									
Right-of-use - Premises (e)	1,336.22	391.82	118.96	1,609.08	432.29	114.79	263.49	580.99	1,028.09
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,373.70	393.71	128.74	1,638.67	451.76	118.58	267.58	600.76	1,037.91
Sub-total (iii=i+ii)	**3,801.18**	**994.80**	**310.75**	**4,485.23**	**1,442.86**	**249.60**	**603.08**	**1,796.34**	**2,688.89**
Other intangible assets (d)									
Computer softwares	911.19	258.94	144.25	1,025.88	424.98	120.58	168.19	472.59	553.29
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	**1,429.08**	**501.28**	**144.25**	**1,786.11**	**540.77**	**120.58**	**277.91**	**698.10**	**1,088.01**
Total (v=iii+iv)	**5,230.26**	**1,496.08**	**455.00**	**6,271.34**	**1,983.63**	**370.18**	**880.99**	**2,494.44**	**3,776.90**

(a) See note no. 3.5

(b) Represents share in undivided portion of land on purchase/construction of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500)

(d) See note no. 3.6

(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.

(f) See note no. 3.8

(g) The Parent Company had mortgaged one of its offices in Chennai having carrying value of ₹ 4.32 crore as on 31 March 2026 (Previous year ₹ 4.42 crore) on pari passu charge against specific secured NCDs.

Depreciation and amortisation

Depreciation and amortisation is provided using straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Air conditioner#	8 years*
Other office equipment's	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements#	Lease tenure or 9 years, whichever is less
Intangible assets including those internally generated	License tenure or 5 years, whichever is less

* Evaluated useful life is different from Schedule II of Companies Act, 2013.

The Parent Company has changed estimated useful life of air conditioners and leasehold Improvements from 5 years to 8 years and from 5 years to lease tenure or 9 years, whichever is less, respectively. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would had been lower by ₹ 14.84 crore.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

13 (B) Capital work-in-progress, intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Opening balance	26.74	25.35
Additions	70.86	74.01
Deductions/Adjustments	35.77	72.62
Closing balance	61.83	26.74

Ageing for capital work-in-progress

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	31 March 2026	39.91	5.16	2.33	14.43	61.83
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74

Intangible assets under development

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Opening balance	12.98	18.11
Additions	405.59	496.04
Deductions/Adjustments	360.99	499.60
Closing balance	57.58	14.55

Ageing for intangible assets under development

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	31 March 2026	57.00	0.58	-	-	57.58
Projects in progress	31 March 2025	14.55	-	-	-	14.55

The Group does not have any project temporarily suspended or any CWIP and Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP and intangible asset under development completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Capital advances	14.36	5.84
Deposits against appeals	86.29	40.50
Advances to suppliers and others*	119.07	199.88
	219.72	246.22

* Impairment loss allowance recognised on other non financial assets is Nil (Previous year: Nil).

15 Payables

(₹ in crore)

Particulars	As at 31 March 2026	2025
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises#	0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,103.62	1,876.24
	2,104.53	1,878.04
(II) Other payables*		
Total outstanding dues of micro enterprises and small enterprises#	0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,173.47	930.49
	1,173.80	930.91

* Includes payable towards employee performance incentives and capital goods

#Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as per section 22 of MSMED Act, 2006 as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2026	2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	1.24	2.22
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	82.93	36.65
Interest paid to suppliers under MSMED Act (section 16)	0.80	0.42
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 (since paid)	-	-

Trade Payables ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
(i) MSME	0.91	-	-	-	-	-	0.91
(ii) Others	235.57	1,245.08	540.51	82.29	0.01	0.16	2,103.62
	236.48	1,245.08	540.51	82.29	0.01	0.16	2,104.53
As at 31 March 2025							
(i) MSME	1.27	-	0.53	-	-	-	1.80
(ii) Others	267.45	925.74	632.99	49.90	-	0.16	1,876.24
	268.72	925.74	633.52	49.90	-	0.16	1,878.04

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	150,354.47	118,284.62
Unsecured and partly paid	1,491.33	2,641.49
Unsecured and fully paid	8,060.00	6,253.19
	159,905.80	127,179.30
Commercial papers - Unsecured	33,226.10	27,460.43
	193,131.90	154,639.73
(B) Out of above		
In India	193,131.90	154,639.73
Outside India	-	-
	193,131.90	154,639.73

* All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during 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. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company and one of its subsidiary viz. BHFL has, at all times, for the secured non-convertible debentures, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 3,500 crore (Previous year ₹ 500 crore). The total outstanding as on 31 March 2026 is ₹ 3,500 crore (Previous year ₹ 2,350 crore).

(C) Terms of repayment of non convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
Redeemable at par					
INE296A07FV8	9.05%	07-Apr-15	07-Apr-25	-	170.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	-	330.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	-	1,317.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	-	1,050.00
INE296A07SB3	7.38%	08-Aug-22	08-Aug-25	-	1,575.00
INE377Y07334	7.42%	18-Nov-22	12-Aug-25	-	1,000.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	-	625.00
INE377Y07334	7.42%	14-Oct-22	12-Aug-25	-	475.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	-	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	-	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	-	5,100.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	-	725.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	-	681.00
INE296A07QS1	8.95%	09-Jan-19	08-Jan-26	-	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	-	300.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	-	1,000.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	-	1,795.00
INE377Y07375	7.92%	09-Nov-22	16-Mar-26	-	390.00
INE377Y07375	7.92%	24-Mar-23	16-Mar-26	-	475.00
INE377Y07375	7.92%	13-Apr-23	16-Mar-26	-	2,000.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	-	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	-	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	-	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	-	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	500.00
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	2,600.00
INE296A07LG7	8.65%	04-Jul-16	03-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	500.00
INE377Y07490	7.98%	09-Jul-24	09-Sep-26	1,520.00	1,520.00
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	08-Jan-27	1,625.00	1,625.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE377Y07557	7.14%	02-May-25	26-Feb-27	1,000.00	-
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	1,000.00
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	1,980.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE296A07RZ4	7.70%	07-Jun-22	07-Jun-27	1,581.00	1,581.00
INE296A07TK2	7.23%	28-Apr-25	28-Jun-27	1,000.00	-
INE377Y07482	8.10%	08-May-24	08-Jul-27	3,000.00	3,000.00
INE377Y07581	6.90%	12-Jun-25	12-Aug-27	1,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	2,815.00
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE296A07TF2	7.80%	09-Oct-24	10-Dec-27	1,750.00	1,750.00
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE377Y07615	6.95%	13-Oct-25	28-Jan-28	1,000.00	-
INE296A07TT3	7.31%	12-Feb-26	11-Feb-28	500.00	-
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	2,175.00
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE377Y07565	7.02%	26-May-25	26-May-28	2,335.00	-
INE296A07SN8	7.73%	07-Jun-23	07-Jun-28	500.00	500.00
INE296A07TJ4	7.38%	17-Apr-25	26-Jun-28	6,275.00	-
INE296A07TM8	7.11%	08-Jul-25	10-Jul-28	1,500.00	-
INE377Y07599	6.97%	17-Jul-25	17-Jul-28	1,000.00	-
INE377Y07433	7.85%	01-Sep-23	01-Sep-28	1,350.00	1,350.00
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07TN6	7.07%	30-Jul-25	21-Sep-28	1,750.00	-
INE377Y07607	7.10%	16-Sep-25	16-Oct-28	3,000.00	-
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07TP1	7.24%	12-Sep-25	12-Dec-28	1,350.00	-
INE377Y07623	7.25%	22-Jan-26	22-Jan-29	1,000.00	-
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07TV9	7.40%	20-Feb-26	12-Mar-29	1,000.00	-
INE377Y07474	8.05%	08-May-24	08-May-29	1,500.00	1,500.00

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	4,777.20
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	4,852.00
INE296A08870	8.06%	04-Oct-16	04-Oct-29	365.00	365.00
INE377Y07524	6.83%	17-Oct-24	17-Oct-29	1,500.00	1,500.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	2,858.40
INE296A07TI6	7.57%	03-Apr-25	03-Apr-30	3,000.00	-
INE377Y07573	7.08%	12-Jun-25	12-Jun-30	3,500.00	-
INE296A07TL0	7.38%	28-Apr-25	28-Jun-30	4,765.00	-
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07TQ9	7.37%	29-Sep-25	27-Sep-30	4,015.00	-
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07TU1	7.55%	20-Feb-26	20-Feb-31	1,500.00	-
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,719.50	2,483.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE296A07RW1	7.15%	02-Dec-21	02-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	06-Jun-17	07-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	08-Sep-22	08-Sep-32	327.00	327.00
INE377Y07359	7.89%	08-Sep-22	08-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07409	8.04%	09-Feb-23	09-Feb-33	750.00	750.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	06-Nov-18	02-Nov-33	4,575.00	4,575.00
INE296A07TS5	7.65%	27-Oct-26	27-Jan-34	1,024.00	-
INE296A07SV1	7.82%	08-Feb-24	31-Jan-34	7,995.00	7,995.00
INE296A07SU3	7.87%	08-Feb-24	08-Feb-34	1,887.30	1,887.30
INE377Y07458	7.80%	09-Feb-24	09-Feb-34	1,500.00	1,500.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	02-May-24	02-May-34	2,360.50	2,360.50
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	4,000.00
INE296A07TE5	7.70%	04-Oct-24	04-Oct-34	750.00	750.00
INE377Y07516	7.56%	04-Oct-24	04-Oct-34	1,750.00	1,750.00
INE296A07TS5	7.65%	27-Jan-26	27-Jan-35	1,024.00	-
INE377Y08118	8.00%	31-Jan-20	07-Feb-35	-	105.00
INE377Y08118	8.00%	29-Jan-21	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-22	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-23	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-24	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-25	07-Feb-35	-	105.00
INE377Y08134	8.00%	31-Jan-20	07-Feb-35	750.00	-
INE377Y08126	7.70%	13-Mar-20	09-Mar-35	-	147.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
INE377Y08126	7.70%	12-Mar-21	09-Mar-35	-	147.00
INE377Y08126	7.70%	11-Mar-22	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-23	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-24	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-25	09-Mar-35	-	147.00
INE377Y08142	7.70%	13-Mar-20	09-Mar-35	1,050.00	-
INE296A07TH8	7.55%	03-Apr-25	03-Apr-35	4,240.00	-
INE377Y07540	7.50%	09-Apr-25	09-Apr-35	1,500.00	-
INE296A08987/ INE296A08995	7.99%	01-Jun-22	01-Jun-35	1,400.00	1,050.00
INE296A07TR7	7.45%	15-Oct-25	15-Oct-35	500.00	-
INE296A07TS5	7.65%	27-Jan-26	27-Jan-36	3,072.00	-
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	-	906.00
				153,510.00	122,460.50
Interest accrued				6,515.12	4,822.82
Impact of EIR (including premium and discount on NCD)				(101.49)	(147.31)
Fair value gain/(loss) on NCD hedged through interest rate swap				(17.83)	43.29
				159,905.80	127,179.30

-Includes partly paid NCD on which amount to be called is ₹ 350 crore in June 2026

Out of above NCD having put option are as under:

(₹ in crore)

ISIN	Coupon rate	Put option date	As at 31 March 2026	2025
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	07-Feb-27	7,995.00	7,995.00
			10,070.00	10,070.00

(D) Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2026	2025
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	33,124.38	27,426.99
Impact of EIR	101.72	33.44
	33,226.10	27,460.43

-Interest rate ranges from 6.36% to 8.20% p.a as at 31 March 2026 (Previous year 7.45% to 8.05% p.a)

-As at 31 March 2026, face value of commercial paper is ₹ 33,827 crore (Previous year ₹ 27,925 crore)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) In India		
At amortised cost:		
Term loans from banks	97,333.65	78,311.25
Term loans from Developement Financial Institutions	8,280.91	6,533.36
Term loan from National Housing Bank (NHB)#	10,340.88	8,372.40
Cash credit/Overdraft facility	5,791.97	3,783.79
Working capital demand loans	4,272.67	2,367.58
Triparty repo dealing and settlement (TREPs) against Government securities	8,636.93	11,676.78
Repurchase agreement borrowings (Repo)	6,350.75	3,929.78
Securitisation liabilities*	6,767.80	1,753.68
	147,775.56	116,728.62
Outside India		
External commercial borrowing (ECB)**	22,866.97	15,373.63
	22,866.97	15,373.63
(B) Out of above		
Secured (Against loans, book debts and other receivables)	169,241.45	130,652.72
Unsecured	1,401.08	1,449.53
	170,642.53	132,102.25

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 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 outstanding value is proceeds received from the trust which is net of Investment in Pass-through Certificates by the group.The Group has provided additional external credit enhancement to the trust by way of cash collateral.

