

A LEGACY OF RESPONSIBILITY



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About the cover

At every juncture in business, there's a trade-off, a balance. Between inclusion and increasing profits. Governance and growth. Short-term goals and society. It's a balance we choose to maintain at Bajaj Finance.

Our commitment to sustainability has led us to make some tough choices over the years. To conserve the environment by setting up not just solar panels but also large windmill farms, to digitise so we can save on millions of reams of paper and upskill youth in small cities through our in-house teams so we have better control of the outcomes.

Sustainability is about finding this fine balance. It's been deeply intertwined in the fabric of our everyday business for 100 years.

Even today, this commitment is rock solid. As we continue to embrace our responsibility towards communities and the environment.



Scan to know more or
Visit our website
www.bajajfinserv.in

About the Report

Bajaj Finance Limited ('BFL', 'Bajaj Finance', 'the Company') and our subsidiaries (hereby collectively referred to as 'BFL Group' or 'We') present its Environmental, Social and Governance (ESG) Report for FY2024. This Report provides insights on the ESG processes followed by the Company as it endeavors to deliver on the principles of responsible business conduct.

The ESG Report primarily provides a holistic view of the key initiatives undertaken by the Company, driven by the triple bottom line attributes viz. environmental, social, and economic. The Report also narrates initiatives undertaken by BFL towards ESG aspects. Additionally, initiatives and actions taken by its subsidiaries towards furtherance of ESG objectives have also been provided throughout the Report wherever relevant. Bajaj Finance Limited has also published its BRSR for FY2024 which forms part of its Annual Report, in line with

the National Guidelines on Responsible Business Conduct (NGRBCs) and BRSR requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Further, certain other initiatives that are covered in the Annual Report of the Company and its subsidiaries for FY2024 (available on Company's website –

<https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>) have not necessarily been repeated here.

The ESG philosophy of BFL group aims at adopting sustainable business practices that ensure long-term success and have a positive impact on the environment and society. BFL Group continuously strives to promote long-term sustainable growth in the economy through business initiatives and responsible corporate citizenship.

This Report outlines the approach adopted by BFL Group towards:

Creating an employee-friendly workplace

Creating positive environmental and social outcomes through its business operations, conducted in a responsible, ethical, and inclusive manner

Its Commitment for enhancing customer experience

About Bajaj Finance Limited

Bajaj Finance Ltd. is a subsidiary of Bajaj Finserv Ltd. It is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as an NBFC-Investment and Credit Company (NBFC-ICC). Since 30 September 2022, it has been categorised as an upper layer NBFC (NBFC-UL) pursuant to the Scale Based Regulation (SBR) put forth by the RBI.

BFL is engaged in the business of lending, partnership and services, payments, and acceptance of deposits. The Company has a diversified lending portfolio across retail, SMEs (small and medium sized enterprises), and commercial customers with significant presence in both urban and rural India. It accepts public and corporate deposits and offers a variety of financial services products to its customers.

Bajaj Finance has two wholly owned subsidiaries. These are: (i) Bajaj Housing Finance Limited ('BHFL' or 'Bajaj Housing'), which is registered with the National Housing Bank as a Housing Finance Company (HFC); and (ii) Bajaj Financial Securities Limited ('BFSL', 'BFinsec', 'Bajaj Broking'), which is registered with the Securities and Exchange Board of India (SEBI) as a Stock Broker and Depository Participant.

BFL also has two associate companies: (i) Snapwork Technologies Private Limited ('STPL') and (ii) Pennant Technologies Private Limited ('PTPL'). BFL acquired a 26.53% stake on a fully diluted basis in PTPL on 19 January 2024 hence, it has become an associate company.

BFL is present in 4,145 locations across the country, including 2,576 locations in rural/smaller towns and villages and operates through 198,250+ active distribution points across India.



Product offerings

It focuses on twelve broad categories. These are:



Consumer Lending



Mortgages



Personal Loan



SME Lending



Gold Loan



Auto Financing



Loan against Securities



Rural Lending



Commercial Lending



Micro-finance Lending



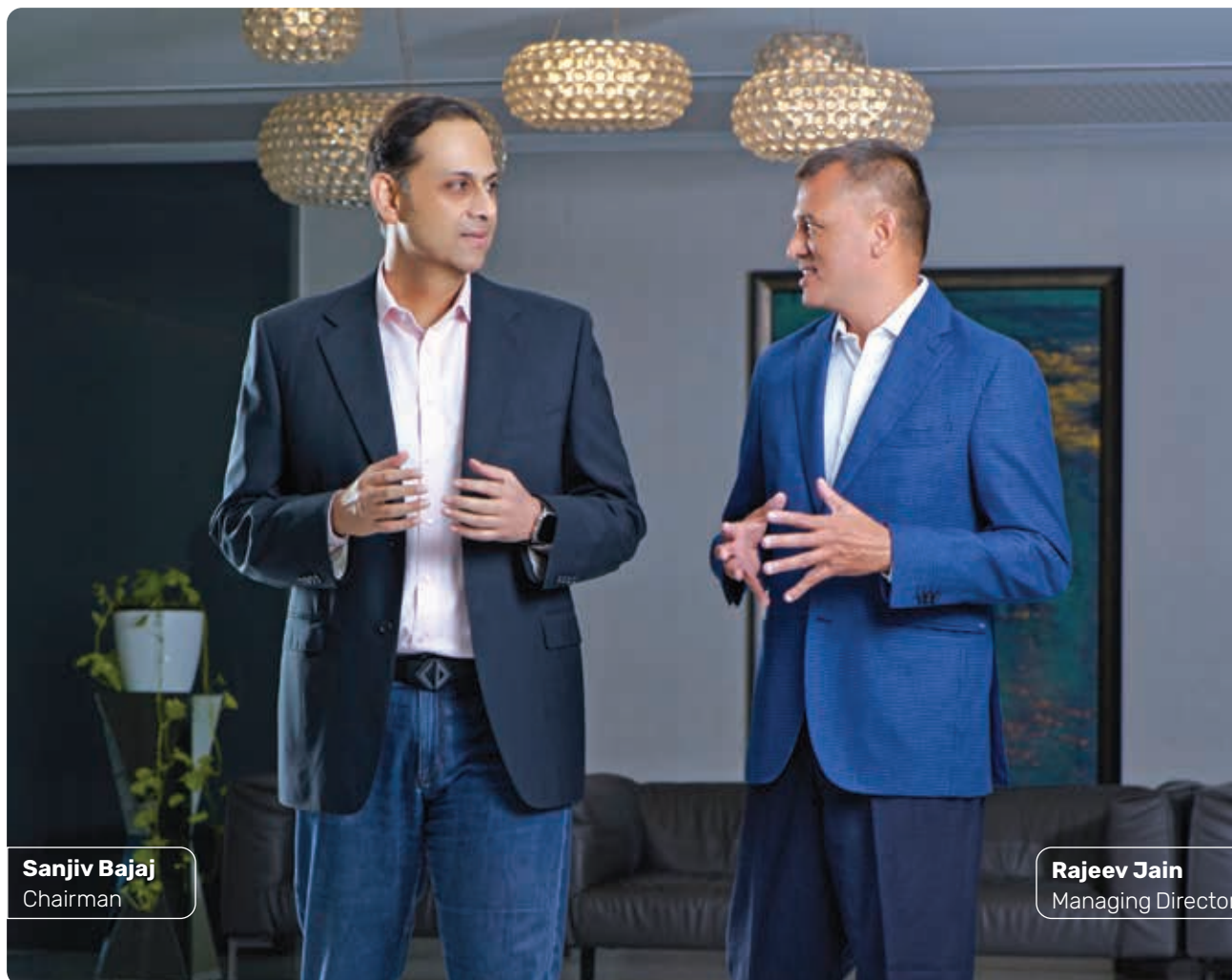
Public and Corporate Deposits



Partnerships and Services

Message from the Chairman and Managing Director

Continuously transforming for sustainability



Sanjiv Bajaj
Chairman

Rajeve Jain
Managing Director

“

We foster a culture of fairness with customers, transparency with stakeholders, empathy and equity with employees, and inclusion with society.

We continue to follow a rigorous risk management process and strive to be fully compliant with regulations and laws governing our businesses.

”

Every day, we are witness to a wave of change in the world around us. Be it events triggered by climate change, consumer preferences driven by technology or new challenges faced by communities.

We therefore consider sustainability as a journey of continuous transformation. Our plans are constantly reviewed and course-corrected in the context of the evolving challenges faced by society and our planet.

A Legacy of Responsibility

For 37 years, we have been steadfast in our commitment to create long-term, sustainable value for customers, employees, the environment, and communities.

This commitment reflects the legacy of the larger Bajaj Group, which, for close to a century, has been built on principles of social empowerment, environment protection, and contribution to national good.

It is no surprise then that we strive to take this responsibility several notches higher with each passing year.

A key highlight of Bajaj Group's commitment to sustainability in FY2024 was the announcement of Bajaj Beyond, a new identity for the Group's CSR programmes. Under this, the Group pledged ₹ 5,000 crore to social impact initiatives over five years, with a strong focus on skill development. This will benefit over two crore youth, enabling them to gain from employment and entrepreneurial opportunities offered by India's growing economy.

At Bajaj Finance, sustainability is a strategically important priority for the management. It reflects in our business strategy, our operating model, products, and processes.

In FY2024, we continued to invest in our Environmental, Social and Governance (ESG) framework. We implemented 209 projects in FY2024, involving

a spend of ₹ 200.95 crore on corporate social responsibility programmes.

Initiatives taken up under each of the ESG focus areas are detailed in this report along with how they have enabled financially stronger communities and made a positive difference to the environment.

Powering Youth Employment and Entrepreneurship

Enabling employability for youth from disadvantaged backgrounds and thereby enabling financial stability is an area of focus for us. Our efforts toward this include skilling and employability programmes and supporting self-employment and entrepreneurial ventures.

Our flagship skilling programme, the Certificate Programme in Banking, Finance & Insurance (CPBFI), empowers first-generation graduates from smaller towns to be job ready for the financial services industry. So far, 53,000 youth have been skilled for employment and enterprise under this programme. About 66% of participants are first-generation graduates, predominantly from Tier 2 or 3 cities; 70% are women.

FY2024 also saw the collaboration of Bajaj Finserv with the National Skill Development Corporation (NSDC) under the aegis of the Ministry of Education; the initiative enables students to receive joint certification on completing CPBFI training. A similar partnership with All India Council for Technical Education (AICTE) will see collaboration in deeper geographies of India.

“

In FY2024, we continued to invest in our Environmental, Social and Governance framework. We implemented 209 projects in FY2024, involving a spend of ₹ 200.95 crore on corporate social responsibility programmes.”

₹ 5,000 crore

pledged for social impact over five years by Bajaj Group

19,434

women empowered

We also focus on empowering women from marginalised communities and rural areas with skills necessary to secure employment or take up entrepreneurial opportunities. In FY2024, 19,434 women benefitted from these initiatives.

More Financial Inclusion with Less Carbon Footprint

Our sustainability journey is interconnected with Bajaj Finance's journey of continuous transformation in the digital space, the business lines we add and the expansion of our geographic footprint. With each of these initiatives, we are bringing financial inclusion to millions, making it more convenient for people to access financial services, while simultaneously reducing carbon footprint.

We ended FY2024 with a customer franchise of 83.64 million and our network reached 4,145 locations with over 198,250 active distribution points. The Bajaj Finserv App and Web went through a major upgrade, significantly expanding products, services and new features. The App now has 52.41 million net installs.

We are on track to create rapid access to financial services, and in doing so, we are mindful of the impact on the environment.

Here's how.

In the last five years, we extended credit to more than 19.8 million new-to-credit customers.

Over the past three years, we disbursed loans of more than ₹ 86,000 crore to over 13.12 million women,

empowering them economically and enhancing their self-reliance. In FY2025, we plan to expand our reach to around 18,000 villages, covering 95 districts to support 4 lakh women.

In FY2024, we introduced tractor financing and micro-financing to promote financial inclusion in rural locations.

Our Rural Lending and Gold Loans business with an AUM of ₹ 28,415 crore, grew 18% over last year.

Separately, in the last three years we disbursed over ₹ 58,000 crore to SMEs and over ₹ 2,020 crore to the health and wellness sector.