**External commercial borrowing is denominated in foreign currency and secured against book debts.

-The Group has not been declared as Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof under the RBI guidelines on wilful defaulters.

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2026

	Residual maturity of loans								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year			
Original maturity of loan	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
Monthly										
Up to 3 years	120	603.13	64	224.17	34	93.89	-	-	218	921.19
Over 3 to 4 years	120	615.54	120	542.82	106	503.93	12	103.16	358	1,765.45
Quarterly										
Up to 3 years	10	341.68	8	116.64	-	-	-	-	18	458.32
Over 3 to 4 years	92	2,210.70	78	1,645.07	62	1,112.87	30	660.94	262	5,629.58
Over 4 years	172	2,875.43	149	2,375.23	137	1,665.23	218	2,332.74	676	9,248.63
Half yearly										
Up to 3 years	10	816.33	4	199.67	2	84.00	-	-	16	1,100.00
Over 3 to 4 years	22	1,668.16	10	675.89	4	106.25	-	-	36	2,450.30
Over 4 years	225	14,060.59	248	14,540.58	198	11,183.42	345	13,982.08	1,016	53,766.67

17 Borrowings (other than debt securities) (Contd.)

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	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
Yearly										
Up to 3 years	4	174.60	4	224.60	3	100.80	-	-	11	500.00
Over 3 to 4 years	4	267.32	4	266.32	4	266.36	-	-	12	800.00
Over 4 years	10	1,355.00	20	1,788.33	21	1,688.33	33	3,616.67	84	8,448.33
On maturity (Bullet)										
Up to 3 years	14	9,250.00	5	2,565.00	1	500.00	-	-	20	12,315.00
Over 3 to 4 years	-	-	2	1,500.00	2	1,000.00	-	-	4	2,500.00
Over 4 years	1	500.00	2	2,200.00	-	-	1	3,000.00	4	5,700.00
Interest accrued	-	13.88	-	-	-	-	-	-	-	13.88
Impact of EIR										(2.79)
										105,614.56

-Interest rate ranges from 5.25 % p.a. to 8.05 % p.a. as at 31 March 2026

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	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
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	121	2,281.13	111	2,368.97	81	1,759.38	127	1,926.53	440	8,336.01
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	147	9,285.56	191	13,304.02	166	11,454.56	258	13,596.12	762	47,640.26
Yearly										
Up to 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 3 to 4 years	-	-	-	-	-	-	-	-	-	-
Over 4 years	12	1,130.00	12	1,580.00	13	1,413.22	20	1,805.00	57	5,928.22
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	3	650.00	-	-	13	7,500.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Over 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued	-	16.62	-	-	-	-	-	-		16.62
Impact of EIR										(0.23)
										84,844.61

-Interest rate ranges from 6.61 % p.a. to 8.80 % p.a. as at 31 March 2025

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

17 Borrowings (other than debt securities) (Contd.)

(D) Terms of repayment of working capital demand loans from bank

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	12	4,272.00	7	2,366.27
Interest accrued		0.67		1.31
	12	4,272.67	7	2,367.58

-Interest rate ranges from 6.50% p.a to 8.20% p.a as at 31 March 2026 (Previous year 7.11% p.a to 9.30% p.a)

(E) Terms of repayment of TREPs

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	18	8,636.93	28	11,676.78
	18	8,636.93	28	11,676.78

-Interest rate ranges from 5.95% p.a to 6.77% p.a as at 31 March 2026 (Previous year 6.00% p.a to 6.99% p.a)

(F) Terms of repayment of term loan from NHB as at 31 March 2026

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	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										
More than 4 years	156	1,140.34	208	1,520.43	208	1,520.43	801	6,159.68	1,373.00	10,340.88
										10,340.88

Interest rate ranges from 4.25 % p.a. to 8.35 % p.a. as at 31 March 2026.

Terms of repayment of term loan from NHB as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	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										
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058	8,372.40
										8,372.40

-Interest rate ranges from 5.25 % p.a. to 8.45 % p.a. as at 31 March 2025

17 Borrowings (other than debt securities) (Contd.)

(G) Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	5	4,022.81	-	-
Original maturity over 3 years	4	2,839.63	-	-
Due in 1 to 2 year				
Original maturity over 2 to 3 years	11	9,465.43	5	3,637.21
Original maturity over 3 years	1	711.26	4	2,567.44
Due in 2 to 3 year				
Original maturity over 2 to 3 years	5	5,829.19	11	8,558.14
Original maturity over 3 years	-	-	1	641.06
Interest Accrued		58.99		34.80
Impact of EIR		(60.34)		(65.02)
	26	22,866.97	21	15,373.63

-Contracted Interest rate ranges from 4.60% p.a to 4.94% p.a as at 31 March 2026 (Previous year 5.30% p.a to 5.61% p.a)

-Interest rate ranges from 7.17% p.a to 8.11% p.a post effective hedge as at 31 March 2026 (Previous year 7.47% to 8.11% p.a)

(H) Terms of repayment of repo borrowing

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	9	6,350.75	10	3,929.78
	9	6,350.75	10	3,929.78

-Contracted Interest rate is 6.50% p.a to 7.90% p.a as at 31 March 2026 (Previous year 7.40% p.a)

(I) Terms of repayment of securitisation liabilities

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	2,140	2,127.64	12	396.97
Due in 1 to 2 years	2,120	1,942.90	12	413.91
Due in 2 to 3 years	2,091	1,656.48	12	381.74
Due over 3 years	16,036	1,027.27	24	556.29
Interest Accrued		13.96		4.89
Impact of EIR		(0.45)		(0.12)
	22,387	6,767.80	60	1,753.68

-Contracted Interest rate is 6.64% to 7.82% p.a as at 31 March 2026 (Previous year 7.75% p.a)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) At amortised cost		
Public deposits*	39,379.73	41,792.22
From others	29,153.02	29,610.91
	68,532.75	71,403.13

*As defined in Master direction - Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(B) Terms of repayment of deposits as at 31 March 2026

(₹ in crore)

	Residual maturity of deposits				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	10,959.93	-	-	-	10,959.93
Over 1 to 2 years	9,393.81	4,002.00	-	-	13,395.81
Over 2 to 3 years	3,035.36	4,347.64	3,001.29	-	10,384.29
Over 3 years	8,785.34	12,956.77	6,950.12	1,428.57	30,120.80
Interest accrued	2,095.73	1,358.79	325.81	35.24	3,815.57
Impact of EIR					(143.65)
					68,532.75

Terms of repayment of deposits as at 31 March 2025

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	12,233.43	-	-	-	12,233.43
Over 1 to 2 years	8,707.42	6,294.21	-	-	15,001.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,704.81	8,945.86	13,246.01	5,710.50	30,607.18
Interest accrued	1,396.03	876.34	623.13	77.01	2,972.51
Impact of EIR					(191.28)
					71,403.13

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	2,805.31	3,103.54
	2,805.31	3,103.54
(B) Outside India	-	-

19 Subordinated liabilities (Unsecured) (Contd.)

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
Redeemable at par					
INE296A08755	8.94%	21-Oct-15	21-Oct-25	-	40.00
INE296A08763	8.94%	09-Nov-15	07-Nov-25	-	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	02-Dec-16	02-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,660.00	2,950.00
Interest accrued				148.72	158.92
Impact of EIR				(3.41)	(5.38)
				2,805.31	3,103.54

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Unclaimed dividends*	5.96	4.29
Book overdraft	413.21	26.48
Security deposits	184.47	190.00
Lease liability+	1,254.65	1,121.19
Unclaimed matured deposits*	0.38	0.35
Payable on account of assignment	118.58	93.93
Outstanding liability for prepaid instrument	189.84	120.11
Unspent CSR liability	15.16	6.24
Advance received towards ECB variation margin	101.31	-
Others	512.60	385.61
	2,796.16	1,948.20

-Others includes amounts pertaining to sale of customers securities, ICD and deposits under process, FLDG advance etc.

*There are no undisputed amounts which were due and remained unpaid to Investor Education and Protection Fund as at the close of the year.

+Disclosures as required by Ind AS 116 'Leases':

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 12 to 218 months. The discount rate ranges from 5.95% to 9.15%.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

20 Other financial liabilities (Contd.)

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening balance	1,121.19	1,001.16
Add: Addition during the year	389.26	347.55
Interest on lease liability	92.18	85.57
Less: Deletion during the year	13.26	12.94
Lease rental payments	334.72	300.15
Balance at the end of the year	1,254.65	1,121.19

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Not later than one year	346.32	306.80
Later than one year but not later than five years	857.74	803.89
Later than five years	383.04	280.74
	1,587.10	1,391.43

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Within 12 months	260.17	228.69
After 12 months	994.48	892.50

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on lease liabilities	92.19	85.57
Depreciation charge for the year	284.13	267.59
Expense related to short-term leases	4.87	4.92
(Gain)/loss on pre-mature lease closure	(3.07)	(2.79)
	378.12	355.29

(E) Total cash outflow for leases for the year

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Cash outflow for leases	334.72	300.15
Cash outflow for short-term leases	4.87	4.92
	339.59	305.07

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2026	2025
Provision for employee benefits		
Gratuity	626.39	404.62
Compensated absences*	56.10	23.94
Other long-term service benefits	3.74	54.90
Impairment allowance on undrawn loan commitments	62.71	30.82
	748.94	514.28

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 15.87 crore (Previous year ₹ 23.94 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	2025
Statutory dues	674.91	498.37
Others	34.17	33.73
	709.08	532.10

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2026	2025
Authorised		
10,000,000,000 equity shares of ₹ 1 each (Previous year 750,000,000 equity shares of ₹ 2 each)	1,000.00	150.00
Issued		
6,222,481,865 equity shares of ₹ 1 each (Previous year 621,428,652 equity shares of ₹ 2 each)	622.25	124.29
Subscribed and paid up:		
6,222,481,865 equity shares of ₹ 1 each fully called up and paid up (Previous year 621,428,652 equity shares of ₹ 2 each fully called up and paid up)	622.25	124.29
Less: 4,605,529 equity shares of ₹ 1 each held in a trust for employees under ESOP Scheme [See footnote (f) below] (Previous year 616,288 equity shares of ₹ 2 each held in a trust for employees under employees under ESOP Scheme)	0.46	0.12
	621.79	124.17

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital (Contd.)

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	-
	621,428,652	124.29
Less: Equity shares held in trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17
As at 1 April 2025	621,428,652	124.29
Adjusted no. of shares on account of sub-division of equity share#	1,242,857,304	124.29
Add: Issue of bonus shares during the year to eligible shareholders#	4,971,429,216	497.14
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	8,195,345	0.82
	6,222,481,865	622.25
Less: Equity shares held in trust for employees under ESOP scheme	4,605,529	0.46
As at 31 March 2026	6,217,876,336	621.79

#During FY 2025-26, pursuant to approval of the Members

i. Authorised share capital of the Company was increased from ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each to ₹ 1,000 crore consisting of 10,000,000,000 equity shares of face value of ₹ 1 each, subsequently 621,428,652 equity shares of face value of ₹ 2 each as on the record date i.e. 16 June 2025 (end of the day), were sub-divided into 1,242,857,304 equity shares of face value of ₹ 1 each; and

ii. On 17 June 2025 (deemed allotment date), the Allotment Committee of the Board of Directors allotted 4,971,429,216 equity shares of face value of ₹ 1 each as bonus shares in the proportion of four bonus equity shares for every one equity share of face value of ₹ 1 held as on the record date i.e. 16 June 2025 (end of day), by capitalising an amount of ₹ 4,971,429,216 out of securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 18 June 2025.

iii. Consequently, in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

*On 24 July 2025, the Board of Directors of the Company had approved issue of 8,195,345 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 25 August 2025, the Allotment committee alloted the equity shares.

(B) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Shares held by Holding Company

	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
Particulars	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	3,193,661,300	319.37	319,366,130	63.87

*An associate of Bajaj Holdings and Investments Limited.

23 Equity share capital (Contd.)

(D) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	3,193,661,300	51.32%	319,366,130	51.39%

*An associate of Bajaj Holdings and Investments Limited

(E) Shareholding pattern of promoters

Particulars	As at 31 March 2026		As at 31 March 2025		% Changes during the year in number of shares#	% Changes during the previous year in number of shares
	Face value ₹ 1 per share		Face value ₹ 2 per share			
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	3,193,661,300	51.32%	319,366,130	51.39%	0.00%	0.49%
Promoter Group :						
Aryaman Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Bachhraj Factories Private Limited	720,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj General Insurance Limited	921,000	0.01%	48,000	0.01%	91.88%	Nil
Bajaj Life Insurance Limited	2,470,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	3,085,000	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	1,176,000	0.02%	117,600	0.02%	0.00%	0.00%
Jamnalal Sons Private Limited	1,276,400	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	40,000	0.00%	2,000	0.00%	100.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	-	0.00%	2,000	0.00%	-100.00%	0.00%
Nimisha Jaipuria (A/c Kumud Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Neelima Bajaj Swamy (A/c Kumud Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	190,261,600	3.06%	18,974,660	3.05%	0.27%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Rajivnayan Bajaj	10,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Sanjali Bajaj	1,553,540	0.02%	65,104	0.01%	138.62%	0.00%
Sanjivnayan Bajaj	4,676,880	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	631,040	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	1,553,040	0.02%	65,104	0.01%	138.55%	0.00%
Suman Jain	70,150	0.00%	7,015	0.00%	0.00%	0.00%

#Percentage change in number of shares has been calculated by adjusting previous year numbers for split and bonus to make it comparable

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital (Contd.)

(F) Shares reserved for issue under employee stock option plan

Particulars		No. of Stock options/ Equity shares as at 31 March 2026*	31 March 2025
a.	Number of equity shares approved/reserved for issue under employee stock option plan, 2009 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)	350,711,600	35,071,160
b.	Options granted under the scheme	344,274,350	33,044,110
c.	Options cancelled and added back to pool for future grants	45,691,416	4,247,656
d.	Options granted net of cancellation under the scheme (d = b-c)	298,582,934	28,796,454
e.	Balance available under the scheme for future grants (e=a-d)	52,128,666	6,274,706
f.	Equity shares allotted to BFL Employee Welfare Trust	246,192,385	23,799,704
g.	Stock options exercised	241,586,856	23,183,416
h.	Balance stock options available with BFL Employee Welfare trust (h = f-g)	4,605,529	616,288

*All number are adjusted for split and bonus action during the year

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 ₹ 218.12 crore (as at 31 March 2025 ₹ 304.96 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

Dividends declared by the Parent Company do not accrete to the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Parent Company and adjusted against the source from which dividend has been paid.

24(A) Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2026	2025
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	28,396.10	28,281.33
(ii)	Retained earnings	Retained earnings represents the surplus in Profit and Loss account post appropriations made from retained earnings.	64,267.29	51,782.66
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act,1987 as a statutory reserve.	687.88	556.03
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	17,129.75	13,567.75
(v)	General reserve	Amount set aside from retained profits as a reserve to be utilised for permissible general purpose as per law.	796.99	792.29

24(A) Other equity (Contd.)

(₹ in crore)

Particulars	Nature and purpose	As at 31 March 2026	As at 31 March 2025
(vi) Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	1,113.08	800.90
(vii) 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 Parent Company for employees of the group.	1,200.81	950.69
(viii) Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(139.54)	(165.84)
(ix) Other comprehensive income			
(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	(188.46)	115.06
(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. the Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(31.49)	(20.19)
(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	117.71	(96.53)
(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(e) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	27.11	4.55
		113,377.23	96,568.70

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

24(A) Other equity (Contd.)

*The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	-	-
Fair value changes during the year	(170.58)	29.45
Impairment loss allowances transferred to profit or loss	170.58	(29.45)
Balance as at the end of the year	**-**	**-**

24(B) Non-controlling interest (NCI)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	2,244.02	-
Change during the year:		
Change in proportion held by non-controlling interest (on the date of dilution)	2,667.63	2,099.10
Adjustment for movement in reserves for non-controlling interest (post dilution)	6.24	2.52
Profit attributable to NCI	314.97	141.66
Other comprehensive income attributable to NCI	(2.32)	0.74
Balance as at the end of the year	2,986.52	2,244.02

25 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			
	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
On loans*	1,895.72	67,888.99	-	69,784.71	5,939.36	52,471.94	-	58,411.30
On investments	1,822.07	36.48	68.24	1,926.79	1,622.19	43.02	133.85	1,799.06
On deposits with bank	-	766.16	-	766.16	-	589.77	-	589.77
On others	-	298.35	-	298.35	-	363.42	-	363.42
	3,717.79	68,989.98	68.24	72,776.01	7,561.55	53,468.15	133.85	61,163.55

*Includes ₹ 17.18 crore (Previous year ₹ 1.34 crore) of interest income from Finance lease

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure income	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
	7,754.39	5,982.84

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on equity/debt instruments at FVTPL	297.40	433.47
Unrealised gain/(loss) on equity/debt instruments at FVTPL	(101.41)	(39.21)
Realised derivative gain/(loss) on financial instruments at FVTPL	108.47	52.70
Unrealised derivative gain/(loss) on financial instruments at FVTPL	7.58	(0.44)
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	159.20	92.51
	471.24	539.03

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service fees for management of assigned portfolio of loans	15.71	27.13
	15.71	27.13

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Income on derecognised (assigned) loans	465.46	552.04
	465.46	552.04

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Marketing, branding and allied services	471.04	490.97
Dividend income	4.42	10.89
Grant towards QR deployment operating expenditure*	2.00	1.21
Others	22.11	38.05
	499.57	541.12

*The Parent Company has received a government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 2.00 crore in current year (Previous year ₹ 1.21 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under 'Ind AS 20 - Accounting for government grants and disclosure of government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

- The Group has changed presentation of recoveries against written off financial assets and net realisation on sale of written off loans from 'Other Operating Income' to 'impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in other operating income and impairment of financial instruments to the extent of ₹ 799.65 crore in financial year ended March 2026 and ₹ 877.80 crore in financial year ended March 2025.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on income tax refund	2.74	25.93
Miscellaneous income	4.38	15.34
	7.12	41.27

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
On financial liabilities measured at amortised cost:		
On debt securities	13,508.38	10,491.84
On borrowings other than debt securities	9,235.61	8,729.47
On deposits	5,538.87	5,147.48
On subordinated liabilities	245.33	277.69
On lease liability	92.19	85.57
On others	13.46	12.78
Other interest expenses*	32.11	24.92
	28,665.95	24,769.75

*Includes interest on net defined benefit liability of gratuity of ₹ 32.11 crore (Previous year ₹ 19.68 crore).

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Commission and incentives	121.51	107.47
Recovery costs	2,571.58	1,973.59
Credit guarantee fees	945.77	508.76
Loan portfolio management service charges	19.24	7.84
	3,658.10	2,597.66

34 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						
Gross of recoveries against written off loans	10,115.11	73.50	10,188.61	7,863.94	44.62	7,908.56
Recoveries against written off financial assets*	(793.49)	(3.57)	(797.06)	(697.69)	(17.21)	(714.90)
Net realisation on sale of written off loans*	(1.70)	(0.89)	(2.59)	(162.90)	-	(162.90)
	9,319.92	69.04	9,388.96	7,003.35	27.41	7,030.76
On others	92.89	-	92.89	57.47	-	57.47
	9,412.81	69.04	9,481.85	7,060.82	27.41	7,088.23

*The Group has changed presentation of recoveries against written-off financial assets and net realisation on sale of written off loans from 'Other operating Income' to 'Impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in 'other operating income' and 'impairment of financial instruments'.

35 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Employees emoluments	8,140.99	6,698.34
Contribution to provident fund and other funds	284.71	233.10
Gratuity expense	25.71	91.62
Share based payment to employees	441.18	399.07
Staff welfare expenses	85.94	86.21
	8,978.53	7,508.34

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Communication expenses	251.21	186.82
Outsourcing/back office expenses	446.19	564.06
Travelling expenses	542.52	504.81
Information technology expenses	983.92	771.97
Bank charges	232.91	221.39
Net loss on disposal of property, plant and equipment and intangible assets	18.34	35.50
Auditor's fees and expenses	3.39	2.85
Insurance charges	17.04	11.69
Rent, taxes and energy cost	132.22	118.05
Director's fees, commission and expenses	22.68	17.91
Advertisement, branding and promotion expenses	465.12	477.23
Expenditure towards corporate social responsibility activities	379.21	295.64
Repairs, maintenance and office expenses	265.49	282.91
Employee training, recruitment and management expenses	82.88	93.81
Printing and stationery expenses	10.69	11.05
Legal and professional charges	63.34	59.11
Customer experience cost	83.85	120.95
Miscellaneous expenses+	129.68	164.44
	4,130.68	3,940.19

+Includes donation of ₹ Nil (Previous year ₹ 25 crore) made to political parties.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

37 Exceptional items

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Charge of New Labour Codes	(265.22)	-
	(265.22)	-

On 21 November 2025, the Government of India has notified four New Labour Codes by consolidating 29 existing labour laws. These changes have resulted in an estimated increase in the past service cost of gratuity by ₹ 265.22 crore. Considering that the impact arising out of an enactment of the new legislation is a non-recurring event, the Group has presented this one-time charge under 'Exceptional Item'. The Ministry of Labour and Employment have published draft Central rules and various FAQs. The Group continues to monitor the clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

38 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent 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 Parent 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)	19,017.39	16,637.82
(B)	Weighted average number of equity shares for basic earnings per share	6,214,050,375	6,186,356,840
	Effect of dilution:		
	Employee stock options	19,919,777	17,136,160
(C)	Weighted average number of equity shares for diluted earnings per share	6,233,970,152	6,203,492,990
	Earning per share (basic) (₹) (A/B)	30.60	26.89
	Earning per share (diluted) (₹) (A/C)	30.51	26.82

Basic and diluted earnings per share for the year ended March 2025 have been restated for split and bonus action (refer note no. 23a) as per the requirement of Ind AS 33 Earnings Per Share.

39 Segment Information

The Parent Company and one of its subsidiary viz BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

40(A) Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

40 (B) Transfer of financial assets that are not derecognised in their entirety

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Securitisations		
Carrying amount of transferred assets (measured at amortised cost)	7,810.52	1,976.92
Carrying amount of securitisation liabilities - Borrowing other than debt securities (measured at amortised cost)	6,767.80	1,753.68
Fair value of assets (A)	7,801.21	1,975.04
Fair value of associated liabilities (B)	6,774.93	1,742.93
Net position at fair value (A-B)	1,026.28	232.11

41 Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Type of services		
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure charges	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
Marketing, branding and allied services	471.04	490.97
	8,225.43	6,473.81
Geographical markets		
India	8,225.43	6,473.81
Outside India	-	-
	8,225.43	6,473.81
Timing of revenue recognition		
Services transferred at a point in time	8,190.16	6,449.19
Services transferred over time	35.27	24.62
	8,225.43	6,473.81

Contract balances

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fees, commission and other receivable	408.49	466.86
	408.49	466.86

- Impairment allowance recognised on contract balances is ₹ 1.64 crore (Previous year ₹ 1.88 crore)
- Contract asset as on 31 March 2026 is ₹ Nil (Previous year ₹ Nil)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans

(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.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	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.
(ii)	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.
(iii)	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.
(iv)	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.