To reduce impact of our operations on the environment, in the last three years over ₹ 18 crore was disbursed to fund over 5,100 solar panels. In last three years, consumption of paper was reduced by approximately 5,050 million sheets, saving around 6 lakh trees.

We supported clean mobility and lower emissions in transportation by financing over 54,000 Electric Vehicles (EVs), disbursing over ₹ 700 crore. To empower the underprivileged and underserved segments of society in the past three years, we financed more than 399,000 three-wheeler passenger vehicles, disbursing over ₹ 9,700 crore.

Other environment-friendly initiatives included the adoption of Electric Vehicles (EVs) for inter-office shuttle services, use of ozone-friendly refrigerants, drawing around 5.90 lakh units of clean energy produced by rooftop solar panels at our offices, procuring recycled paper to meet 80% of our requirement and planting of over 70,000 saplings.

54,000+

Electric Vehicles (EVs) financed in FY2024

Total emission intensity per crore of Consolidated Total Revenue from Operations was lower at 0.89 in FY2024 as compared to 1.19 in FY2023.

Adopting Emerging Technologies to Transform Lives

Transformation for sustainability is interlinked to digital transformation. This needs a deep understanding of emerging technologies.

We are investing in data, computing, AI, cyber security, converging technologies and leveraging the India digital stack such as UPI, Account Aggregator and ONDC. With this, we are moving towards digital-led sustainability.

Some tech-driven initiatives include using cloud-based virtual servers to increase energy efficiency and data security, E-agreements and OTP-based agreements, digital KYC, digital EMI cards, paperless loans, dissemination of insurance, extended warranty, comprehensive asset care policies and bureau reports by partners through a digital medium.

E-mandate for EMI repayment now contributes to nearly 59% of new business.

Deploying emerging technologies is also giving us a real competitive advantage. It enables sustainable changes at scale, makes our processes faster, transactions more secure and customer experiences better.

Inclusion in Health and Education

We have supported projects that have a lasting impact on children, in areas such as health, education, protection and inclusion of Persons with Disability.

Over 4.44 lakh children benefitted from education initiatives alone, of which 17,250 children gained from our digital teaching interventions.

The year saw collaborations with various organisations and hospitals in Pune and the wider Maharashtra state to provide financial assistance to children with heart conditions, cancer, cleft lips/palates, Type 1 diabetes and epilepsy.

Staying Accountable and Compliant

We foster a culture of fairness with customers, transparency with stakeholders, empathy and equity with employees, and inclusion with society.

We continue to follow a rigorous risk management process and strive to be fully compliant with regulations and laws governing our businesses.

Measurable Strides towards a Sustainable Future

At Bajaj Finance, our sustainability goals are built into our mid-to-long term business plan. While a good deal has been accomplished in FY2024, we are excited about the times to come.

We thank our Board, our customers, our partners and our 53,000 employees for being part of our sustainability journey.

Sanjiv Bajaj
Chairman

Rajeev Jain
Managing Director

Awards and Recognition



Key Initiatives Undertaken till Date

Adoption of **Code of Ethics** and **Personal Conduct** across BFL Group employees



Voluntary constitution of a **Customer Service Committee** of the Board



Constituted an **empowered ESG committee** of management



Procured **80% FSC** certified recycled papers at BFL during FY2024

Implementation of **Environment, Health and Safety (EHS)** manual across BFL Group



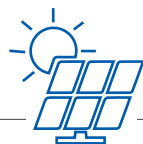
Adoption of **Gender-Neutral POSH policy**



Opening of **100 Micro-finance** branches to serve the underserved



Installation of **626.80 KW** of solar panels across **7 locations**



Introduced **20 Electric Vehicles (EV)** for inter-office shuttle transport



Reparation Policy - based on principles of transparency and **fairness in treatment of customers**

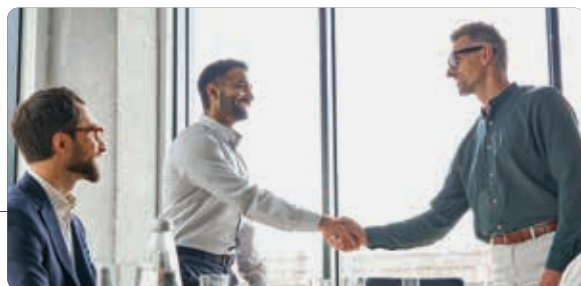
Digitisation efforts saved **-600,000 trees** by reducing paper consumption by **-5,050 million** sheets



Planted **-3.45 lakh** saplings during last four years



ESG Awareness series for stakeholders



Employee well-being initiatives: Purelife and Spectrum

- Annual Health and dental checkup
- Embracing motherhood with ease
- Mental well-being
- Ensuring women safety



Implemented dedicated **ESG training module** across BFL Group



Our Focus Areas

The ambit of ESG is wide and evolving. In our Responsible and Sustainable Business Conduct policy, we have identified following as our areas of focus which are aligned with NGBRCs as well as our NBFC business model. To achieve our ESG objectives and have a greater impact, we are concentrating our efforts on these identified areas:

 <p>Corporate Governance</p> <p>Conduct and govern business with integrity in a manner that is ethical, transparent and accountable</p>	 <p>Financial Inclusion</p> <p>Provide access to relevant and affordable financial products and services that meet the needs of larger society</p>	 <p>Preserving & Protecting Environment</p> <p>Strive to adopt environmental practices and processes that minimise/eliminate the adverse impact on environment due to company operations</p>	 <p>Empowering Society</p> <p>Promote social welfare activities for inclusive growth, equitable development, and well-being of society</p>
 <p>Customer Obsession</p> <p>Innovate/invest in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings</p>	 <p>Human Capital Management</p> <p>Create a thriving, safe and inclusive workplace for employees and provide merit-based opportunities for professional development and growth</p>	 <p>Information Security, Cyber Security and Fraud Controls</p> <p>Adopt robust information security, cyber security and fraud control practices</p>	 <p>Stakeholders' Engagement</p> <p>Engage with relevant stakeholders for enhancing the sustainable and responsible business practices</p>

Journey towards Alignment with United Nations Sustainable Development Goals (UN SDGs)

01 End Extreme Poverty in all Forms

02 End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture

03 Ensure Healthy Lives and Promote Well-Being for all at all ages

04 Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for all

05 Achieve Gender Equality and Empower All Women and Girls

06 Ensure Availability and Sustainable Management of Water and Sanitation for all

07 Ensure Access to Affordable, Reliable, Sustainable, and Modern Energy for all

08 Promote Sustained, Inclusive, and Sustainable Economic Growth, full and Productive Employment and Decent Work for all

09 Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialisation and Foster Innovation

10 Reduce Inequality Within and Among Countries

11 Make Cities and Human Settlements Inclusive, Safe, Resilient and Sustainable

12 Ensure Sustainable Consumption and Production Patterns

13 Take Urgent Action to Combat Climate Change and its Impacts

14 Conserve and Sustainably use the Oceans, Seas and Marine Resources for Sustainable Development

15 Protect, Restore and Promote Sustainable use of Terrestrial Ecosystems, Sustainably Manage Forests, Combat Desertification, and Halt and Reverse Land Degradation and Halt Biodiversity Loss

16 Promote Peaceful and Inclusive Societies for Sustainable Development, Provide Access to Justice for all and Build Effective, Accountable and Inclusive Institutions at all Levels

17 Strengthen the Means of Implementation and Revitalise the Global Partnership for Sustainable Development



Key ESG Highlights



Corporate Governance

- Board-approved [Responsible and Sustainable Business Conduct Policy](#) consisting, the essence of ESG and NGBRCs.
 - Board-approved ESG Committee led by Executive director and consisting of senior management.
 - Voluntary constitution of a Customer Service Committee of the Board, to strengthen the customer experience, engagement, and monitoring process.
 - Robust internal controls system across all processes, units, and functions, driven by various well-formulated procedures and policies.
 - Dedicated compliance function headed by a Chief Compliance Officer (CCO), which acts as second line of defence.
 - Comprehensive risk management framework across the organisation and across all risks, including ESG risk.
- Strong governance model for debt management services' practices.
 - [Code of Ethics and Personal Conduct](#) for employees across BFL Group.
 - Two Internal Ombudsman (IOs) responsible for dealing with customer concerns and complaints.
 - Board-approved framework for good corporate governance for subsidiaries.
 - The Risk Management Committee and the Board of the Company reviews ESG matters and are updated with progress made on various ESG related initiatives at the Company.
 - Prudent and responsible business conduct:
 - CRAR of 22.52% versus regulatory stipulation of 15%.
 - Strong Asset Liability Management (ALM) with cumulative positive gap across all time buckets.
- Consolidated gross NPA at 0.85% and net NPA at 0.37% are amongst the lowest in the industry.
 - [Policy for Compensation of Key Managerial Personnel \(KMP\) and Senior Management](#) contains provisions regarding deferral of variable pay as well as principles of malus and clawback provision.
 - Board-approved policies are reviewed every year to ensure consistency with the Regulatory/Operational changes.
 - Adoption of the Group's Tax Governance Policy.
 - More than 90% of BFL group employees completed mandatory course training (ESG, Code of Ethics and Personal Conduct, POSH, KYC/AML, Data privacy, cyber security etc.)



Reaching Financial Services to Millions of Indians and Providing Sustainable and Safe Products and Services

- Provided financial services by expanding the company's presence in 4,145 locations across the country, including 2,576 in rural/smaller towns and villages and financed approximately 83.64 million customers.
- Extended financing to over 19.8 million new-to-credit customers during last 5 years.
- Provided financing access to more than 13.12 million women borrowers amounting more than ₹ 86,000 crore during last 3 years.
- Rural Lending and Gold Loans business closed FY2024 with AUM of ₹ 28,415 crore, registering a growth of 18% over the previous year.
- Enabled livelihood of individuals through three-wheeler passenger vehicle financing of more than ₹ 9,700 crore and SME lending of more than ₹ 58,000 crore during last 3 years.
- Disbursed over ₹ 2,020 crore across more than 3.58 lakh loans towards medical procedures and health and wellness during last 3 years.
- Launched tractor financing in FY2024 for promoting financial inclusion – AUM of tractor financing stood at ₹ 26 crore.
- Launched Micro-finance business operations in over 100 branches across Uttar Pradesh and Karnataka.
- Higher Fixed Deposit (FD) rates for senior citizens – additional interest of 0.40%. Till date over 8.3 lakh FDs placed.
- Distribution of the Micro Insurance Products to increase insurance penetration across rural and semi-urban geographies.
- Over the last 3 years, we have disbursed more than ₹ 1,340 crore through more than 2.2 lakh loans for educational purposes.



Preserving & Protecting Environment

- Green initiative with a continuous focus on reducing consumption of papers through digital initiatives like digital agreements, digital KYC, digital communication, etc.
- During last three years, BFL group reduced consumption by around 5,050 million sheets of paper, saving approximately 600,000 trees (1 tree = 8,333 sheets of paper).
- Procured 80% Forest Stewardship Council (FSC) certified recycled papers at BFL during FY2024.
- Financed more than 54,000 e-vehicles and disbursed over ₹ 700 crore during the year, thereby enabling customers to access environment-friendly modes of transport.
- Facilitated access to environment friendly renewable energy sources by financing solar panels – disbursed more than ₹18 crore through more than 5,100 loans in last three years.
- Generated over 5.90 lakh units of solar energy through installed capacity of 626.80 KW of rooftop solar power plants across 7 locations.
- Ramped up the adoption of environment-friendly electric vehicles (EVs) for inter-office shuttle services.
- Planted over 70,000 saplings in FY2024, taking the total count of saplings planted to 345,000+ till date.
- Aligning with the highest standards of energy efficiency, and reduced environmental impact – BFL supports acquisition of 5-star rating and above devices.
- Extensive awareness campaigns to promote sustainable living and practices amongst employees and other stakeholders.



Empowering Society

- In FY2024, 209 projects were implemented with a CSR Spend of ₹200.95 crore - towards areas of Skilling, Child Education, Child Health, Child Protection, and Inclusion for Persons with Disabilities.
- Our flagship programme, Certificate Programme in Banking, Finance & Insurance (CPBFI) collaborates

with colleges and training partners to deliver expert-designed training modules, supported by over 240 industry-experienced trainers across 22 states and 410 colleges nationwide. This initiative has transformed the lives of over 53,000 students to date.