Gratuity

With the introduction of the Code on Social Security, 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 new code has also defined the eligibility of fixed-term employees for gratuity after completion of one year of service and introduced new definition of 'wages'.

The Group has a gratuity plan for its employee's, and gratuity benefit applicable to the employees of the Group is higher of (a) gratuity computed on the basis of wages capped at ₹ 20 lakh and (b) gratuity computed on the basis of Group's internal 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 wages/eligible salary at the time of separation/retirement.

The Group has a funded gratuity plan. 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 in plan assets as compared to actuarial liability determined by an 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 based on past trends and forseeable changes in consultation with actuary. 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.

42 Employees benefit plans (Contd.)

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Defined benefit obligation as at the beginning of the year	652.79	510.51
Current service cost	152.31	91.62
Past service cost	151.97	7.57
Interest on defined benefit obligation	49.02	35.69
Remeasurements due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(18.71)	24.49
Actuarial loss/(gain) arising from change in demographic assumptions	(86.56)	11.70
Actuarial loss/(gain) arising on account of experience changes	59.51	(12.61)
Benefits paid	(32.05)	(15.21)
Liabilities assumed/(settled)*	(1.60)	(0.97)
Defined benefit obligation as at the end of the year	926.68	652.79

*Towards continuity of service offered to employees on movement.

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Fair value of plan asset as at the beginning of the year	248.18	222.17
Employer contributions	81.08	27.50
Interest on plan assets	16.92	15.96
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(12.23)	(1.27)
Benefits paid	(32.05)	(15.21)
Assets acquired/(settled)*	(1.60)	(0.97)
Fair value of plan asset as at the end of the year	300.30	248.18

* Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Net defined benefit liability/(asset) as at the beginning of the year	404.61	288.34
Expense charged to Statement of Profit and Loss	336.37	118.91
Amount recognised in other comprehensive income	(33.51)	24.86
Employers contribution	(81.08)	(27.50)
Net defined benefit liability/(asset) as at the end of the year	626.39	404.61

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans (Contd.)

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Current service cost	152.31	91.62
Past service cost	151.97	7.56
Interest cost	32.10	19.73
	336.38	118.91

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening amount recognised in other comprehensive income	219.79	194.94
Changes in financial assumptions	(18.71)	24.49
Changes in demographic assumptions	(86.56)	11.70
Experience adjustments	59.51	(12.61)
Actual return on plan assets less interest on plan assets	12.23	1.27
Closing amount recognised outside profit or loss in other comprehensive income	186.26	219.79

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of funded defined benefit obligation (A)	926.68	652.79
Fair value of plan assets (B)	300.29	248.17
Net funded defined benefit obligation C=(A-B)	626.39	404.62
Net defined benefit liability recognised in Balance Sheet	626.39	404.62

Key actuarial assumptions

Particulars	As at 31 March 2026	2025
Discount rate (p.a)	7.15%	6.85%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100.00%	100.00%

42 Employees benefit plans (Contd.)

Sensitivity analysis for significant assumptions

(₹ in crore)

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	(60.18)	58.16	(35.02)	36.36
Impact of decrease in 50 bps on defined benefit obligation	68.12	(53.36)	38.00	(33.93)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Maturity Profile		
Expected benefits for year 1	118.94	29.55
Expected benefits for year 2	102.90	32.37
Expected benefits for year 3	99.09	36.08
Expected benefits for year 4	99.54	38.27
Expected benefits for year 5	93.28	49.91
Expected benefits for year 6	91.00	45.66
Expected benefits for year 7	86.54	48.88
Expected benefits for year 8	85.23	52.62
Expected benefits for year 9	80.94	56.79
Expected benefits for year 10 and above	890.41	1,239.77

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	123.70	28.55

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss account is as below:

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Provident fund and pension scheme of Employees' Provident Fund Organisation	321.42	195.65
National pension scheme	16.90	12.18
Superannuation fund	0.14	0.29

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2026	2025
Maturity profile		
Present value of unfunded obligations	40.27	-
Expense recognised in the Statement of Profit and Loss	40.27	-

(₹ in crore)

Particulars	As at 31 March 2026	2025
Key actuarial assumptions		
Discount rate (p.a.)	7.15%	-
Salary escalation rate (p.a.)*	11.00%	-

*For full time employees

B) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of unfunded obligations	1.70	51.83
Expense recognised in the Statement of Profit and Loss	(46.54)	(14.66)
Discount rate (p.a.)	7.10%	6.85%

43 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 Group not acknowledged as debts	161.58	147.17
PF matters under appeal	110.76	110.76
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank Guarantees	0.75	0.75
Service tax/Goods and Service Tax matters under appeal		
- On interest subsidy [Refer footnote (ii) below]	2,552.20	2,422.92
- On interest collected upfront [Refer footnote (iii) below]	936.22	874.79
- On additional reversal of credit on investment activity [Refer footnote (iv) below]	658.57	630.32
- On reversal of input tax credit on credit note by the customer	22.99	14.13
- On excess claim ITC and diff in GSTR-1 Vs GSTR 3B	32.42	33.29
- On others	5.14	15.82
Income tax matters:		
- Appeals by the Group	182.40	87.56

43 Contingent liabilities and commitments (Contd.)

i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/ defense.

ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 1,174.32 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 295.34 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Parent Company in relation to interest collected upfront by the Parent Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Parent Company pays the GST liability demanded, which as at 31 March 2026 amounted to ₹ 253.64 crore. In accordance with legal advice, the Parent Company has filed an appeal on 23 April 2025 before the office of the Commissioner (Appeals), Pune disputing the demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Parent Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 281.83 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

v) It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

43 Contingent liabilities and commitments (Contd.)

(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	69.30	30.84
	Intangible	14.91	20.39
(ii)	Other commitments		
	Towards partially disbursed/un-encashed loans	36,617.01	5,388.57
	Towards investment	3.98	-
	Towards future corporate social responsibility spend	263.45	178.05
		36,968.65	5,617.85

44 Changes in liability arising from financing activities (Ind AS 7 - Statement of Cash flows)

(₹ in crore)

Particulars	As at 1 April 2025	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2026
Debt securities	154,639.73	36,847.92	(17.83)	1,662.08	193,131.90
Borrowings (other than debt securities)	132,102.25	36,558.12	1,956.08	26.08	170,642.53
Deposits	71,403.13	(3,761.08)	-	890.70	68,532.75
Subordinated liabilities	3,103.54	(290.00)	-	(8.23)	2,805.31
Lease liabilities	1,121.19	(242.53)	-	375.99	1,254.65
	362,369.84	69,112.43	1,938.25	2,946.62	436,367.14

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2025
Debt securities	117,999.54	34,998.68	43.29	1,598.22	154,639.73
Borrowings (other than debt securities)	111,617.47	20,190.63	284.01	10.14	132,102.25
Deposits	60,150.92	10,527.22	-	724.99	71,403.13
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liabilities	1,001.16	(214.57)	-	334.60	1,121.19
	294,346.99	65,049.46	327.30	2,646.09	362,369.84

*Includes movement in interest accrued and impact of EIR

45 (A) Disclosure of transactions with related parties as required by IND AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Limited	Contribution to equity (3,193,661,300 shares of ₹ 1 each, adjusted for split and bonus, previous year 319,366,130 share of ₹ 2 each)	-	(319.37)	-	(63.87)
	Proceeds from conversion of preferential warrants	-	-	891.64	-
	Secured non-convertible debentures issued	-	(300.00)	-	(200.00)
	Secured non-convertible debentures redemption	700.00	-	395.00	(800.00)
	Security deposit for leased premises	1.30	1.30	-	-
	Interest paid on non-convertible debentures	80.37	-	75.16	-
	Inter-corporate deposits accepted	-	(550.00)	-	(550.00)
	Interest accrued on Inter-corporate deposits	49.19	(114.06)	45.82	(69.78)
	Dividend paid	1,788.45	-	1,144.14	-
	Asset sales	0.85	-	-	-
	Business support charges received	-	-	0.46	-
	Business support charges paid	17.95	-	17.76	-
	Fair value of ESOP paid	1.47	-	4.72	-
	Rent and maintenance expenses	2.59	-	-	-
(B) Fellow subsidiaries					
1. Bajaj Life Insurance Limited (Formerly known as Bajaj Allianz Life Insurance Company Limited)	Contribution to equity (2,470,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 247,000 shares of ₹ 2 each)	-	(0.25)	-	(0.05)
	Secured non-convertible debentures issued	-	(649.80)	-	(500.00)
	Unsecured non-convertible debentures issued	318.00	(4,025.00)	287.00	(3,707.00)
	Interest paid on non-convertible debentures	360.26	-	311.34	-
	Dividend paid	1.38	-	0.89	-
	Asset sales	-	-	0.19	-
	Security deposit for leased premises	-	1.82	-	1.82
	Advance towards insurance	-	7.17	-	5.96
	Commission income	687.56	43.58	382.31	29.21
	Marketing, branding and allied service charges received	196.16	24.24	146.89	19.58
	Business support charges received	0.32	0.36	0.27	-
	Business support charges paid	0.06	-	1.70	(0.27)
	Insurance expenses	55.57	-	66.02	0.12
	Rent and maintenance expenses	2.91	-	2.79	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Contribution to equity (921,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 48,000 shares of ₹ 2 each)	-	(0.09)	-	(0.01)
	Secured non-convertible debentures issued	-	(943.50)	-	(743.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Interest paid on non-convertible debentures	61.94	-	33.90	-
	Dividend paid	0.27	-	0.17	-
	Asset purchases	0.47	-	-	-
	Asset sales	-	-	0.06	0.06
	Advance towards insurance	-	12.07	-	9.82
	Commission income	66.76	5.00	80.68	9.14
	Business support charges received	3.19	1.57	0.90	0.30
	Business support charges paid	-	-	0.44	-
	Insurance expenses	111.33	-	88.96	1.39
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	283.16	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	-	-	280.47	280.47
	Information technology design and development charges paid	51.36	(2.84)	74.45	(14.66)
	Asset purchases	4.47	(0.01)	7.18	(6.65)
	Asset sales	1.17	0.10	1.02	-
	Business support charges received	0.74	0.29	5.09	0.11
	Business support charges paid (outstanding ₹ 22,990)	7.74		80.28	(5.25)
	Sourcing commission paid	116.64	(17.01)	159.04	(17.01)
	Information technology support and usage charges paid	8.64	(0.44)	24.73	(1.51)
	Annual maintenance charges on loan	3.66	-	6.32	(0.01)
	Guarantee/Service fees paid for FLDG	15.07	(1.62)	18.79	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	-	(1.32)	12.04	(21.11)
	Invocation of deposit towards FLDG	19.79	-	13.33	-
	Interest accrued on cash deposit received towards FLDG	0.72	(0.06)	2.03	(0.36)
4. Bajaj Finserv Health Limited	Asset purchases	0.08	-	0.07	-
	Commission income	162.00	19.47	165.76	8.17
	Reimbursement of manpower cost received	39.98	11.21	-	-
	Interest subsidy received (previous year transaction value ₹ 1,710)	-	-		-
	Business support charges received	0.63	-	0.58	-
	Business support charges paid	2.82	(0.36)	0.42	(0.46)
	Product distribution fee paid	-	-	0.03	-
	Services received	3.37	-	1.70	(0.02)
	Settlement of security deposit on leased premises on behalf of lessor	-	-	1.79	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.27	-	0.24	-
	Asset purchases	0.26	-	-	-
6. Bajaj Finserv Ventures Limited	Asset sales	0.12	-	0.08	-
	Asset purchases	-	-	7.17	(0.02)
	Business support charges received	-	-	11.00	6.22
	Business support charges paid	-	-	1.10	(1.18)
7. VH Medcare Private Limited	Asset sales	0.45	-	-	-
	Sourcing commission paid	3.66	(0.44)	-	-
8. Bajaj Alternate Investment Management Limited	Asset sales	0.32	-	-	-
	Business support charges received	0.10	-	-	-
(C) Associates					
1. Snapwork Technologies Private Limited	Investment in equity shares	-	28.49	-	28.49
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges paid	30.14	-	20.02	-
	Information technology support and usage charges paid	0.28	-	0.24	-
2. Pennant Technologies Private Limited	Investment in equity shares	-	113.75	-	113.75
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	-	153.72
	Inter-corporate deposits accepted	42.91	(42.91)	40.00	(40.00)
	Inter-corporate deposits repaid	40.00	-	-	-
	Interest accrued on inter-corporate deposits	3.06	(1.46)	1.80	(1.62)
	Information technology design and development charges paid	31.34	-	35.79	(11.84)
	Annual maintenance charges paid	7.04	-	5.82	-
	Finance lease given	0.85	0.93	0.26	0.26
	Finance lease repayment received	0.26	-	-	-
	Interest income on finance lease	0.07	-	-	-
	Advance given towards lease related transactions	0.09	0.13	0.06	0.06
	Receipt of repayment towards advance given	0.02	-	-	-
	Lease management and other charges received	0.02	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(D) Key Management Personnel (KMP) of the entity or its Parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Contribution to equity (4,676,880 shares of ₹ 1 each, adjusted for split and bonus, previous year 467,688 shares of ₹ 2 each)	-	(0.47)	-	(0.09)
	Short-term employee benefits:				
	Sitting fees	0.46	-	0.53	-
	Commission	7.25	(6.53)	5.44	(4.90)
	Dividend paid	2.62	-	1.68	-
2. Rajeev Jain (Vice Chairman w.e.f 1 Apr 2025 to 21 Jul 2025) (Vice Chairman and Managing Director w.e.f. 22 Jul 2025)	Contribution to equity (1,699,500 shares of ₹ 1 each, adjusted for split and bonus, previous year 169,950 shares of ₹ 2 each)	-	(0.17)	-	(0.03)
	Short-term employee benefits:				
	Remuneration	28.87	(20.73)	21.41	(7.08)
	Sitting fees	0.34	-	0.33	-
	Commission	0.58	(0.52)	0.66	(0.59)
	Share-based payment	42.60	-	39.06	-
	Equity shares issued pursuant to stock option scheme	-	-	40.52	-
	Asset purchase	-	-	0.50	-
	Dividend paid	0.95	-	0.61	-
	Cashback given (previous year transaction value ₹ 666)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-
3. Anup Saha (Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Short-term employee benefits:				
	Remuneration	10.38	-	13.97	(9.19)
	Share-based payment	5.04	-	13.33	-
	Equity shares issued pursuant to stock option scheme	15.89	-	-	-
	Dividend paid	0.02	-	-	-
	Asset sales	-	-	0.02	-
	Fixed deposit accepted (previous year transaction value ₹ 25,000)	-	-		(0.01)
	Interest accrued on fixed deposit (transaction value ₹ 2,925, previous year ₹ 8,716, outstanding ₹ 12,817)		-		
	Cashback given (previous year transaction value ₹ 175)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
4. Rajiv Bajaj (Director and Promoter group)	Contribution to equity (10,000 shares of ₹ 1 each, adjusted for split and bonus) (outstanding ₹ 10,000), (previous year 1,000 shares of ₹ 2 each, outstanding ₹ 2,000)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.05	-	0.07	-
	Commission	0.24	(0.22)	0.28	(0.25)
	Dividend paid (previous year transaction value ₹ 36,000)	0.01	-		-
5. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.75	-	0.58	(0.01)
	Commission	1.89	(1.70)	1.74	(1.57)
6. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.13	-	0.24	-
	Commission	0.64	(0.58)	0.96	(0.86)
7. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.29	-	0.32	-
	Commission	1.41	(1.27)	1.28	(1.15)
8. Radhika Haribhakti (Director)	Contribution to equity shares of BHFL (214 shares of ₹ 10 each) (previous year transaction value ₹ 14,980, outstanding ₹ 2,140)	-	-		
	Short-term employee benefits:				
	Sitting fees	0.36	-	0.20	(0.01)
	Commission	1.03	(0.93)	0.76	(0.68)
9. Dr. Arindam Bhattacharya (Director)	Contribution to equity (5,000 shares of ₹ 1 each, adjusted for split and bonus, outstanding ₹ 5,000), (previous year 724 shares of ₹ 2 each, outstanding ₹ 1,448)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.40	-	0.45	-
	Commission	1.26	(1.13)	1.18	(1.06)
	Loan given	0.02	-	-	-
	Loan repayment received	0.02	-	-	-
	Cashback given (transaction value ₹ 8,167)		-	-	-
	Other income (transaction value ₹ 328)		-	-	-
	Dividend paid (transaction value ₹ 40,544, previous year ₹ 26,064)		-		-
10. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.23	-	0.05	-
	Commission	1.14	(1.03)	0.20	(0.18)
11. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.22	-	0.01	-
	Commission	1.03	(0.93)	0.04	(0.04)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
12. Sanjiv Sahai (Director of Parent w.e.f. 1 Mar 2025)	Contribution to equity shares of BHFL (2,000 shares of ₹ 10 each, outstanding ₹ 20,000) (previous year transaction value ₹ 14,980, outstanding ₹ 20,000)	-			
(E) Close members of the families of key management personnel of the entity or its Parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits: Remuneration	-	-	0.05	-
2. Archana Jain (Spouse of Rajeev Jain, Vice Chairman and Managing Director of the Company)	Assets Purchases	-	-	0.31	-
3. Tapati Saha (Spouse of Anup Saha, Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Fixed deposit accepted	-	-	-	(1.66)
	Interest accrued on fixed deposit	0.04	-	0.14	(0.31)
4. Siddhant Bajaj (Son of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits: Remuneration	0.10	-	-	-
(F) Entities in which key management personnel or close members of their families have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Inter-corporate deposits accepted	745.00	(745.00)	480.00	(280.00)
	Inter-corporate deposits repaid	280.00	-	700.00	-
	Interest accrued on inter-corporate deposits	31.35	(22.30)	29.77	(13.84)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 31,500, previous year ₹ 12,000)		-		-
	Business support charges paid	32.91	-	31.23	-
	Rent and maintenance expenses	1.82	-	1.76	-
	Finance lease given	15.86	21.17	8.76	8.29
	Finance lease repayment received	4.36	-	0.78	-
	Interest income on finance lease	1.37	-	0.31	-
	Advance given towards lease related transactions	3.10	3.98	1.95	1.77
	Receipt of repayment towards advance given	0.90	-	0.18	-
	Lease management charges received	0.22	-	0.04	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	296.80	(296.80)	243.50	(223.50)
	Inter-corporate deposits repaid	223.50	-	20.00	-
	Interest accrued on inter-corporate deposits	17.68	(7.12)	8.06	(6.80)
	Finance lease given	1.55	1.81	0.40	0.39
	Finance lease repayment received	0.21	-	0.03	-
	Interest income on finance lease	0.08	-	0.01	-
	Advance given towards lease related transactions	0.45	0.49	0.10	0.09
	Receipt of repayment towards advance given	0.05	-	0.01	-
	Lease management charges received (previous year transaction value ₹ 14,157)	0.01	-		-
3. Bajaj Auto Credit Limited	Asset sales	1.49	-	2.55	(0.11)
	Business support charges received	0.93	-	-	-
	Business support charges paid	4.67	-	-	-
	Fair value of ESOP received	4.10	-	-	-
	Finance lease given	0.57	0.77	0.34	0.34
	Finance lease repayment received (previous year transaction value ₹ 19,048)	0.18	-		-
	Interest income on finance lease (previous year transaction value ₹ 31,232)	0.04	-		-
	Advance given towards lease related transactions	0.11	0.15	0.08	0.08
	Receipt of repayment towards advance given (previous year transaction value ₹ 3,869)	0.03	-		-
	Lease management charges received (previous year transaction value ₹ 1,363)	0.01	-		-
4. Bajaj Holdings and Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
	Security deposit for leased premises	0.19	0.19	-	0.70
	Repayment of security deposit received	0.70	-	-	-
	Commission income	3.35	-	-	-
	Dividend received (transaction value ₹ 6,975, previous year ₹ 6,450)		-		-
	Business support charges paid	23.50	-	23.69	-
	Rent and maintenance expenses	0.26	-	1.99	-
5. Hind Musafir Agency Limited	Services received	49.66	(1.76)	49.13	(0.04)
6. Bajaj Electricals Limited	Inter-corporate deposits accepted	285.00	(285.00)	198.00	(183.00)
	Inter-corporate deposits repaid	183.00	-	75.00	-
	Interest accrued on inter-corporate deposits	9.56	(5.39)	13.06	(10.22)
	Interest subsidy received	3.48	0.80	2.31	0.62
	Purchase of electrical equipments and other services (transaction value ₹ 7,840)		-	-	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	-	-	20.00	-
	Inter-corporate deposits repaid	-	-	20.00	-
	Interest accrued on inter-corporate deposits	-	-	0.61	-
	Loan given against flexi limit of ₹ 110 crore	146.00	-	203.00	21.00
	Loan repayment received	167.00	-	182.00	-
	Interest income on loan given	1.03	-	6.45	0.66
	Processing fees received	0.20	-	0.22	-
8. Jamnalal Sons Private Limited	Contribution to equity (1,276,400 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,27,640 shares of ₹ 2 each)	-	(0.13)	-	(0.03)
	Dividend paid	0.71	-	0.46	-
9. Maharashtra Scooters Limited	Contribution to equity (19,02,61,600 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,89,74,660 shares of ₹ 2 each)	-	(19.03)	-	(3.79)
	Secured non-convertible debentures issued	-	(200.00)	-	(200.00)
	Secured non-convertible debentures redemption	-	-	75.00	-
	Interest paid on non-convertible debentures	17.86	-	4.90	-
	Dividend paid	106.26	-	68.31	-
10. Bachhraj Factories Private Limited	Contribution to equity (720,000 shares of ₹ 1 each, adjusted for split and bonus, previous year, 72,000 shares of ₹ 2 each)	-	(0.07)	-	(0.01)
	Dividend paid	0.40	-	0.26	-
11. Baroda Industries Private Limited	Contribution to equity (1,176,000 shares of ₹ 1 each, adjusted for split and bonus, previous year,1,17,600 shares of ₹ 2 each)	-	(0.12)	-	(0.02)
	Dividend paid	0.66	-	0.42	-
12. Bajaj Sevashram Private Limited	Contribution to equity (3,085,000 shares of ₹ 1 each, adjusted for split and bonus, Previous year, 308,500 shares of ₹ 2 each)	-	(0.31)	-	(0.06)
	Dividend paid	1.73	-	1.11	-
13. Bajaj Staffing Solutions Limited (Formerly know as Bajaj Allianz Staffing Solutions Limited)	Outsourcing manpower supply services	86.95	-	104.16	-
(G) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(H)	**Post employment benefit plans**					
1.	Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(15.00)	-	(25.00)
		Unsecured non-convertible debentures redemption	10.00	-	11.00	-
		Interest paid on non-convertible debentures	2.22	-	3.32	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	-	-	0.15	-
3.	Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	68.43	-	16.00	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	11.49	-	11.50	-
(I)	**Post employment benefit plans of related parties**					
1.	Bajaj Electricals Limited Employees Provident Fund	Interest paid on non-convertible debentures	0.13	-	-	-
		Unsecured non-convertible debentures redemption	1.50	-	-	-
2.	Bachhraj & Co Limited Provident Fund Institution	Secured non-convertible debentures issued	-	(1.60)	-	-
		Unsecured non-convertible debentures issued	-	(0.30)	-	-
		Interest paid on non-convertible debentures	0.09	-	-	-
3.	Bajaj International Provident Fund Institution	Secured non-convertible debentures issued	-	(0.10)	-	-