- 19,434 women empowered through skilling initiatives which focuses on earning a sustainable income and enhance their economic independence.
- Empowering individuals with disabilities to generate income and enhance their economic independence - 9,057 PwDs have benefitted from the programmes.

- Sector-Specific or Need-Based training - 38,966 youth have been benefitted from these programmes.
- Support projects linked to child health, child education, child protection and inclusion for PwDs:

33,537 were supported through Health interventions

444,537 benefitted from Education-related initiatives

14,582 supported under Children protection

99,189 Persons with Disabilities were supported



Customer Obsession

- Established a [citizen charter framework](#) to protect interest of customers.
- Key Fact Statement (KFS) offered to all customers, both digital and non-digital, across retail and MSME products at pre-sanction stage. KFS and various collaterals made available in 20 vernacular languages.
- Initiation of multilingual response for queries received on social media platform in various regional languages.
- Customer communications through IVR and mobile apps, are available to customers in English and vernacular languages.
- Established localised presence at 4 locations to ensure quick response and resolution to customer complaints and escalation received from regulators.

- Provisioned a 'Dynamic Missed Call Service' for getting life-stage-based details of the latest relationships with BFL.
- Introduction of DIY home loan application process by BHFL to transform customer experience and the journey is digital and seamless.
- Launched BFSLTRADE a mobile app, along with a SAMADHAN platform through BFSL, offering customer services via self-help Q&As and ticket-based query resolution.
- Business transformation efforts focused on building an 'omnichannel' model to deliver significant improvement in customer experience.
- '9 am to 9 pm Calling' initiative is a consent-based calling system, launched for queries received on social platform which helped improve customer satisfaction and turn-around-time for resolution.
- Implemented over 25+ service modules and more than 325 service processes on both the App and Website.
- Centralised call recording and monitoring infrastructure for outsourced debt management services agency networks.

- Dedicated debt management service desks across the top 38 branches to address debt related queries of walk-in customers. DMSCA (Debt Management Services Change Agent) training programme for its agents using four modules.
- Monitoring transactional customer satisfaction (CSAT) scores across all channels for multiple service interactions.
- Conducted various consumer awareness campaigns and educational videos:

Service-related Campaigns:

- Life Easy With NACH
- Time Pe EMI
- Coverage Hai Zaroori
- Know Your 1st EMI
- What's The Matter

Loan Repayment Campaigns:

- Just Ask For It
- No Mukti Only Nuskaan
- Loan Ka The End
- Wait Nahi, Update Karo
- Har Koi Bajaj Nahi
- Doori Hai Zaroori From Loan Settlement
- Har Time EMI On Time
- Charges For What



Human Capital Management

- Recognised by Great Place to Work™ as India's Best Workplaces™ Building a Culture of Innovation by All (2023-2024) and India's Best Workplaces™ in BFSI (2023-2024).
- Promotion of equal employment opportunities and nurtures diversity amongst BFL Group employees.
- Implementation of Gender-Neutral Prevention of Sexual Harassment (POSH) Policy.
- 14 cultural anchors which form the backbone of our culture.
- RISE - (Respectful, Inclusive & Safe Work Environment) awareness series - 93 RISE sessions were conducted across corporate and branch offices.
- 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.
- Launched 'Pure Life' initiative focused on physical, mental, and emotional wellness for all employees:
 - 1-to-1 counselling - More than 582 employees benefitted.
 - Walk-a-thon - more than 70,000 saplings were planted to celebrate achievements of the employees who completed the set goals.
- In FY2024, we enabled an emergency financial assistance through 'i-Care programme' - over 230 employees availed assistance of over ₹ 13 crore.
- In FY2024, over 18,000 employees were recognised for their outstanding performance and significant contribution.
- DAAN Utsav - an employee engagement initiative for the well-being of the society.
- Total expenditure on learning and development by the BFL Group in FY2024 was over ₹ 53 crore, which translates to approximately ₹ 9,800 on average per employee.
- Around 83% of the female employees and 90% of the male employees during the year participated in at least one of the functional/skill upgradation trainings.
- Registered more than 6 lakh training hours across BFL Group employees.



Information Security, Cyber Security and Fraud Controls

- 'Information Technology Strategy Committee' consisting of Board members and Senior management. Well-established information security framework, cyber security policy, data privacy policy and Business Continuity Policy (BCP).
- Dedicated information security, cyber risk, and fraud control unit.

- Robust Data Loss Prevention (DLP) solutions.
- Data security and information technology security systems compliant with ISO 27001:2013, 22301:2012.
- Regular internal security audits, vulnerability assessments and penetration testing of its systems, products and practices affecting user data, in compliance with ISO 27001 standards.
- Instituted a formal policy for incident management.
- Strong IT governance structure.

- Robust framework/policy on fraud risk management in place, along with a pro-active fraud detection process.
- Sitti Pitti Gul: awareness campaigns for stakeholders:
 - Bano Cyber Smart
 - Settle Karna Hai Loan
 - Pehle Pucho Aap Kaun
 - Fake Loan Ka Danger Zone
- Clenched the esteemed title of '**Digital Enterprise of India - BFSI**' at The Economic Times CIO Awards 2024.



Stakeholders' Engagement

- Implemented Corporate Communication Policy that defines the approach to communicate with media.
- Ensured one of the highest standards of business information disclosure amongst financial services companies in India.
- The 'Samvaad - (Dialogues to Success)' was organised in-person for 22 days; over 1,500 retailers participated and interacted live with the senior management physically.

- Conducted ESG awareness campaigns for our stakeholders to encourage them for upholding the ESG values, and principles in their dealings.
- As on 31 March 2024, more than 16,000 participants are DRA-certified with the support of 79 certified facilitators as per IIBF norms.
- Well-crafted Stakeholders Relationship Committee in place to review the grievances of debenture and deposit holders, in addition to the shareholders of the Company.
- Engagement with regulators:
 - Participation in Nodal Officers' meetings and regional conferences, Customer Awareness Townhalls and Outreach Programmes.

- Part of the panel discussion on 'Gaps in Implementation of Fair Lending Practices by NBFC's' and 'Handling of complaints related to credit information & challenges and Action plan'.
- Our Internal Ombudsman was invited to give a session on the 'Effectiveness of Internal Ombudsman Process', organised by RBI.
- During the year, BFL organised awareness and education programmes for customers/general public/students and for DMS agents/agencies in coordination with RBI.



“
Our commitment to utmost transparency, accountability, and ethical conduct with all stakeholders is paramount. It defines who we are as an organisation and shapes how we do business every day.”

Sandeep Jain
Chief Operating Officer
& Chief Financial Officer

UN SDGs Aligned



CORPORATE GOVERNANCE

The Corporate Governance philosophy of Bajaj Finance Limited is built on a foundation of integrity, ethical business practices, transparency, and trust in dealing with all stakeholders to achieve the Company's vision and objectives.

Steering Growth through Robust Corporate Governance

As a proud member of the Bajaj Group, we are deeply ingrained with its nationalist ethos. The Group's commitment to stringent corporate governance predates the mandates of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other Regulatory Laws.

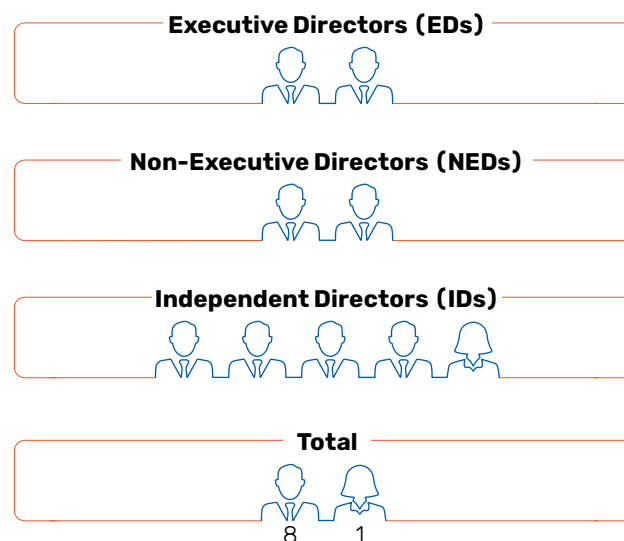
We are committed to integrating the values of Bajaj Group and contemporary business practices into our operations. BFL Group embodies the values of ethics, transparency, accountability, and responsible business conduct. These values are diligently upheld in our day-to-day operations. Our corporate governance aligns with transparent disclosures about our performance and business, in strict adherence to all regulatory guidelines.

Board of Directors

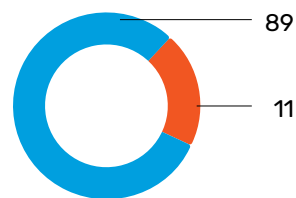
The Board comprises members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research, banking, etc. and bring with them experience/skills which further contribute to enhance the performance of the Board. The Directors are selected purely based on merit with no discrimination on race, colour, religion, gender, or nationality. The eminent Directors play a pivotal role in driving our success with their field expertise, adding value to the Board's performance.

In compliance with SEBI Listing Regulations, the Company has '**Board Diversity Policy**' in place. The Board, via the Nomination and Remuneration Committee, upholds the Board Diversity policy. Directors are chosen on merit without any discrimination to serve the Company's governance and strategic needs.

Board of Directors Composition as on 31 March 2024

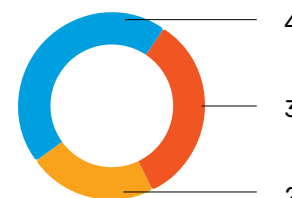


Board Gender Diversity (%)



■ Male
■ Female

Average Tenure of Board of Directors



■ Less than 5 years
(3 IDs and 1 ED)
■ Between 5 to 10 years
(2 IDs and 1 ED)
■ More than 10 years
(2 NEDs)

Experience/expertise of Board of Directors



Management and Governance

9 Directors



Understanding of Accounting and Financial Statements

8 Directors



Business Transformation and Strategy

8 Directors



Technology and Innovation

7 Directors



Human Resource

8 Directors

For more detailed information regarding the Board, skills, expertise, and competence of our Board, please refer to our Corporate Governance section of the Annual Report. [📄 Page 62](#)



Regulatory, Public Policy and Economics

7 Directors



Consumer Behaviour, Sales, Marketing, and Customer Experience

6 Directors



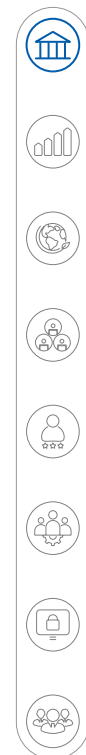
Financial Services

6 Directors



Risk, Assurance and Internal Controls

9 Directors



Leadership Team

Our work ethics, entrepreneurial mindset, and high ethical standards define our leadership team, comprising of experienced professionals who play a pivotal role in emerging BFL Group as one of the most diversified and rapidly expanding financial services companies in the country.



More details are available on the website at <https://www.aboutbajajfinserv.com/finance-people-and-committees-leadership-team>



BFL has established an executive ESG committee, led by Executive Director, comprising key stakeholders including the Chief Financial Officer (CFO), and heads of Tax, Legal, Compliance, Operations, Information Technology, Risk, Human Resource, Corporate Secretarial and representative from subsidiaries and Group companies for implementing and monitoring ESG-related aspects.

During FY2024, the Risk Management Committee and the Board of the Company reviewed ESG matters and were provided with updates on progress made on various ESG-related initiatives at the Company. The Board of Directors and the Risk Management Committee are apprised of the Company's sustainability approach, targets, and key initiatives periodically.

The Committee is responsible for driving BFL's ESG agenda and providing strategic direction, considering relevant risks and opportunities. We have devised a Responsible and Sustainable Business Conduct Policy and an Environment Policy framework to align our ESG goals and strategy with ESG standards and guidelines as per relevant applicable laws.

Two (2) meetings of the ESG Committee were held during the year and a presentation to the Board of Directors of the Company was made on overall ESG strategy.

Board's ESG Oversight

ESG Governance Structure



Committing to Ethical Integrity

A A pillar of our corporate governance philosophy is our focus on ethics. The Board-approved [Code of Ethics and Personal Conduct \(CoEPC\)](#) encompasses a culture of good work and integrity norms. This code articulates the standards of professional conduct and ethics, we expect our employees to imbibe and guides them to adopt practices that promote anti-bribery, anti-money laundering, insider trading, discrimination, confidentiality of information, conflict of interest, whistle blower, environment, health and safety among other aspects linked to ethics.