Notes:

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Name of the related party and nature of the related party relationship 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 management 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 (except deemed equity and preferential warrants) 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.
- During the year, the Group has received broking and other charges amounting to ₹ 1.41 crore from 76 related parties with respect to purchase and sale of securities (Previous year ₹ 0.36 crore from 75 related parties). Net amount receivable towards such transaction amounts to ₹ 0.10 crore from 28 related parties is outstanding as on 31 March 2026. (Previous year payable amounts to ₹ 0.03 crore to 24 related parties)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in confirmity with the Indian Accounting Standard (IND AS) 24.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note no. 45(A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
1	Close members of the families of key management personnel of the entity or its Parent	Contribution to equity (38,37,089 share of ₹ 1 each, adjusted for split and bonus, previous year 203,005 shares of ₹ 2 each)	-	(0.38)	-	(0.04)
		Contribution to equity shares of BHFL (3,862 share of ₹ 10 each) (previous year 7,278 shares of ₹ 10 each)	-	(0.00)	0.05	(0.01)
		Dividend Paid	1.14	-	0.73	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (18,60,000 share of ₹ 1 each,adjusted for split and bonus, previous year 186,000 shares of ₹ 2 each)	-	(0.19)	-	(0.04)
		Dividend Paid	1.03	-	0.67	-

45(C) Details of commitment given to related parties

(₹ in crore)

S. No	Name of the related party and nature of relationship	Nature of commitment	As at 31 March 2026	As at 31 March 2025
A	**Fellow Subsidiaries**			
1	Bajaj Finserv Direct Limited	Information technology design and development charges paid	0.51	1.22
2	Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Insurance expenses on assets purchases	-	0.02
B	**Associates**			
	Snapwork Technologies Private Limited	Information technology design and development charges paid	-	0.04
C	**Entities in which key management personnel or close members of their families have significant influence**			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (Up to 12 months tenor from the date of disbursement and interest rate at arm's length)	110.00	89.00

45 (D) Summary of total compensation to key management personel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2026	For the year ended 31 March 2025
1	Short-term employee benefits	58.96	50.70
2	Share-based payment	47.64	52.39
		106.60	103.09

46 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Parent Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Parent Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

(ii) Regulatory capital

Bajaj Finance Limited

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Tier I capital	95,751.27	82,233.86
Tier II capital	4,091.48	3,284.64
Total capital (Tier I+Tier II)	99,842.75	85,518.50
Risk weighted assets	463,323.41	389,981.09
Tier I CRAR	20.67%	21.09%
Tier II CRAR	0.88%	0.84%
Total CRAR (Tier I+Tier II)	21.55%	21.93%

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

46 Capital (Contd.)

Bajaj Housing Finance Limited

(₹ 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 (Tier I+Tier II)	22,439.60	19,823.21
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 (Tier I+Tier II)	22.46%	28.24%

(iii) Dividend distributions made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Bajaj Finance Limited

Dividends on equity shares declared and paid during the year:

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Dividend paid out of profits of previous year*	3,480.00	2,228.39
Profit for the relevant year	16,661.50	12,644.11
Dividend as a percentage of profit for the relevant year	20.89%	17.62%

*includes amount paid ₹ 1.72 crore (Previous year ₹ 1.93 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as on 31 March 2026)

(₹ in crore)

Particulars	FY2025-26
Final dividend on equity share at ₹ 6 per share (a)	3,733.49
Profit after tax for the year ended 31 March 2026 (b)	17,803.87
Final dividend proposed as a percentage of profit after tax (a/b)	20.97%

46 Capital (Contd.)

Bajaj Financial Securities Limited

Interim dividend on equity shares declared and paid during the year ended 31 March 2026

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Interim dividend paid out of profit of previous year (a)	3.36	9.68
Profit for the relevant year (b)	202.58	138.66
Interim dividend declared and paid as a percentage of profit after tax (a/b)	1.66%	6.98%

Bajaj Housing Finance Limited

Bajaj Housing Finance Limited has not paid nor recommended any dividend for financial year ended 31 March 2026.

47 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

48 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

Valuation methodologies adopted

Fair value of financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans have been determined under level 3.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.
- The Group has also hedged some of its foreign currency exposure under External Commercial Borrowings using currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair values of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case of cash and cash equivalents, bank balances, trade receivables, short-term loans, floating rate loans, trade payables, short-term debts, borrowings, bank overdrafts and other current liabilities, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2026

(₹ in crore)

	Fair value measurement using			
Particulars	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	725.39	-	-	725.39
Equity instruments designated under FVOCI (Unquoted)	-	-	770.37	770.37
Equity instruments designated under FVOCI (Quoted)	160.56	-	-	160.56
Other investments designated under FVOCI	25,117.98	3,312.66	-	28,430.64
Loans designated under FVOCI	-	-	25,757.95	25,757.95
Derivative financial instruments (net)	6.70	2,323.58	-	2,330.28
	26,010.63	5,636.24	26,528.32	58,175.19

48 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	6,786.68	-	-	6,786.68
Equity instruments designated under FVOCI (Unquoted)	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	316.99	-	-	316.99
Other investments designated under FVOCI	22,448.25	3,883.64	-	26,331.89
Loans designated under FVOCI	-	-	68,579.27	68,579.27
Derivative financial instruments (net)	(4.23)	217.66	-	213.43
	29,547.69	4,101.30	69,003.89	102,652.88

-The Group does not carry any financial asset and liability which is fair valued on a non-recurring basis

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Opening balance	424.62	699.22
Acquisitions during the year	308.14	35.00
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from Level 3 to Level 1	-	(296.89)
Gains/(losses) recognised in other comprehensive income	37.61	(12.71)
Closing balance	770.37	424.62

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2026		Sensitivity to fair value as at 31 March 2025	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(86.09)	100.09	(28.51)	33.06
Cash flows	53.98	(46.74)	15.02	(13.10)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Loans	473,185.59	-	-	473,297.00	473,297.00
Investments	87.74	-	-	88.20	88.20
	473,273.33	-	-	473,385.20	473,385.20
Financial liabilities					
Debt securities	193,131.90	-	193,126.25	-	193,126.25
Borrowings (other than debt securities)	170,642.53	-	-	170,649.21	170,649.21
Deposits	68,532.75	-	-	69,565.31	69,565.31
Subordinated liabilities	2,805.31	-	2,812.64	-	2,812.64
	435,112.49	-	195,938.89	240,214.52	436,153.41

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Loans	339,264.87	-	-	339,609.13	339,609.13
Investments	193.85	-	-	194.64	194.64
	339,458.72	-	-	339,803.77	339,803.77
Financial liabilities					
Debt securities	154,639.73	-	156,579.65	-	156,579.65
Borrowings (other than debt securities)	132,102.25	-	-	132,091.38	132,091.38
Deposits	71,403.13	-	-	71,718.46	71,718.46
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	361,248.65	-	159,720.57	203,809.84	363,530.41

49 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, 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	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations; • when long-term assets cannot be funded at the expected term resulting in cash flow mismatches; • Amidst volatile market conditions impacting sourcing of funds from banks and money markets.	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by – identification of gaps in the structural and dynamic liquidity. – assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. – liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and board approved liquidity risk framework. • monitored by – assessment of the gap between maturity of its assets and liabilities – a constant calibration of sources of funds in line with current and 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 Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to fair value movement in equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating rate assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group'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 Group.	Board constituted RMC, and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. 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 sectoral exposure; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. Internal capital adequacy assessment process (ICAAP) Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

49 Financial risk management (Contd.)

(a) Liquidity risk

The Group's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Group maintains a judicious mix of borrowings from banks, money markets, External commercial borrowings (ECBs), securitisation, public and other deposits and and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Group maintain a healthy asset liability position and interest rate during the financial year 31 March 2026 (FY 2025-26). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 435,112.49 crore as of 31 March 2026 (previous year ₹ 361,248.65 crore). The weighted average cost of borrowing was 7.54% for FY 2025-26 (previous year 7.97%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain an average liquidity buffer of 4% to 6% of its overall net borrowings under various market scenario.

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 Group has a Board approved liquidity risk management framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, collateral management for derivative exposure, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2026, the Parent Company and BHFL maintained a LCR of 128.38% and 152.52% respectively. Both are well above the RBI's stipulated norm of 100%.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group 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 Team (CMT) constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The table below summarises the maturity profile of the undiscounted contractual cash flow of the Group's financial liabilities :

As at 31 March 2026

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	8,239.92	25,983.97	21,443.81	116,905.81	75,909.21	248,482.72
Borrowings (other than debt securities)	25,243.45	11,352.77	40,912.15	105,322.43	5,687.37	188,518.17
Deposits	3,039.35	7,440.82	26,463.59	38,546.06	-	75,489.82
Subordinated liabilities	-	48.90	2,238.52	648.90	-	2,936.32
Trade payables	1,319.19	493.63	291.71	-	-	2,104.53
Other payables	837.30	6.07	309.50	20.93	-	1,173.80
Other financial liabilities	1,130.26	85.44	666.88	862.33	383.69	3,128.60
	39,809.47	45,411.60	92,326.16	262,306.46	81,980.27	521,833.96

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,662.71	5,307.47	24,522.51	48,169.81	-	80,662.51
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
	33,536.24	32,391.74	84,339.75	225,783.23	65,987.93	442,038.90

49 Financial risk management (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	1,896.90	-	1,896.90	3,642.46	-	3,642.46
Bank balances other than cash and cash equivalents	13,120.72	737.70	13,858.42	9,805.65	95.43	9,901.08
Derivative financial instruments	987.08	1,404.78	2,391.86	7.37	243.19	250.56
Trade receivables	1,839.20	68.88	1,908.08	1,791.55	121.56	1,913.11
Loans	160,263.51	338,680.03	498,943.54	126,435.77	281,408.37	407,844.14
Investments	22,726.14	7,851.66	30,577.80	27,012.79	7,428.05	34,440.84
Other financial assets	3,596.81	703.60	4,300.41	1,980.14	464.85	2,444.99
Non-financial assets						
Current tax assets (net)	-	229.59	229.59	-	480.77	480.77
Deferred tax assets (net)	-	1,560.07	1,560.07	-	1,141.20	1,141.20
Property, plant and equipment	-	2,851.06	2,851.06	-	2,688.89	2,688.89
Capital work-in-progress	-	61.83	61.83	-	26.74	26.74
Intangible assets under development	-	57.58	57.58	-	14.55	14.55
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,092.23	1,092.23	-	1,088.01	1,088.01
Other non-financial assets	133.43	86.29	219.72	205.72	40.50	246.22
	204,563.79	355,388.57	559,952.36	170,881.45	295,245.38	466,126.83
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	61.58	61.58	37.13	-	37.13
Trade payables	2,104.53	-	2,104.53	1,878.04	-	1,878.04
Other payables	1,152.87	20.93	1,173.80	930.91	-	930.91
Debt securities	49,534.96	143,596.94	193,131.90	53,916.54	100,723.19	154,639.73
Borrowings (other than debt securities)	69,993.95	100,648.58	170,642.53	46,900.60	85,201.65	132,102.25
Deposits	34,242.26	34,290.49	68,532.75	29,606.41	41,796.72	71,403.13
Subordinated liabilities	2,206.00	599.31	2,805.31	448.44	2,655.10	3,103.54
Other financial liabilities						
Lease liabilities	260.17	994.48	1,254.65	228.69	892.50	1,121.19
Others	1,539.36	2.15	1,541.51	827.01	-	827.01
Non-financial liabilities						
Current tax liabilities (net)	260.24	-	260.24	100.63	-	100.63
Provisions	51.75	697.19	748.94	27.81	486.47	514.28
Other non-financial liabilities	697.51	11.57	709.08	501.40	30.70	532.10
	162,043.60	280,923.22	442,966.82	135,403.61	231,786.33	367,189.94

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates, equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate assets 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 assets and liabilities, as follows:

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	209,167.87	2,091.68	(2,091.68)
Debt securities	5,000.45	(50.00)	50.00
Borrowings (other than debt securities)	116,164.68	(1,161.65)	1,161.65

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	168,005.42	1,680.05	(1,680.05)
Debt securities	1,597.35	(15.00)	15.00
Borrowings (other than debt securities)	92,094.02	(920.91)	920.91

(ii) Price risk

The Group's quoted equity instruments, mutual funds and Invit carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Group periodically monitors the sectors it has invested in, performance of the investee companies and measures mark-to-market gains/(losses).