B The Company has mechanisms in place to ensure effective implementation of its Code of Ethics and Personal Conduct. The comprehensive Code includes provisions for [Disciplinary Action Policy](#) and [Whistle-blower Policy](#), allowing directors, employees, business/vendor partners, and other stakeholders to report grievances, including harassment, fraud, unethical behaviour, and process/policy violations to designated personnel in the Company and its subsidiaries.

47,000+

Employees received Code of Conduct training

C Our Disciplinary Action Committee (DAC), periodically reports significant incidents to the Managing Director (MD) and the Audit Committee, ensuring continuous monitoring of ethical behaviour. Key components of our CoEPC include a commitment to health, safety, and the environment, alongside a focus to comply with environmental regulations and standards applicable to its operations to minimise environmental pollution and to contribute to environmental protection.

D Employee performance appraisal systems integrate compliance/Code of Conduct. Disciplinary actions taken on employees during the financial year impacts performance evaluation/rating of an employee. Disciplinary actions are categorised as follows: a. Counselling, b. Warning, c. Warning and Incentive Docking, d. Separation (Termination/Resignation).

E In FY2024, over 47,000 employees were provided with training on CoEPC which translates to about 88% coverage across the BFL Group.

Ethical Conduct for Board of Directors and Leadership

A BFL has a separate [Code of Conduct \(CoC\) for Directors and Senior Management](#). The CoC mandates that our top leadership shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

B All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2024. A declaration to this effect signed by the Managing Director forms a part of the Annual Report.



Zero Tolerance for Unethical Practices

- BFL Group maintains a zero-tolerance stance towards unethical business practices, thus we strictly ensure compliance of the CoEPC with respect to anti-bribery, conflict of interest, fraudulent activities, and the protection of Company assets and information, including customer data.
- Comprehensive policies addressing Code of Conduct, Prevention of Insider Trading, Prevention of Money Laundering, Prevention of Sexual Harassment at the Workplace and the handling of Related Party Transactions are in place and reviewed by the Board periodically.
- The Company has in place a Board-approved 'Know Your Customer' policy to ensure the effective establishment and implementation of Company culture opposing money laundering and terrorism financing. The same is based on RBI guidelines and in conformity with the Prevention of Money Laundering Act, 2002 (PMLA) and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 (PML Rules) and UIDAI Guidelines. Further, the said policy includes:
 - a. Customer due diligence (CDD);
 - b. Non-face-to-face CDD;
 - c. Terrorist financing;
 - d. Politically exposed persons (PEPs);
 - e. Senior management to sign off PEP customers;
 - f. Record keeping for all anti-money-laundering/terrorism financing-related documents;
 - g. Independent evaluation of the compliance functions of BFL policies and procedures;
 - h. Concurrent/Internal Audit system to verify the compliance with KYC/AML policies and procedures.



More than 51,000 employees completed KYC training which translated to about 95% coverage across the BFL Group.

51,000+

Employees completed KYC training

- Complete adherence to the [Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information \(UPSII\)](#) is ensured at BFL and its subsidiaries, as applicable. According to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, a Board-approved, Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons is laid down in connection with dealing our securities and our holding Company. The Designated

Persons and Insiders are informed about the contents of the Code from time to time and their trades are monitored continuously.

- Our policies safeguard employees against victimisation for reporting insider trading. These policies are subject to periodic reviews and updation wherever applicable. The Board views any non-compliance seriously and initiates action commensurate with proven violations.
- The Company, through its Parent Company i.e. Bajaj Finserv Limited (BFS), has signed charters of Confederation of Indian Industry ('CII'): 1) Model code of conduct for ethical business practices, 2) Charter on fair and responsible workplace guidelines for collaborative employee relations, and 3) Charter on fair and responsible workplace guidelines for contract labour.



Imbued with a Culture of Transparency

- BFL Group believes in adherence to transparency and fairness in dealings with customers in letter as well as in spirit. We ensure that none of our products withhold any relevant information needed by the customers to make informed choices. Information relating to products is disclosed as per the regulatory requirements, and the same is available on the website of BFL Group at www.bajajfinserv.in.
- With our focus on transparency, we pursue a transparent and detailed communication protocol with stakeholders. This includes investor presentations, quarterly and event-based updates to stakeholders, publishing of earnings call transcripts, prompt dissemination of price-sensitive information, and updates on the half-yearly performance of the Company.
- We are focused on ensuring symmetry of information in line with the principles of fair and uniform disclosures. After the end of each quarter, the Company voluntarily provides provisional key financial metrics of that quarter to the stock exchanges within seven days from the end of the quarter.
- The senior management at BFL conducts open Townhall sessions, Confluence, as forums to engage with all employees every quarter to share the financial performance of the Company, updates on business, as well as new initiatives undertaken in HR, operations, and technology, amongst other things. Employees can also make suggestions, raise concerns, and seek direct responses from the senior management on any queries/concerns.

- BFL Group respects its employee's opinion, views and involvement or contribution towards political affairs party or candidate of their choice. However, employees need to be completely apolitical and not indulge in any political activities such as canvassing for any party/position/person while at work or within the Company premises.
- No BFL Group funds or any other Group asset may be used for political purposes. All corporate contributions to political candidates for public office must be made in strict compliance with governing law and with the prior approval of the Managing Director/Chief Executive Officer. The same is explicitly covered in our CoEPC.
- During the FY2024, BFL did not make any contributions to and for political campaigns, political organisations, lobbying organisations, trade associations, and other tax-exempt groups.



Accountable Empowerment in Governance

- At BFL Group, empowerment and accountability go hand-in-hand. BFL Group upholds the spirit of accountability. The Group is managed by competent and qualified professionals, while being proficiently overseen by their respective Board of Directors.
- Periodically, we benchmark the remuneration of senior management with appropriate peer groups, and remunerate them through a mix of fixed pay, annual variable payout, and long-term incentive in the form of stock options. [Policy for Compensation of Key Managerial Personnel \(KMP\) and Senior Management](#) also contains provisions regarding deferral of variable pay as well as principles of malus and clawback provision.

To promote Environment, Social, and Governance (ESG) goals, the BFL has linked performance pay of senior management team members, including that of Executive Directors and Managing Director to various critical initiatives and organisational objectives such as innovation, digitalisation, keeping attrition under control, adherence to appropriate compliances, sustainable lending, customer experience, as applicable.

- All practices at BFL Group maintain high standards of governance, which in certain cases extends beyond legal requirements.



Initiatives and Practices

- BFL has voluntarily constituted a Customer Service Committee of the Board (CSCB) headed by an Independent Director, in line with the requirements applicable to banks, to strengthen the customer experience, engagement, and monitoring process.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans, and risks.
- BFL's Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- BFL and BHFL have panel of independent directors with outstanding track records and reputation.
- BFL's Board comprise of majority of Independent Directors. All the major Committees are chaired by Independent Directors. The Company's Audit Committee comprises only of Independent Directors, which is beyond the requirement of Law.
- Independent discussions by BFL's respective Committees with Chief Internal Auditor, Chief Risk Officer, and Chief Compliance Officer without presence of Managing Director (including other members of senior management) on a quarterly basis.
- Separate meeting of independent directors without presence of Non-Independent Directors or executive management. Half-yearly communication from the Chairman to all shareholders/debenture holders of the Company giving an update on the Company's performance.
- Pre-Committee meetings of the Committee's Chair with statutory auditors, internal auditor, Chief Risk Officer, Chief Human Resources officer, and members of executive management who are the process owners.

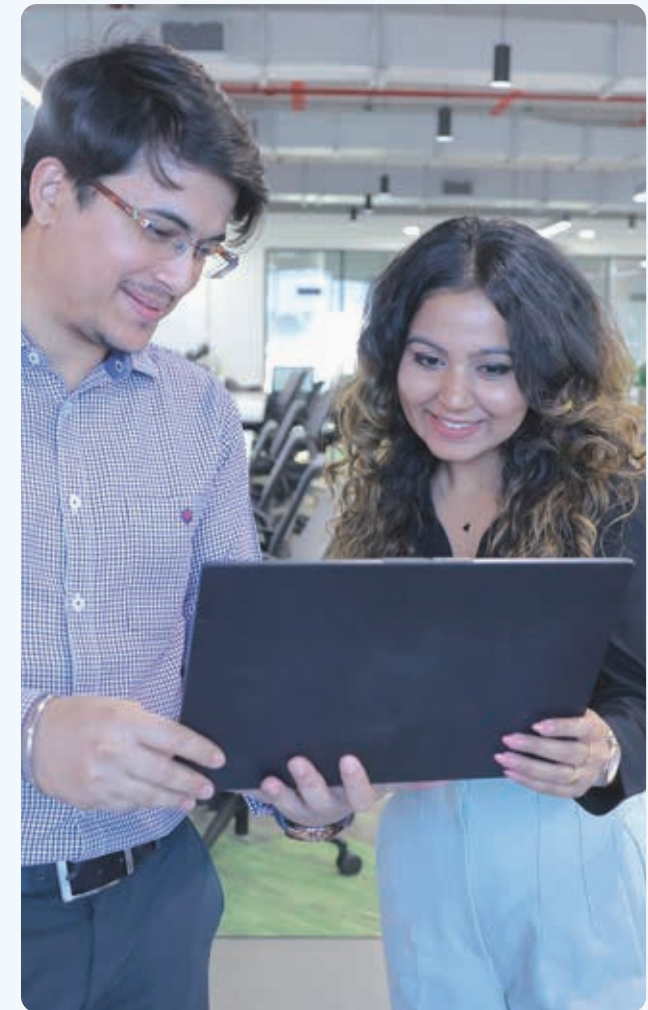


- Complete and detailed information is provided to Board members in advance to enable them to review all matters carefully for meaningful discussions.
- Risk management policy of the Company includes sustainability (particularly, ESG-related risks) assessment and risk minimisation procedures.
- A meeting of the Risk Management Committee is scheduled along with quarterly Board meetings, in which all directors participate; the scope of risk management includes credit risk, operations risk, debt management services, human resource (HR) risk, investment risk, financial risk, technology risk, ESG risk, and legal and compliance risk.
- We follow a confidential Board evaluation process, where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board, as well as the Board.
- BFL has Board-approved guidelines for good corporate governance for subsidiaries which includes:
 - Minimum information to be placed before the Board of BFL and its Committees
 - Related Party Transaction vis-a vis subsidiaries
 - Review of Loans and Advances to subsidiaries, including investments made therein
 - Disclosure to the exchanges with reference to subsidiaries



- BFL has implemented the RBI introduced, Internal Ombudsman (IO) Scheme to deal with customer concerns and complaints. The Scheme is extended to NBFCs on a selective basis in which the IO at the apex of the NBFC shall independently review the resolution provided by the NBFC, in case there are any wholly or partially rejected complaints. BFL has appointed two IOs, who will independently review the resolution provided by the Company.
- On an ongoing basis, the Company through its familiarisation programme, endeavours to keep the Board including Independent Directors abreast with matters relating to the industry in which Company operates, its business model, risk metrics, its mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.
- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading/viewing from the Company's website. These include:
 - a. [Whistle Blower Policy/Vigil Mechanism](#);
 - b. [Policy of Materiality of Related Party Transaction specifying thresholds](#);
 - c. [Dividend Distribution Policy](#);
 - d. [Policy on Prevention of Sexual Harassment at Workplace](#);
 - e. [Fair Practices Code in English and all vernacular languages](#);
 - f. [Employee Charter on Human rights](#);
 - g. [Equal Employment Opportunity and Non-Discrimination Policy](#);
 - h. [Compensation policy for Directors, Key Managerial Personnel and Senior Management](#);
 - i. [Data Privacy Policy](#);
 - j. [Responsible and Sustainable Business Conduct Policy](#);
 - k. [Code of Ethics and Personal Conduct](#);
 - l. [Deputation and Advisory Policy for employees within group](#);
 - m. [Tax Governance Policy](#);
 - n. [Employee Health and Safety Manual](#);
- Board-approved policies are reviewed every year to ensure consistency with the Regulatory/Operational changes.

Full details of the Company's Corporate Governance practices and procedures are presented separately in the Corporate Governance section of the Annual Report at [Page 56](#).



Tax Strategy and Governance

BFL Group is committed to comply with existing laws and regulations and have a policy of zero tolerance to non-compliance. BFL Group endeavours to undertake all statutory tax compliances in all jurisdictions/states it operates within prescribed timelines. Technologies have been deployed to track the compliances within the timeframe provided with suitable escalations and reviews.

Through adoption of the Group's [Tax Governance Policy](#), our approach to tax and governance processes is designed to achieve these goals. Under our tax risk management strategy, we manage our tax affairs taking into consideration building long term shareholder value and to maintain our reputation as a responsible taxpayer with tax authorities and regulators.



Risk Governance, Management Process and Culture

Governance

As an NBFC, BFL is exposed to credit, liquidity, operational, market and interest rate risk. It continues to invest in talent, processes, and emerging technologies to build advanced risk management capabilities. The Company's sustained efforts to strengthen its risk framework have resulted in stable risk metrics.

Bajaj Finance promotes a strong risk culture that is embedded across the organisation. At the highest level, the Board of Directors has established a Risk Management Committee (RMC), which assists the Board in maintaining oversight and review of the risk management principles and policies, strategies, risk appetite, processes, and controls. This is enabled by a robust governance system and review mechanisms which include quarterly risk management review.

The terms and reference of RMC, inter alia, includes formulation of a detailed Risk Management Policy, reviewing and guiding the Management on reputational and market (investment) risk, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems, appointment, removal and terms of remuneration of the Chief Risk Officer. The Company has a risk management framework duly approved by the Board. Please refer to [Page 73](#) of the Annual Report FY2024 for RMC composition.

A meeting of the Risk Management Committee is scheduled along with quarter end Board meeting, and the scope of risk management includes credit risk, operations

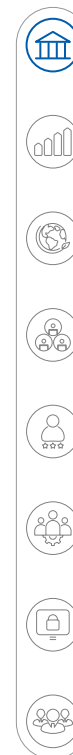
risk, debt management services, investment risk, financial risk, technology, and cyber risk, ESG risk (half yearly update), legal and compliance risk, fraud risk, reputational risk, and human resource (HR) risk. The RMC met four (4) times in FY2024.

The Board has appointed a Chief Risk Officer (CRO) in line with the RBI guidelines on Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs. The Board/Risk Management Committee (RMC) inter-alia reviews the status and progress of the risks and risk management system on a regular basis. Meeting of the RMC is held along with the meeting of the Board of Directors. In addition to the members, all Directors are invitees to the meeting of the RMC.

The Company has a well-established Risk Management function headed by CRO who reports to the MD. The CRO is assisted by Risk Heads and Risk Managers. The function acts as second line of defence and is structurally independent of the business lines. The function is responsible for establishing policy, monitoring risk profiles, and forward-looking risk identification and management.

Every quarter, the CRO presents updates to the RMC and the Board on the risk exposure, performance against risk appetite and the risk profile. In addition, formal updates on various portfolios, latest-risk management practices and risk specific information/awareness are provided to the RMC and the Board periodically.

BFL has a robust asset liability management framework and maintains enough liquidity buffer to meet its repayment obligation and emerging credit demand. By virtue of effective focus on capital and liquidity management, reduction in operating expenses, focus on debt management, servicing capability and strengthening of underwriting norms combined with a very sharp view on risk metrics, the Company ought to continue to show higher level of efficiencies in all parameters.



The risks revolving around inflationary trends, elevated interest rates and tighter systemic liquidity emerged as challenges which needed to be addressed. BFL's risk framework has ensured that, despite these risks, its net interest income, NPAs and liquidity management were not impacted.

Risk Management Process

Risk management is the process of identifying, prioritising and responding to risks across an organisation. Risk management includes activities to realise opportunities while mitigating threats.

The Board of Directors have adopted a risk management policy for the Company which provides for identification of key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks. This framework, inter alia, provides the set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. It covers principles of risk management, risk governance with roles and responsibilities, business control measures, principle risks and business continuity plan. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

BFL has in place an internal Operational Risk Management (ORM) Framework to manage operational risk in an effective and efficient manner. This framework aims at assessing and measuring the magnitude of risks, its monitoring and mitigation. The key objective is to enable the Company to ascertain an increased likelihood of an operational risk event occurring in a timely manner to take steps to mitigate the same. It starts with identifying and defining KRIs/KPIs through process analysis and



ending with formulation of action plans in response to the observed trends in the identified metrics. This is achieved through determining key process areas, converting these to measurable and quantifiable metrics, setting tolerance thresholds for the same and monitoring and reporting on breaches of the tolerance thresholds in respect of these metrics. Corrective actions are initiated to bring back the breached metrics within their acceptable threshold limits by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

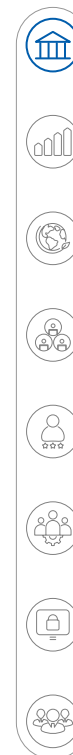
The Company has opted for a bottom-up approach of risk identification, where internal compliance teams have been created in respective businesses and functions to drive ownership and culture of minimising operational risk by developing a strong control culture by making first line of defence, which owns the risk.

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



“Our risk management strategy is grounded in a deep understanding of the complex and ever-changing business context in which we operate. We continue to strengthen it as a key pillar of our corporate governance framework.”

Fakhri Sarjan
President, Risk





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 misselling.



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.



Debt Management Services (DMS) Compliance Unit

Embedded in debt management services with ensuring strict adherence of code of conduct policy and fair practice code by the debt management services agencies. DMS compliance framework lays down a penal staircase for non-compliance. BFL investigates every customer complaint pertaining to debt management services and takes appropriate corrective, preventive, and penal action.



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.



Process Compliance Unit

Embedded in operations to monitor processes focused on customer transaction, services and all customer interactions.



The Company publicly reports in its Annual Report a summary of the major risks faced by the Company, its measurement, monitoring and management. Please refer to page no. 289 under section Financial Risk Management of Annual Report FY2024.

Accordingly, BFL has institutionalised a Board-approved ICAAP policy and document. The document encompasses the assessment of material risks to which the Company is exposed to and measures taken by the Company to mitigate those risks. BFL has completed its Internal Capital Adequacy Assessment for FY2023 in line with its Board-approved ICAAP policy. Based on assessment of all the material risks applicable to the Company and reviewing the controls and risk mitigation techniques, BFL is not required to maintain any additional capital.

The Company, in its Board-approved ICAAP Policy has set out internal risk appetite limits for some of the parameters – capital risk, credit risk, market risk and liquidity. Sensitivity analysis and stress testing are part of our Board-approved ICAAP document that is submitted to RBI on annual basis. We perform sensitivity stress testing for credit, market, operational, interest rate risk (IRR) and liquidity risk to test its impact on profit and capital.

Risk-Based Internal Audit

In line with the RBI's notification dated 3 February 2021, BFL and BHFL had implemented Risk-Based Internal Audit (RBIA) methodology from 1 April 2021. The RBIA is linked to the Company's overall risk management framework.

The Company has implemented controls through systems and processes ensuring a robust control framework. The scope of risk based internal audit of the Company



also includes system and process audits in respect of all critical processes. The Internal Audit department and compliance function review the business unit's adherence to internal processes and procedures as well as to regulatory and legal requirements providing timely feedback to management for corrective action, including minimising the design risk, if any.

The internal audit function provides an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of the BFL's internal controls, risk management and governance related systems and processes. 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 significant audit observations, corrective and preventive actions. The Audit Committee of the Board also reviews the performance of the audit and compliance functions and reviews the effectiveness of controls and compliance with regulatory guidelines. In the opinion of Board and the senior management, internal control systems are well placed and work in a satisfactory manner.

Pre-Audit Committee meetings of the Committee's Chair with statutory auditors, internal auditor and members of executive management who are the process owners. Independent discussions by the Audit Committee members with Chief Internal Auditor without presence of Managing Director and Senior Management is held on a quarterly basis.

BFL's Risk Management, Operational Risk Management, Information Technology and Cyber Security practices have been already elaborated in the Annual Report FY2024 at Page 32.



Risk Culture

Bajaj Finance promotes a strong risk culture that is embedded across the organisation. In order to promote and enhance an effective risk culture throughout the organisation, the Company has adopted following strategies:

- The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by key members of Senior Management on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items. In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Companies Act and SEBI Listing Regulations. The Independent Directors of the Company met on 20 March 2024 and expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board. Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on

various strategic, business, compliance and regulatory matters. During FY2024 following information was provided to the Board: (i) Risk management system, Risk Management Policy and strategy followed by the Company (ii) Review of various policies framed by Company from time to time covering, amongst others, Code of Conduct for Directors and Senior Management, Whistle-blower policy, Fair Practices Code, IT-related policies, Risk Management policy, etc.

- Financial incentives incorporate risk management metrics wherein employees have their bonus/incentives linked to factors such as business/function goal achievement, department performance and company performance which include parameters such as customer complaints, portfolio performance, compliance and fraud controls as applicable, apart from the business-related goals.
- Comprehensive training on risk management principles, including a dedicated 15-day training programme for new hires in the Risk Management department. Ongoing fraud detection exercises and training for employees in customer-facing roles. Awareness programmes for dealers/partners focused on fraud prevention. Awareness through email communications.
- Employees are empowered to proactively identify and report potential risks within the organisation. Report suspicious activity process (RSA) has been designed to report suspected fraud cases to Risk & Fraud Control Unit (RCU) for investigation. Employees are incentivised for highlighting confirmed frauds prior to disbursement.
- The Company has in place measures which allows continuous improvement in risk management practices through the involvement of employees in structured feedback process.
- Incorporating risk criteria in the product development or approval process. Each business/product of the Company starts operations only after the Product programme (Toll gate document) is approved and rolled out by all relevant internal stakeholders.



Internal Controls

BFL has robust internal controls system in place, driven through various procedures and policies which are reviewed and tested periodically, across processes, units and functions. Our risk and credit teams have inbuilt processes to identify the existing and probable risks and to mitigate identified risks. Senior management also monitors the mitigating measures. The Company has various committees including Risk Management Committee and the Asset and Liability Committee, with participation from various functions, which are designed to review and oversee critical aspects of BFL's operations.

Our internal controls mechanism consists of three lines of defence:



BFL has dedicated control functions for testing the design and efficiency of Internal Control Over Financial Reporting (ICOFR) on regular basis and timely remediation of control deficiencies identified, if any. Further, BFL monitors Information and Technology General Controls (ITGC) on a periodic basis. The Company has formed specialised units within IT and operations functions for carrying out regular checks to ensure that

the processes set for these functions are complied with and gaps identified, if any, are set right on regular basis. The control functions implement, review and monitor the standards and lay down policies and procedures by which the functions manage risks including compliance with regulatory guidelines and applicable laws, adherence to operational controls and relevant standards of conduct.

Compliance is a fundamental aspect of our business operations. Compliance philosophy at BFL is strict adherence to laws, regulations, and ethical standards to maintain the trust of the stakeholders i.e., regulators, customers, investors and employees.

Our compliance philosophy revolves around the following principles:

- Regulatory Compliance**
BFL is committed to comply with all applicable laws, regulations, and guidelines set by regulatory authorities.
- Customer Protection**
BFL prioritises the protection of its customers' interests and data. Robust data protection measures maintained, and privacy laws and regulations are strictly adhered to. BFL strives to provide fair and transparent financial products and services, ensuring that its customers make informed decisions.
- Ethical Conduct**
BFL expects all its 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 our operations.
- Employee Training and Awareness**
Comprehensive training programs have been rolled out to enhance the compliance knowledge and awareness of our employees.

To further strengthen the second line of defence, the Company has appointed a Chief Compliance Officer (CCO). Under CCO's supervision, the compliance function is, among others, responsible for identification and assessment of compliance risks, provide guidance on related matters and monitor and test compliances across the organisation.



Debt Management

BFL focuses on a debt management strategy to ensure that its delinquent debt portfolio is kept at minimal levels. It accords debt management an important place in its portfolio management strategy; investing in its debt management service structure, service organisation, processes, and training of employees and agencies, with strict adherence to compliance requirements and controllership by leveraging technology to follow a non-intrusive collection mechanism. We follow a strong governance model for debt management services' practices and ensure strict adherence to the regulatory and internal policies, code of conduct, and fair practice code.