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	403.92	403.92	40.39	(40.39)

49 Financial risk management (Contd.)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	25,117.98	25,117.98	251.18	(251.18)
Investment at FVTPL - Other than equity shares	482.03	482.03	4.82	(4.82)

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	573.87	573.87	57.39	(57.39)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by extant RBI guidelines and Board approved policies. As a matter of prudence, the Group hedges the entire ECB exposure for the full tenure as per its Board approved Interest rate and currency risk hedging policy.

The Group evaluates its fully hedged cost for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

The Group's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Hedged		
ECB (USD 2,415 million, previous year USD 1,800 million)	(20,599.60)	(15,091.03)
Derivative financial instrument*	20,599.60	(15,091.03)
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Foreign currency sensitivity impact on profit or loss and OCI :

The sensitivity to changes in exchange rates arises mainly from foreign currency denominated financial instruments and derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The resulting impact of movements in exchange rates on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has assumed a uniform increase and decrease of ±5% against the relevant foreign currencies to determine the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
USD sensitivity				
INR/USD - increase by 5%	-	-	1,164.52	789.13
INR/USD - decrease by 5%	-	-	(1,164.52)	(789.13)

Interest rate sensitivity impact on profit or loss and OCI :

The sensitivity to changes in interest rates arises from derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The impact of interest rate movements on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has considered a uniform increase and decrease of ±1% in the relevant interest rates to assess the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
Interest rate - increase by 1%	-	-	260.95	282.01
Interest rate - decrease by 1%	-	-	(268.96)	(290.77)

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument matches with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

49 Financial risk management (Contd.)

Impact of hedge on the Balance Sheet:

As at 31 March 2026

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Interest rate swap	3,500.00	-	61.58
Future and options	292.64	6.70	-

As at 31 March 2025

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	201.97	25.53
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Interest rate swap	2,350.00	41.22	-
Future and options	1,121.14	7.37	11.60

Movement in cash flow hedge reserve and cost of hedging reserve

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Movement in cash flow hedge reserve		
Balance at the beginning of the year	(96.53)	(8.87)
Changes in the fair value during the year	286.30	(117.14)
Deferred tax related to above (net)	(72.06)	29.48
Balance at the end of the year	117.71	(96.53)
Movement in cost of hedging reserve		
Balance at the beginning of the year	4.55	-
Changes in the fair value during the year	(30.68)	5.74
Amortisation of time value	45.52	0.25
Deferred tax related to above (net)	7.72	(1.44)
Balance at the end of the year	27.11	4.55

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

(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 Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

Stage 1: which are not credit impaired as on date 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 therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no. 3.3 (i).

The Group recalibrates components of its ECL model periodically by;

(1) incorporating the available incremental and recent information, except where such information does not represent the future outcome, and

(2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has recalibrated various components of its ECL model and used them in redevelopement of the model. The changes to ECL model and its implementation are approved by Board and its Committee.

During the year, to enhance Balance Sheet resilience and further strengthen its ECL framework, the Parent Company introduced LGD flooring across various businesses. LGD flooring has been introduced as a more conservative and prudent approach to provisioning and it will continue the same over the medium term period.

49 Financial risk management (Contd.)

The table below summarises the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="9">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates.</td><td rowspan="9">Empirical performance across different DPD (Days Past Due) ranges</td><td rowspan="15">100%</td><td rowspan="14">Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="5">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 or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>MSME lending</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C</td><td>Personal loans to salaried, self employed customers, professionals</td><td rowspan="4">Based on Management judgement</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td></tr>
<tr><td>Open market two and three wheeler finance</td><td>Open market two and three wheeler financing</td><td rowspan="3">Based on captive two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Used Car loans</td><td>Used car financing</td><td rowspan="2">Based on captive two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates and management evaluation/ judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Tractor/ Commercial vehicle finance</td><td>Financing for the purchase of tractor/ commercial vehicle</td><td colspan="2" rowspan="2">Basis industry benchmark</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Micro financing</td><td>Loans provided under micro finance</td></tr>
<tr><td>New car financing</td><td>New car loans</td><td colspan="2">Use of empirical default rates for Stage 1 and proxy from Used car finance for Stage 2</td><td>Use of empirical information for Stage 1 and proxy for Stage 2</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Loan against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The table below summarises stage wise gross carrying values and the associated allowances for expected credit loss (ECL) for loan portfolio:

As at 31 March 2026

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	309,567.59	1,831.24	2,177.56	189,791.29	2,934.78	2,941.23
Allowance for ECL	1,172.54	495.27	1,052.16	3,915.89	1,659.77	2,004.52
ECL coverage ratio	0.38%	27.05%	48.32%	2.06%	56.56%	68.15%

As at 31 March 2025

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	244,817.82	2,344.08	1,944.84	160,640.02	3,059.84	2,019.90
Allowance for ECL	865.45	495.06	950.80	2,237.98	1,253.61	1,179.46
ECL coverage ratio	0.35%	21.12%	48.89%	1.39%	40.97%	58.39%

Collateral valuation

The Group 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 Group'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 Group'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 Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban Sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Gold loans	Pledge of gold jewellery.
MSME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loan against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.
Tractor and commercial vehicle loans	Hypothecation of underlying vehicle

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

49 Financial risk management (Contd.)

Guarantee cover taken on loans

The Parent Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Parent Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to qualifying customers.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD, EAD 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 Group has adopted the use of three scenarios, representative of its view of forecasted 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 Downside and Upside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. On 8 April 2026, the MPC (Monetary Policy Committee of the RBI) opined that the intensity and the duration of the (West Asia) conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to withstand shocks now than in the past.

Additionally, the Group reviewed the appropriateness of the Forward-looking Economic Guidance (FEG) assumptions used for Expected Credit Loss (ECL) assessment under Ind AS 109 by evaluating alternative scenario weightings of 75:15:10 and 80:15:5 for the central, downside and upside scenarios, respectively. In determining the most appropriate scenario, the Group considered (a) the RBI Governor's statement dated 8 April 2026 reaffirming the resilience of the Indian economy and supporting macro-economic indicators, (b) proactive measures undertaken by the Government of India to mitigate inflationary pressures by containing retail fuel price increases, including the reduction in special excise duties on petrol by ₹ 10 per litre and diesel, and (c) the stability of the Group's business operations, EMI default rates and collection efficiencies since the onset of the West Asia conflict.

Based on the above assessment, the scenario weights of 80:10:10 for the central, downside and upside scenarios, respectively, are considered appropriate for an unbiased estimation of the impact of macro-economic factors on ECL. The key scenario assumptions incorporate external economic forecasts and management estimates to ensure objectivity and balance in the measurement of credit risk. The Group will continue to closely monitor macro-economic conditions, geopolitical developments and portfolio performance, and will revise scenario weights and ECL provisions, as necessary, in response to emerging trends and uncertainties.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The Group uses multiple economic factors and tests their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), unemployment rate, crude oil prices and policy interest rates. etc.

Real GDP (year on year rate), unemployment rate (year on year rate with lag effect) and inflation reflected higher and acceptable correlation with past observed default rates and basis their linkage with respective companies business, two of these variables with high correlation were considered by respective companies as appropriate. Unemployment has a direct relation with the income levels and so with the growth of the economy from an expenditure side. GDP has a direct relation with the overall income levels and with the broader growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For unemployment, the Parent Company has relied on data published by a leading business information provider tracking Indian economic indicators. In FY 2025-26, unemployment rate over the quarters has been oscillating around 6.3-7.7%. For the central scenario, it has considered the current unemployment level based on a quarterly average of 6.7% and assumed a gradual normalisation towards a long-term average of 5.2% by end of FY2027. Under the downside scenario, unemployment is assumed to peak at 11.5%, followed by a mean reversion trend, normalising to approximately 7.4%. In the upside scenario, factoring in improving employment trends and industrial recovery indicated by various surveys and studies, unemployment is assumed to improve to a best case level of 3.3% by June–September 2027, before reverting to the long-term average of 7.4%.

For Real GDP growth, the Parent Company has based its assumptions on projections published by the Reserve Bank of India (RBI). With Real GDP growth at 7.3% year on year in Q4 FY 2025-26, it has adopted the RBI's projected growth rate of 6.9% year on year as the central scenario, with growth moderating to 6.3% over a three year horizon. In the downside scenario, considering ongoing uncertainties such as geopolitical developments and tariff related risks, GDP growth is assumed to decline to 3.3% in Q2 FY2027, aligned with the lowest pre COVID-19 levels, before normalising to around 6.3% within the following two years. In contrast, the upside scenario assumes an optimistic growth rate of 10.3% in Q2 FY2027, consistent with the highest pre COVID-19 levels, with growth averaging back to 6.3% over the subsequent two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Gross carrying amount of loans	509,243.69	414,826.50
Reported ECL on loans	10,300.15	6,982.36
Reported ECL coverage	2.02%	1.68%
Base ECL without macro-economic provisions	10,165.95	6,915.36
ECL amounts for alternate scenario		
Central scenario (80%)	10,247.50	6,993.11
Downside scenario (10%)	11,524.38	7,550.98
Upside scenario (10%)	9,497.21	6,327.88
Reported ECL	10,300.16	6,982.36
Macro-economic provisions	134.21	67.00
ECL coverage ratios by scenario		
Central scenario (80%)	2.01%	1.69%
Downside scenario (10%)	2.26%	1.82%
Upside scenario (10%)	1.86%	1.53%

50 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

The Parent Company has an Employee Stock Option Plan, 2009 ('ESOP Plan') duly approved by its Board of Directors and shareholders. As of 31 March 2025, total number of equity shares approved and reserved for issue under the ESOP plan were 35,071,160 equity shares of face value of ₹ 2 each. The ESOP plan covers employees of the Company and that of its Group companies including Parent, subsidiaries, associates and any successor Company thereof.

As of 31 March 2026, consequent to the sub-division of equity shares from a face value of ₹ 2 each into ₹ 1 each and the issuance of bonus equity shares in the ratio of 4:1, total number of equity shares reserved for issue under the ESOP Plan were proportionately adjusted to 350,711,600 equity shares of face value ₹ 1 each.

The options issued under the ESOP Plan 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 and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Company has approved the following grants to eligible senior and middle level executives of the Company and its subsidiaries in accordance with the ESOP Plan. Details of grants given and the related disclosures up to the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 24-May-16	3.59 to 76.54	222,718,000	-	-	189,723,050	32,994,950	-	-
17-May-17	134.78	11,207,500	157,140	-	9,597,360	1,413,630	39,370	157,140
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	5,000	-	700,360	489,640	5,000	5,000
17-May-18	192.00	12,734,160	626,560	-	10,008,960	2,080,400	18,240	626,560
16-May-19	300.28	11,239,000	2,611,006	-	7,735,564	884,570	7,860	2,611,006
19-May-20	193.86	20,542,500	5,399,830	-	13,285,770	1,856,900	-	5,399,830
27-Apr-21	473.66	9,366,430	4,286,570	-	4,350,730	729,130	-	4,286,570
26-Apr-22	700.55	10,037,560	4,511,509	2,340,050	2,071,041	1,114,960	-	6,851,559
25-Jul-22	625.83	193,490	18,860	18,860	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	4,637,510	6,480,350	2,806,819	1,709,291	-	11,117,860
25-Apr-24	732.92	15,366,090	2,722,213	10,213,570	987,932	1,442,375	-	12,935,783
12-Sep-24	734.56	38,900	9,730	29,170	-	-	-	38,900
28-Apr-25	911.20	13,833,250	18,020	12,839,660	-	975,570	-	12,857,680
		344,274,350	25,003,948	31,921,660	241,586,856	45,691,416	70,470	56,925,608

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan (Contd.)