Technologies and Analytics

We have been continuously investing and adopting various evolving technologies and analytical tools like Big Data, Cloud Computing and Open-Source software like Python and Graph database technology. This has enabled access to sophisticated statistical techniques to solve complex business and risk problems – and, hence, taken analytics and portfolio insights to a level where solutions are much more nuanced and specific. The Company continues to develop and implement multiple machine learning models. This along with capabilities like OCR, unstructured to structured data, etc. are getting integrated with business processes.

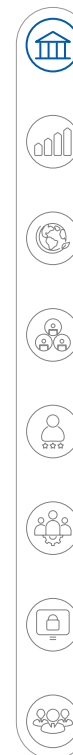
These technologies enable decision engines with real time processing capabilities which, in turn, enable unique customer propositions like 'get it now' and 'straight through processing' to constantly push towards a smoother and frictionless customer experience. In doing so, BFL is conscious of the customer's privacy and ensures customer consent is obtained for any cross-sell

offerings. These capabilities have given the confidence to commit significant investments to further the use of these new domains. Here are some examples:

- In addition to traditional credit bureau data, BFL is now deeply integrated with the Account Aggregator (AA) ecosystem for leveraging consent-based information and building real time underwriting capabilities to provide frictionless customer experience.
- BFL has also developed capabilities of multi-bureau framework using multiple bureaus as well as combination of Consumer, Commercial & MFI bureaus for a complete credit view of customers enabling effective credit decisions.
- BFL continues to expand its suite of statistical models for risk management across all stages of the credit lifecycle – acquisition, account management and

debt management. Capabilities like OCR-enabled structuring of unstructured data, providing new sets of variables for further refining risk models and making these more granular to capture specific nuances to enable going deeper in geographies.

- The developments in data infrastructure have enabled the risk and process units to run real time controls across multiple decisioning and operational processes to further strengthen the credit and operations risk management framework. By democratising analytics, data science and centres of excellence across multiple businesses and functions, we are constantly fostering a culture of data orientation and analysis to address everyday issues. This is being done by providing multiple data science training and implementation of practitioner programmes.



Steering Sustainable Growth through Prudent Business Conduct

The focus at Bajaj Group is on building long-term businesses, while ensuring sustainable growth and returns for its stakeholders. Aligning themselves to this approach, BFL Group has adopted high standards of governance, along with prudent business practices, central to their value proposition. We believe such practices safeguard businesses from undue risk exposure.

On a consolidated basis, in FY2024, BFL delivered

- 1 An AUM growth of 34% in FY2024 from ₹ 247,379 crore to ₹ 330,615 crore.
- 2 Growth in profit after tax (PAT) of 26% in FY2024 from ₹ 11,508 crore to ₹ 14,451 crore.
- 3 Return on average assets (RoA) of 5.08% in FY2024 and return on average equity (RoE) of 22.05%.



Exceeding Regulatory Standards

BFL Group often surpasses regulatory norms related to non-performing assets, capital adequacy, statutory liquidity ratio, and liquidity coverage ratio. Prudent practices, detailed in the table, demonstrate a commitment to maintaining high financial standards.

Particulars	BFL		BHFL	
	As of 31 March 2024	RBI Stipulation	As of 31 March 2024	RBI Stipulation
Capital to Risk-weighted Assets Ratio (CRAR)	22.52%	15%	21.28%	15%
Of which Tier-I	21.51%	10%	20.67%	10%
Statutory Liquidity Ratio	19.20%	15%	NA	NA
Liquidity Coverage Ratio	169%	85%	192%	70%
Cumulative asset liability mismatch				
1-7 days	90%	(10%)	168%	(10%)
8-14 days	81%	(10%)	83%	(10%)
15-30/31 days	59%	(20%)	55%	(20%)





“ Access to financial services has the potential to change the lives of millions. Financial inclusion thus is at the very heart of our business. We deploy emerging technologies, digital journeys and a robust physical network that works at a grassroot level, to further financial inclusion. In the past five years, we extended credit to over 19.8 million new-to-credit customers. Our new businesses - MFI and tractor financing - will further enhance our geographic reach and coverage.”

Anup Saha
Deputy Managing Director

UN SDGs Aligned



REACHING FINANCIAL SERVICES TO MILLIONS OF INDIANS AND PROVIDING SUSTAINABLE AND SAFE PRODUCTS AND SERVICES

We, at Bajaj Finance Limited (BFL) firmly believe in the power of financial accessibility to all. Every individual and business needs easy and seamless access to relevant and affordable financial products and services in a sustainable way. The core of our offering comprises financial products and services that enable a wider and more sustainable growth of the economy. In line with this belief, we offer financial products and services to millions of Indians, to secure and enhance their livelihood, healthcare, education, homes, protection, and savings.



Empowering Millions of Indians Financially

Bajaj Finance is one of the largest, most diversified, expansive, and innovative NBFCs in India, standing at the forefront of the financial landscape.

At the heart of our business lie tech-driven innovation and financial inclusion. Over 17 years, Bajaj Finance has enabled India's growing mass affluent and middle-class population to fulfil aspirations by providing access to an extensive range of financial solutions. Since inception, the Company has leveraged technology to launch 26 product lines and 51 product variants for retail, MSME and commercial consumers, with major product innovations such as the EMI card and Flexi.



83.64
million customers



4,145
geographic locations



198,250+
active distributions points



2,576
presence in rural/
smaller towns and
villages

BFL's Focus Areas

Our focus is woven around 12 broad categories:



Consumer Lending



Mortgages



Personal Loan



SME Lending



Gold Loan



Auto Financing



Loan against Securities



Rural Lending



Commercial Lending



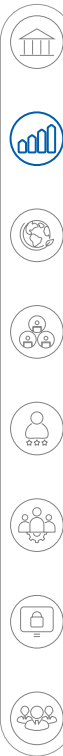
Micro-finance Lending



Public and Corporate Deposits



Partnerships and Services





We have established a diversified business model with a strong focus on customer acquisition and multiple loans and services offerings and 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. We continue to power our customer-centric journey through our responsible growth strategy. This strategic approach is driven by our sustained focus on all-inclusive financing.

BFL is present in 4,145 locations across the country, including 2,576 in rural/smaller towns and villages. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of the Company's growth.

New-to-Credit Financing

Our financing products are enabling us to onboard new-to credit customers, thus giving them access to a larger suite of products in the financial services sector.

19.8 million+

Credit facilities extended to new-to-credit customers in the last five years

Rural Lending

As part of our Rural Lending Initiative, we have established a comprehensive distribution network in medium and small towns, as well as villages nationwide. This initiative offers simple and diverse financial products suited to their needs, including consumer durables, mobile phones, gold loans, and personal loans, among others. Overall, the Rural Lending and Gold Loans business closed FY2024 with AUM of ₹ 28,415 crore.

18%

Growth registered over the previous year

Key Initiatives in Inclusive Finance

Empowering Women

In accordance with our commitment to sustainable growth, we have identified women empowerment as a key focus area, disbursing loans totalling more than ₹ 86,000 crore.

13.12 million+

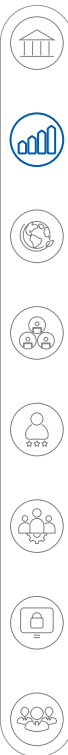
loans disbursed to women, over last 3 years, enhancing women's economic empowerment and self-reliance

Tractor Financing

As part of its long-range strategy, BFL is further expanding its product offering by launching tractor financing for promoting financial inclusion across farmer population in rural areas.

₹ 26 crore

AUM of tractor financing



Micro-finance Group Loans

We launched the Micro-finance business operations in 100 branches across Uttar Pradesh and Karnataka.

- Our Micro-finance business stands on the pillars of inclusion and transparency.
- Our guiding goal is to bridge the gap between the non-banked or under-banked populations with those with access to formal financial services.
- We use innovative lending strategies such as group or individual lending focusing on social collateral to mitigate the risks associated with serving clients in challenging economic situations.
- Micro-finance not only provides a pathway for individuals to improve their economic well-being but also contributes to community development by fostering entrepreneurship and creating jobs serving as a catalyst for economic enhancement.



BFL's Micro-finance model focuses on providing small-scale loans to those who are often excluded from traditional banking systems, lacking collateral or credit history. Our aim is to empower and uplift low-income individuals with access to financial resources necessary to start or expand small businesses.

Strategy

Looking ahead in FY2025, our commitment at BFL is to continue providing Micro-finance group loan services, exclusively in remote rural areas to women and support them in their efforts to enhance their families' quality of life.

In FY2025, we also plan to expand our reach to around 18,000 villages in four large states (Southern and Northern India), covering 95 districts to support ~4 lakh women.

We will be covering 10 aspirational districts. By FY2028, we plan to provide our services to over 40 aspirational districts as defined in NITI Aayog's Aspirational District Programme and provide financial services to over 20 lakh women customers.

We are on a mission to provide high quality and timely services at the doorsteps, thereby saving precious and productive time of our esteemed women customers. Our technology platform leverages the paperless KYC process, thus enhancing customer experience for loan applications, verification, and approvals. We have a rule-engine based digital underwriting process to facilitate faster loan approvals.

For Micro-finance customers, we are committed to serve everyone with dignity and transparency, utilising our services and communication infrastructure, all available through our customers preferred language choice.



Securing Lives and Livelihoods Sustainably

Our vision is to enable financial access and security by offering a large gamut of financial products to support people's livelihood, healthcare, education, homes, protection, and savings requirements.



Empowering livelihood

Our financing solutions for three-wheeler passenger vehicles aim to empower the underprivileged and underserved segments of society, enabling them to acquire productive assets and earn a livelihood. Over the past three years, we have facilitated the **financing of more than 399,000 three-wheeler passenger vehicles, disbursing over ₹ 9,700 crore.**

Supporting SMEs

We address the working capital and term loan requirements of professionals, and relatively underserved SMEs and MSMEs. Thus, enabling growth and sustainability of these critical segments. **More than ₹ 58,000 crore disbursed in last three years for SME Lending.**

Healthcare financing

Our comprehensive EMI solutions are tailored to meet the healthcare and medical needs of customers, covering financing for medical procedures, fitness equipment, and bicycles. **In the last three years, we have disbursed over ₹ 2,020 crore through more than 3.58 lakh loans in health and wellness sector.**



Education goals

Educational loan is a key component of our EMI financing solutions, with customised offerings addressing our customers' education loan requirements. **Over the last three years, we have disbursed more than ₹ 1,340 crore through more than 2.2 lakh loans for educational purposes.**

Renewable energy

For responsible growth and sustainable development, we provide financing for solar equipment through affordable EMI schemes, facilitating access to environment friendly renewable energy sources. **Over last three years, we have disbursed more than ₹ 18 crore through more than 5,100 loans for financing solar panels.**

Enhancing customer protection and savings

To ensure comprehensive coverage for our customers, **we distribute life, health, and term insurance products as we distributed more than 59 lakh life insurance policies, more than 82 lakh health insurance policies, and more than 14 lakh term life insurance policies, in the last three years.**





Promoting savings

As a responsible financial partner, we actively promote a culture of savings among our customers:

- Our Systematic Deposit Plan (SDP) allows them to periodically deposit small amounts with BFL, with **over 68,000 systematic deposits placed till date.**
- Higher Fixed Deposit (FD) rates for senior citizens, we provide additional interest of 0.40%. **Till date, over 8.3 lakh FDs placed.**
- In January 2024, BFL launched a digital-only fixed deposit for 42 months tenure, available exclusively on Bajaj Finserv website and app. Deposits booked under the aforesaid scheme have a higher rate of interest compared to other deposit schemes benefitting both senior and non-senior citizens.

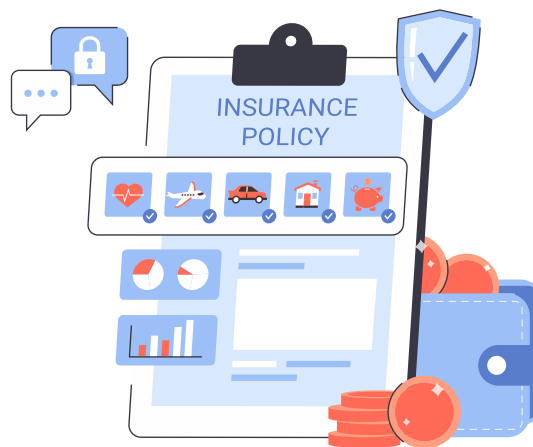


Pension scheme

Our subsidiary, BFinsec (Bajaj Financial Securities Limited), is registered with the Pension Fund Regulatory and Development Authority (PFRDA) as a Point of Presence-Online (PoP - Online) to distribute and service the National Pension Scheme (NPS) through an online platform—a social security pension and investment scheme initiated by the government. **1,600+ NPS accounts distributed and serviced till date.**

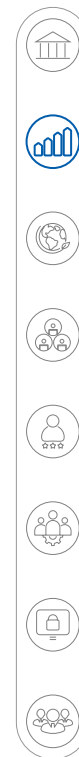
Insurance products

Registered with the Insurance Regulatory and Development Authority of India (IRDAI) as a corporate agent, BFL is authorised to distribute life, health, and general insurance products across twenty seven (27) insurance partners. During the year, BFL has also started distribution of the Micro Insurance Products to increase insurance penetration across rural and semi-urban geographies.



At BFL, we believe in providing access to finance to under-served communities and thus, our current infrastructure is designed to cater to the needs of differently abled customers. Over the years, we have made a conscious effort to digitise customer service processes, reducing the need for in-person customer interactions. Mapping the entire lifecycle of customer interactions and making 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 are being fulfilled digitally to obviate the need for customer visits to BFL offices. FY2024 has seen a decline in branch walk-ins owing to the increasing digital presence.

The paramount consideration at BFL Group is the advancement of financial well-being, security, savings, and ultimately, financial inclusion. Our business verticals and segments are all designed to meet the needs of our varied customers while at the same time empowering businesses and individuals to enhance growth and a sustainable future for all.





“
At Bajaj Finance, protecting the environment has always been high among our priorities. We continue to focus on minimising our ecological footprint through sustainable practices such as reduction in use of paper through digitalisation, waste reduction, and generating and using renewable energy.”

Anupam Sirbhaiya
Chief Human Resources &
Administration Officer

UN SDGs Aligned



PRESERVING AND PROTECTING THE ENVIRONMENT

Bajaj Finance Limited (BFL) Group is dedicated to promoting a clean and sustainable environment by consistently enhancing its Environmental and Sustainability performance. The Company's group-wide Code of Ethics and Personal Conduct (CoEPC) underscores a commitment to environmental respect, waste elimination, and resource conservation as integral practices. BFL emphasises its robust environmental governance through its Environmental Policy that incorporates sustainable practices and governance systems into its daily operations, aiming to minimise environmental impacts.

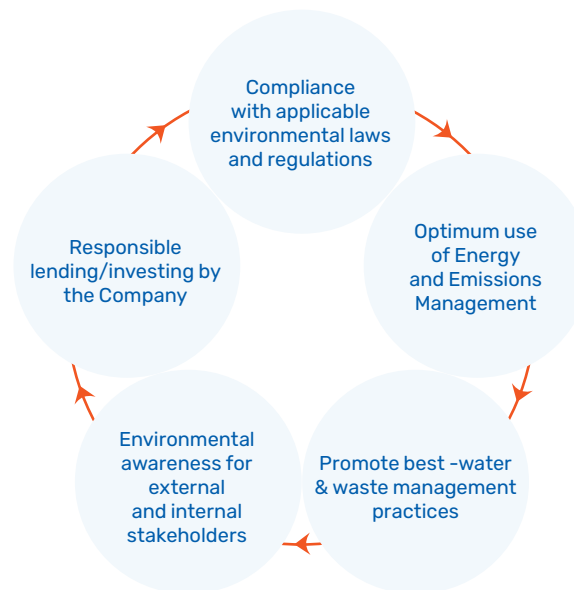
As a Non-Banking Financial Company (NBFC), BFL maintains a streamlined approach to resource utilisation, characterised by minimal consumption of raw materials. BFL is not engaged in production of tangible goods. BFL's core focus revolves around providing financial solutions to address diverse needs of its customers. BFL Group fosters a conservation-oriented culture that involves vigilant monitoring of resource consumption and encourages innovative approaches to reduce reliance on natural resources.

Environmental Governance

In line with BFL's dedication to environmental conservation, BFL has implemented the [Environmental Policy](#), exemplifying our unwavering commitment to sustainable practices and responsible corporate citizenship. Guided by a strong commitment to environmental stewardship, our Policy integrates sound eco-friendly principles and governance mechanisms into our operations, serving as a holistic approach to minimise our ecological footprint, foster resource conservation, and proactively address environmental challenges. Through meticulous monitoring and continuous improvement initiatives, we endeavour to contribute meaningfully to a cleaner and more sustainable future, aligning our financial endeavours with the imperative of environmental responsibility.

Environmental Policy sets out commitments of the Company to bring in environmental and social friendly practices in its system. In its commercial lending business, the Company commits not to extend funding to polluting industries unless the units have a valid clearance from pollution control authorities and have installed effluent treatment plants.

Our Environmental policy briefly highlights the Company's best practices towards






Navigating ESG: A Roadmap for Sustainable Growth

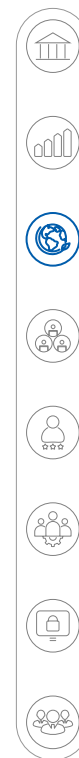
Bajaj Finance Limited is dedicated to minimising its environmental and social impact and fostering sustainable practices. As a part of our commitment, we have established a guide for our operations towards social and eco-friendly practices.

a. For all lines of businesses, **we do not finance:**

- | | |
|---|---|
|  |  |
| Manufacture and marketing of banned drugs | Dealing in narcotics |
|  |  |
| Any unlawful activities | Production or trade in radioactive materials |
|  |  |
| Dealing in banned wildlife-related products | Production or trade in any illegal products or activities |

b. For commercial lending businesses, **we do not fund:**

- | | |
|---|---|
|  |  |
| Standalone manufacturing and marketing of gutkha and tobacco | Polluting industries without proper clearance and effluent treatment of plants |
|  | |
| Standalone casinos and betting of any form | |



Greenhouse Gas Emissions

In upholding BFL's environmental responsibility, it is essential to evaluate and manage both Scope 1 and Scope 2 emissions, considering various aspects of the company's operations.

Reporting Boundary

The reporting boundary covers BFL and its subsidiaries - pan-India location of operations.

Reporting Standards

The annual GHG emission disclosures – Scope 1, Scope 2, and Scope 3 have been prepared in accordance with the requirements of the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard with the emission factors sourced from the Intergovernmental Panel on Climate Change's (IPCC) Fourth Assessment Report, The UK Department for Environment, Food and Rural Affairs (Defra) Central Electricity Authority, Govt. of India and India GHG Programme, 2014.



Environmental Performance

The expansion of our physical presence, which includes opening new offices and branches to accommodate our growing talent and meet the demands of our expanding business, has led to an increase in our environmental footprint and energy usage. However, it has also resulted in a reduction in the overall emission intensity.

Scope 1 Emissions: includes owned and operationally controlled DG sets, Company-owned cars, refrigerant used for air conditioning, and Co₂ extinguisher refilling.

Scope 2 Emissions: primarily results from procurement of electricity to sustain our operations.

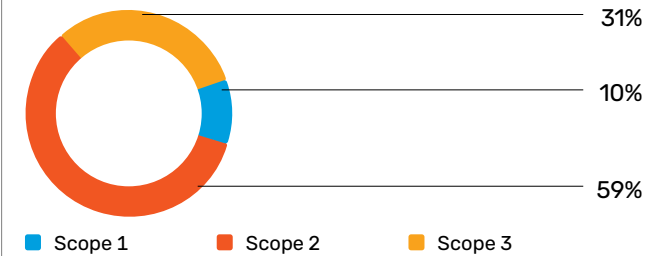
Scope 3 Emissions: in addition to measuring and managing Scope 1 and Scope 2 emissions, BFL recognises the significance of Scope 3 emissions in its commitment to comprehensive environmental stewardship. BFL Group's Scope 3 emissions includes the following:



Total Emission FY2024 in (tCO₂e)



GHG Emission



Total emission intensity per crore of Consolidated Total Revenue from Operations



Total GHG Intensity per FTE (tCO₂e / Employee)



In managing Scope 1, Scope 2, and Scope 3 emissions, BFL Group adopts holistic environmental management approach. Through continuous evaluation, strategic planning, and the implementation of sustainable practices, the Company aims to not only fulfill its financial objectives but also contribute positively to the broader environmental goals and foster a culture of responsible corporate citizenship.



Independent Assurance on GHG

BFL and its subsidiaries are committed to constantly take steps towards enhancing the credibility and reliability of reported carbon footprints. Since FY2022, BFL and its Subsidiaries had undertaken voluntary limited level of assurance. For the FY2024, in compliance with SEBI Guidelines, BFL and its subsidiaries undertook a reasonable level of assurance for Scope 1 and 2 emissions. Additionally, we have voluntarily obtained limited level of assurance for Scope 3 emissions through an external independent assurance provider.

Please refer to our Annual Report FY2024 page 197 at for the detailed assurance statement.

Waste Management

As BFL Group’s operations expand nationwide, there is an evolving need for the Company to track and report E-waste and Battery waste. BFL Group is committed to preventing any of its waste ending up in landfills, thereby reducing the overall environmental footprint associated with its digital infrastructure.

In a dedicated effort to mitigate environmental impact, the Company has partnered with waste management vendors for the responsible disposal of its e-waste and battery waste by adhering to the E-waste (Management) Rules.

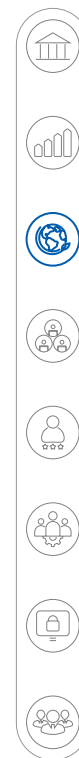
The Company has also started taking steps towards running a feasibility assessment for potentially tracking any other types of waste, as applicable.

22.51 tonnes

of e-waste generated and recycled in FY2024


19.35 tonnes

of battery waste recycled in FY2024




Environmental Initiatives

Environmental initiatives encompass a wide range of actions, aimed at protecting, preserving, and restoring the natural world, and addressing various environmental challenges, including climate change, biodiversity loss, pollution, and resource depletion. Whether it's planting trees, promoting renewable energy, or implementing sustainable practices, BFL group's environmental initiatives make modest contributions to creating a healthier planet for generations.




Energy efficiency




Environment-friendly practices




Digitalisation



Environmental stewardship through financing



Stakeholder awareness about environment



Energy efficiency

Energy efficiency is the smart choice for a sustainable future. We, at BFL Group, by embracing energy efficiency in our daily lives and businesses, create a brighter, cleaner, and more sustainable world for all as we lower our impact on the environment.

Energy saving practices

Advance illumination

LED fittings boast a long lifespan and consume significantly less electricity, saving both energy and the environment in the long run. Over 2,200 BFL Group branches are provided with LED light fittings as a standard feature.



Locations with Advance Illumination



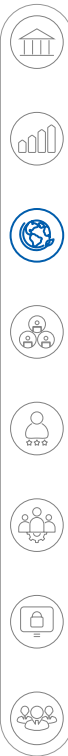
Daylighting

Selecting and designing offices to harness natural sources of light and brighten and illuminate interior environments, promoting a connection to the outdoors and providing various benefits such as energy savings and improved well-being.

CASE STUDY

Wakdewadi branch pilot project

BFL is running a pilot project to make our location office sustainable and efficient by using a unique IoT-based integrated solution with a 24x7 remote cloud-hosted monitoring platform.



Environment-friendly practices

Usage of E-Vehicles

BFL and its subsidiaries have ramped up the adoption of environment friendly electric vehicles (EVs) for inter-office shuttle services, significantly reducing air pollution and improving local air quality. The introduction of 20 EVs marked a significant acceleration in this initiative - collectively traveling over 4 lakh kilometers and completing over 1.40 lakh trips during FY2024.



Recycled Paper

Recycled paper turns yesterday's waste into today's resource and offers a greener alternative to traditional paper production.

Supporting a sustainable future and healthier planet, BFL Group has procured 80% of recycled paper of total papers procured during FY2024.

Ozone-friendly Air Conditioning Systems

BFL is using refrigerants that are ozone- friendly. These refrigerants help prevent ozone depletion and reduce the risk of harmful UV radiation, utilising newer technologies that are more energy-efficient to lower electricity consumption, and greenhouse gas emissions.