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 20-May-15	3.59 to 44.82	208,418,000	-	-	177,676,800	30,741,200	-	-
24-May-16	76.54	14,300,000	242,500	-	11,803,750	2,253,750	-	242,500
17-May-17	134.78	11,207,500	474,350	-	9,293,280	1,413,630	26,240	474,350
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	10,000	-	700,360	489,640	-	10,000
17-May-18	192.00	12,734,160	1,405,900	-	9,257,010	2,062,140	9,110	1,405,900
16-May-19	300.28	11,239,000	3,992,180	-	6,385,890	860,930	-	3,992,180
19-May-20	193.86	20,542,500	6,998,650	-	11,730,400	1,813,450	-	6,998,650
27-Apr-21	473.66	9,366,430	3,602,070	2,058,420	3,017,730	688,210	-	5,660,490
26-Apr-22	700.55	10,037,560	3,824,530	4,737,290	654,060	821,680	-	8,561,820
25-Jul-22	625.83	193,490	-	37,720	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	2,865,240	10,861,110	995,610	912,010	-	13,726,350
25-Apr-24	732.92	15,366,090	-	14,946,170	-	419,920	-	14,946,170
12-Sep-24	734.56	38,900	-	38,900	-	-	-	38,900
		330,441,100	23,415,420	32,679,610	231,834,160	42,476,560	35,350	56,095,030

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2025-26	FY2024-25	FY2024-25
Grant date	28-Apr-25	25-Apr-24	12-Sep-24
No. of options granted	13,833,250	15,366,090	38,900
Weighted average fair value (₹)	350.67	312.05	302.56

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2026

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	56,095,030	76.54-734.56	551.46	4.82
Granted during the year	13,833,250	911.20	911.20	
Cancelled during the year	3,214,856	192.00-911.20	736.13	
Lapsed during the year	35,120	134.78-300.28	191.39	
Exercised during the year	9,752,696	76.54-732.92	446.98	
Outstanding at the end of the year	56,925,608	134.78-911.20	646.58	4.65
Exercisable at the end of the year	25,003,948	134.78-911.20	480.41	2.77

50 Employee stock option plan (Contd.)

As on 31 March 2025

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	54,897,890	44.82-700.55	443.13	4.80
Granted during the year	15,404,990	732.92-734.56	732.92	
Cancelled during the year	1,643,380	473.66-732.92	658.39	
Lapsed during the year	22,240	134.78-192.00	158.21	
Exercised during the year	12,542,230	44.82-700.55	286.86	
Outstanding at the end of the year	56,095,030	76.54-734.56	551.46	4.82
Exercisable at the end of the year	23,415,420	76.54-700.55	385.89	2.91

The weighted average market price of equity shares for options exercised during the year is ₹ 943.60 (Previous year ₹ 754.27).

Method used for accounting for share based payment plan

The Parent 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	Exercise price (₹)*	Options granted	Vesting period
25-Apr-24	7.10%	3.5 - 6.5 years	36.87%	0.41%	732.92	15,366,090	4 years on SLM basis
12-Sep-24	6.68%	3.5 - 6.5 years	36.29%	0.49%	734.56	38,900	4 years on SLM basis
28-Apr-25	6.11%	3.5 - 6.5 years	33.03%	0.40%	911.20	13,833,250	4 years on SLM basis

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has accounted expense of ₹ 407.53 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 377.00 crore). The balance in employee stock option outstanding account is ₹ 1,157.76 crore as of 31 March 2026 (Previous year ₹ 934.86 crore).

(B) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the holding Company has approved grant of 183,050 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 Group in accordance with the Stock Option Scheme of the Holding Company. The weighted average fair value of the option granted is ₹ 689.20. There has been no vesting and excercise during the year. As of 31 March 2026, the number of stock option outstanding (net of cancellation) is 119,930.

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 grant is:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has recognised ₹ 1.59 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 5.09 crore)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan (Contd.)

(C) Employee stock option plan of Bajaj Housing Finance Limited

Details of grants given up to the reporting date by BHFL 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 expired	Options outstanding
24-Apr-24	54.50	16,751,673	3,501,869	11,314,938	515,305	1,419,561	-	14,816,807
04-Jan-25	126.38	486,445	160,527	325,918	-	-	-	486,445
23-Apr-25	131.16	9,108,697	-	8,849,335	-	259,362	-	8,849,335
		26,346,815	3,662,396	20,490,191	515,305	1,678,923	-	24,152,587

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,068,695	-	682,978	-	16,068,695
04-Jan-25	126.38	486,445	-	486,445	-	-	-	486,445
		17,238,118	-	16,555,140	-	682,978	-	16,555,140

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2025-26	FY2024-25	
Grant date	23-Apr-25	24-Apr-24	04-Jan-25
No. of options granted	9,108,697	16,751,673	486,445
Weighted average fair value (₹)	55.50	24.54	51.43

Following table depicts range of exercise prices and weighted average remaining contractual life:

For the year ended 31 March 2026

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	16,555,140	54.5 - 126.38	56.61	6.58
Granted during the year	9,108,697	131.16	131.16	
Cancelled during the year	995,945	54.5 - 131.16	74.46	
Lapsed during the year	-	-	-	
Exercised during the year	515,305	54.50	54.50	
Outstanding at the end of the year	24,152,587	54.5 - 131.16	84.04	5.96
Exercisable at the end of the year	3,662,396	54.5 - 126.38	57.65	4.10

50 Employee stock option plan (Contd.)

For the year ended 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,238,118	54.50 - 126.38	56.53	
Cancelled during the year	682,978	54.50	54.50	
Lapsed during the year	-	-	-	
Exercised during the year	-	-	-	
Outstanding at the end of the year	16,555,140	54.50 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

The weighted average market price of equity shares for options exercised during the year ended 31 March 2026 is ₹ 119.32.

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 (₹)	Options granted	Vesting period
24-Apr-24	7.05%	3.5 - 6.5 years	38.46%	Nil	54.50	16,751,673	1- 4 years on SLM basis
04-Jan-25	6.63%	3.5 - 5.5 years	36.57%	Nil	126.08	486,445	1- 3 years on SLM basis
23-Apr-25	6.08%	3.5 - 6.5 years	36.78%	Nil	131.16	9,108,697	1- 4 years on SLM basis

For the period ended 31 March 2026, the Company has accounted expense of ₹ 32.06 crore as employee benefit expenses 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).

51 Ultimate beneficiary

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 Group to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

52 Relationship with struck off companies

(₹ in crore)

S. No.	Name of struck off Company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as at 31 March 2026	Balance outstanding as at 31 March 2025
1	Abhilash Global Corporation Private Limited	Loan receivable	No	-	0.02
2	Adwave Publicity & Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	-	0.02
4	Astroid Pharma Private Limited	Loan receivable	No	-	0.01
5	Criper Garments (India) Private Limited	Loan receivable	No	-	-
6	CSE Computer Solutions East Private Limited	Loan receivable	No	0.29	0.38
7	D.H. Power Engineers Private Limited	Loan receivable	No	-	-
8	DVR Marine Exports Private Limited	Loan receivable	No	0.09	0.11
9	Enkoway Motors Private Limited	Loan receivable	No	-	-
10	Farm Protector Private Limited	Loan receivable	No	-	-
11	First Office Solutions India Private Limited	Loan receivable	No	-	0.01
12	Grabstance Technologies Private Limited	Loan receivable	No	-	-
13	Green Way Super Market Private Limited	Loan receivable	No	-	0.11
14	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
15	Indira Smart Systems Private Limited	Loan receivable	No	0.05	0.07
16	Koolair Systems Private Limited	Loan receivable	No	-	-
17	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
18	Mahakash Sales Private Limited	Loan receivable	No	-	-
19	Mechwing Engineering & Services Private Limited	Loan receivable	No	-	-
20	Memmo Global Telecommunications Private Limited	Loan receivable	No	-	-
21	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
22	Nature Bless International Private Limited	Loan receivable	No	-	-
23	Satidham Industries Private Limited (Equity shares of face value ₹ 10 and ₹ 50,000. Previous Year ₹ 40,000)	Shares Held		-	-
24	Sawalka Autotech Private Limited	Loan receivable	No	-	1.17
25	Smart Choice Retail Private Limited	Loan receivable	No	-	-
26	Spice Flora (India) Private Limited	Loan receivable	No	-	-
27	Sri Beera Barji Trading Co. Private Limited	Loan receivable	No	-	-
28	Sustainable Technologies & Environmental Projects Private Limited	Loan receivable	No	-	-
29	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
30	Volando Tours Private Limited	Loan receivable	No	-	-
31	Yayin Enterprises Private Limited	Loan receivable	No	-	-
32	Aleem Autos Private Limited	Payables	No	-	-
33	Fident Wealth Private Limited	Payables	No	-	-
34	Impact Agencies Private Limited	Payables	No	-	-
35	Keen Financial Services Private Limited	Payables	No	-	-
36	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
37	Visakam Motors Private Limited	Payables	No	-	-

The above disclosure has been prepared basis the relevant information compiled by the Group on best effort basis.

53 Disclosure pertaining to stock statement filed with banks or financial institutions

The Group has availed facilities (secured borrowings) from the lenders inter alia on the condition that, the Group shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year ended 31 March 2026 and previous year ended 31 March 2025, the quarterly statements or returns of current assets filed by the Group with banks or financial institutions are in agreement with books of accounts.

54 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

(₹ in crore)

1	CIN	L65910PN2008PLC132228	U67120PN2010PLC136026
2	Name of the subsidiary	Bajaj Housing Finance Limited	Bajaj Financial Securities Limited
3	The date since when subsidiary was acquired	01.11.2014	10.08.2018
4	Provisions pursuant to which the Company has become a subsidiary (section 2 (87)(i)/section 2(87)(ii)	Section 2(87)(ii)	Section 2(87)(ii)
5	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	NA	NA
6	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
7	Share capital	8,328.66	1,400.41
8	Reserves & surplus	14,194.13	685.56
9	Total assets	127,147.05	11,461.87
10	Total liabilities	104,624.26	9,375.89
11	Investments	2,502.21	583.54
12	Turnover	11,150.29	1,069.72
13	Profit before taxation	3,320.02	273.34
14	Provision for taxation (net)	759.68	70.76
15	Profit after taxation	2,560.34	202.58
16	Proposed dividend	NA	NA
17	% of shareholding	86.70%	100%

Number of subsidiaries which are yet to commence operations - Not applicable

Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year - Not applicable

Part B: Associates and Joint Ventures –

(₹ in crore)

1	Name of the associates	Snapwork Technologies Private Limited	Pennant Technologies Private Limited
2	Date on which the associate was associated	25.11.2022	19.01.2024
3	Latest audited Balance Sheet date	31.03.2026	31.03.2026
4	Shares of Associate held by the Company on the year end		
	-Number	65,098*	994,006*
	-Amount of investment in associate	92.74	267.47
	-Extend of holding %	41.50%*	26.53%*
5	Description of how there is significant influence	By way of shareholding	By way of shareholding
6	Reason why the associate is not consolidated	N.A	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	58.02	87.29
8	Profit/Loss for the year		
	-Considered	5.43	11.03
	-Not Considered	-	-

* On fully diluted basis

Number of associates which are yet to commence operations – Not applicable

Number of associates which have been liquidated or have ceased to be associate during the year – Not applicable

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

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Notes



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.

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