Ozone-friendly ACs (in TR)



Solar panels

Solar panels offer benefits, both for businesses and the planet by harnessing the power of sunlight, reducing reliance on fossil fuels. By Installation of rooftop solar panels at offices, BFL has produced ~5.90 lakh units of clean energy.



Saplings Plantation

To restore the environment, promote biodiversity, and mitigate climate change, BFL spearheaded a tree plantation initiative that has seen the successful planting of more than 70,000 saplings during the year. Commitment to environmental stewardship and sustainable practices for improving air and water quality and fostering a sense of community pride, BFL Group planted over 345,000 saplings and created a tree planting portfolio during the last 4 years.



~46.10 tCO₂e

Carbon emission saving due to usage of E-Vehicles for inter-office shuttle services in FY2024

Over 140,000

Trips completed during the year through e-vehicles for inter-office shuttle services



Digitalisation

Digitisation initiatives

- Meeting and training through digital mediums
- Using cloud-based virtual servers to increase energy efficiency and data security
- As a continuing endeavour towards the 'Go Green' initiative launched by Ministry of Corporate Affairs (MCA), BFL sends documents such as notice calling the annual general meeting, postal ballot notice, audited financial statements, Directors' Report, Auditors' report, credit of dividend intimation letters, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the depositories

Reducing Paper Consumption

BFL Group has been actively working to minimise paper consumption across its business operations by integrating digital applications comprehensively. It enhances efficiency, reduces costs, improves the customer experience, and contributes to environmental protection efforts by significantly lowering paper usage.

Through various such initiatives, BFL Group in the last three years, reduced consumption by approximately 5,050 million sheets of paper, saving approximately 6 lakh trees.

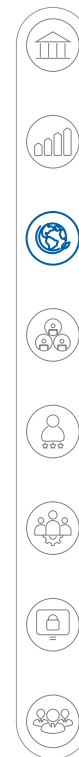


Paper saving operations

- E-agreements and OTP-based agreements across low-ticket and high-volume businesses.
- BFL continues to grow retail and corporate deposits as a part of its growth strategy and is simultaneously increasing its focus on digital origination of retail deposits.
- Enabling customers to place deposits online till date over 3 lakh deposits have been placed digitally. With more thrust on digital sourcing of deposits, approximately 57% of the deposits sourced during the year are paperless.
- Prioritising digital KYC enabled by Aadhaar and video KYC over paper KYC.
- Replaced physical EMI cards with digital EMI cards.
- Paperless loans on e-commerce and wallet platforms, and through tele binding process for existing customers.
- Accepting digital invoice copies from vendors for consumer B2B financing.
- Encouraging dissemination of insurance, extended warranty, comprehensive asset care policies, and bureau reports by partners through a digital medium.
- Providing e-mandate registration process for EMI repayment – e-mandates now contribute to nearly 59% of new business.
- Focusing on migrating all mandatory and voluntary customer communications over email and messaging apps, etc.

Paper saving through other areas

- Shifting from issuance of physical purchase orders to electronic purchase orders.
- Discontinuing issuance of paper visiting cards to employees as visiting cards are now being issued in digital format.
- Shifting a large proportion of invoice processing to e-invoicing.
- Password-enabled centralised printing system to reduce paper waste.



Environmental stewardship through financing

BFL acknowledges the environmental consequences of its lending practices. The Electric Vehicle (EV) financing product enables the company to provide solutions facilitating the shift from traditional fossil fuel vehicles to EVs, thereby aiding in the reduction of overall emissions from the transportation sector. By actively supporting clean mobility through its two wheeler and four wheeler finance business, BFL is making a meaningful contribution to lowering emissions in the transportation industry.

FY2024, BFL has provided access to environmental modes of transport

54,000+

Electric vehicles (EVs) financed

₹ 700+ crore
disbursed



Financing Eco-friendly Technologies (5-star and above rating devices)

BFL is committed to fostering environmental responsibility through its financing initiatives, including eco-friendly devices. Emphasising its dedication to sustainability, BFL extends its support to the acquisition of 5-star and above rating devices, aligning with the highest standards of energy efficiency, and reduced environmental impact. The Company empowers consumers to make environmentally conscious choices to minimise the overall carbon footprint.

Through this initiative, the company actively promotes a greener lifestyle, encouraging a positive impact on the environment. By making these financing options accessible, BFL strives to be a catalyst for the widespread adoption of eco-friendly technologies, contributing to a more sustainable and eco-conscious future.

In FY2024, BFL has financed more than

5 lakh

eco-friendly devices

During last three years, BFL has financed more than

5,100

solar panel

₹ 18 crore

disbursed

Stakeholder awareness about environment

BFL fosters positive social and environmental impacts through its business operations, conducted with responsibility, ethics, and inclusivity. Upholding our commitment to a clean and sustainable environment, we rigorously adhere to all relevant laws and regulations governing our activities, ensuring compliance in both letter and spirit.

Internal Stakeholder

- At BFL, we believe in creating awareness among employees and management about the importance of environmental conservation and the impact of business activities on the planet.
- Internal awareness initiatives include training modules and regular communications to highlight environmental goals, initiatives, and best practices to cultivate a sense of ownership and commitment towards creating a more environmentally conscious workplace.

External Stakeholder

Through social media platforms, Bajaj Finance Limited reaffirms its commitment to creating awareness of environmental outcomes for external stakeholders.





ENVIRONMENTAL

👍 DOs

&

👎 DON'Ts

- ✔️ Compost food scraps and organic waste to enrich your garden soil
- ✔️ Save electricity by unplugging chargers and electronic devices when not in use
- ✔️ Get your refrigerator condenser coil cleaned once a year
- ✔️ Choose eco-friendly products that prioritize sustainability
- ✔️ Optimally maintain your vehicle to reduce pollution
- ✔️ Save water by fixing leaks promptly
- ✔️ Actively promote environmental conservation efforts and policies

Here are a few things that you can observe to contribute towards the conservation of the environment:



- ❌ Don't waste food – plan meals, use leftovers and compost scrap
- ❌ Don't keep your vehicle engine running when idle
- ❌ Don't overuse harsh cleaning chemicals and opt for eco-friendly alternatives
- ❌ Don't waste energy – turn off lights and appliances when not in use
- ❌ Don't keep high volume of your TV, radio, etc
- ❌ Don't leave cigarette butts or make open fires in forests





“Empowering society is at the core of our purpose as an organisation. From skill development for youth to supporting child education and health, we are constantly seeking to deliver high impact programmes to drive social change.”

Kurush Irani
President, CSR

EMPOWERING SOCIETY

With a rich legacy of contributing to the community, the Bajaj Group of Companies has long considered CSR as an intrinsic corporate value, and its social impact programmes reflect its commitment towards society. Bajaj Finserv is committed to building a better future for the country's next generation with a special focus on Children and Youth as beneficiaries. During FY2024, 209 projects were implemented with a CSR Spend of ₹200.95 crore.



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Our Strategy - Benefitting the Youth of today and tomorrow.

The Company's social investments are strategically directed towards areas of Skilling, Child Education, Child Health, Child Protection, and Inclusion for Persons with Disabilities. It collaborates with several not-for-profit organisations, government, hospitals, institutions, and training partners to implement programmes and drive interventions at ground level. It also runs its self-implemented skilling programme – CPBFI, a Certificate Programme in Banking, Finance, and Insurance. Along with targeted projects, Bajaj Finserv also focuses on several strategic projects with select partners to maximise the impact of its interventions.

Portfolio wise details:

Youth Skilling

We are dedicated to narrowing the skills gap in our nation by offering comprehensive Skilling & Employability programmes, supporting self-employment initiatives, and providing assistance for entrepreneurial ventures, particularly for youth and women from disadvantaged backgrounds. Our flagship skilling programme, CPBFI – a Certificate Programme in Banking, Finance & Insurance empowers first-generation graduates from smaller towns to be job-ready in the financial services industry.

28,318

Enrolled under self-implemented CPBFI programme

70,737

Youth skilled for employment and enterprise via grant making projects

Note: The beneficiaries are estimated for full project period and not for the financial year under consideration.



CPBFI: The Flagship Skilling Programme

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

The 100-hour programme has been meticulously designed to offer a combination of experiential learning and insights from corporate trainers and finance domain experts. It thus offers a robust understanding of technical subjects in banking and insurance and enables students to acquire approximately 21-23 skills crucial for the workplace. In addition to the technical and skill related competencies, Bajaj also focuses on attitude as a core domain with the help of psychology-based tools. This enables the students to make well informed decisions in life and at work. Furthermore, HR workshops conducted by Bajaj Finserv Recruiters, enhance practical knowledge and evaluate industry readiness of the learner.

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

CPBFI's commitment to excellence is underscored by its collaborations with Ministry of Education which enabled a partnership with National Skill Development Corporation (NSDC) through which all the students will receive the joint certification on completing the CPBFI training. On the other hand, with All India Council for Technical Education (AICTE) partnership, the intent is to collaborate in deeper geographies in the tier 2 and 3 cities of India.

Furthermore, Project Odiserv was launched to initiate CPBFI training in 60 Orissa colleges, with a review planned after three months. The project began after a successful pilot involving 24 batches across 18 colleges in 11 cities and 10 districts. Two job fairs were hosted in Bhubaneswar and Sambalpur, wherein Ministry officials and Bajaj Finserv leadership presented offer letters to 15 students.



Youth Skilling for Employment and Enterprise

Our commitment to skill development is deeply intertwined with our portfolio objectives, that includes education, health and inclusion for persons to ensure a holistic approach that either enable the youth to get employed or leads to their income generation through enterprise set up. Working in each of the sectors has provided a deeper understanding of their need gaps and to design or support the relevant programmes accordingly.



Sector-Specific or Need-Based training

We support Sector-Specific or Need-Based Training projects aimed at employment or enterprise by providing targeted skill development, vocational training, and need-based programs. These projects are designed to benefit youth from marginalised or underserved communities, learn specific skills meet the demands of specific industries and regions. By focusing on these targeted efforts, we aim to create meaningful employment opportunities and bridge the gap between job seekers and industry needs effectively. 38,966 youth have been benefitted from these programs.

Healthcare Capacity-building

Within the healthcare domain, our efforts are directed towards enhancing the capacity of healthcare professionals, especially paramedics and technical staff, through targeted capacity-building and fellowship initiatives. Providing them with advanced training and resources leads to improved healthcare delivery and outcomes. We work towards addressing the needs not only in the rural and urban areas but also a section of tribal communities, thereby reducing migration pressures. 230 youth have benefitted from the programmes.

Enhancement of Teaching Skills

In the education sector, we focus on empowering teachers through comprehensive training programs, equipping them with the tools and knowledge needed to deliver quality education effectively. 77 individuals have benefitted from the programme.

Skill Development for PwDs

We recognise that individuals with disabilities, including those with intellectual and developmental challenges such as autism, Down Syndrome, and cerebral palsy, often face limited opportunities in the job market. Hence, we collaborate closely with our partners to design and implement skill development programmes that cater to their unique needs and challenges. This



includes provision of training in enterprise-based and employability-focused skills. We have also provided recruitment of Persons with Disabilities (PwDs) within Bajaj offices. These efforts aim to empower individuals with disabilities to generate income and enhance their economic independence. 9,057 PwDs have benefitted from the programs.

Women Empowerment through Skilling

We prioritise empowering women by providing them with the skills necessary to secure employment or entrepreneurial opportunities. This includes women from marginalised communities, rural areas, and those belonging to lower socio-economic group. We equip them with a diverse range of training programs, spanning healthcare services, retail, hospitality, artisanal skills, food processing, and computer literacy. These initiatives aim to not only enable women to earn a sustainable income but also to enhance their economic independence and contribute to their overall empowerment. 19,434 women have benefitted from the initiatives.



Waste Management Society (WMS) - Skill Development of Marginalised and Vulnerable Women

WMS's project Vihaan aims to empower women from vulnerable communities, especially victims of human trafficking, by providing specialised four-month skill training coupled with extensive placement assistance and ongoing support. Addressing financial and livelihood needs, it recognises the challenges women face due to financial instability, limited access to suitable employment, and lack of essential skills. The project also targets educational disparities among beneficiaries, offering comprehensive educational programmes to bridge the gap. With the primary objective of providing skill training and employment opportunities to young women who have suffered from trafficking and exploitation, the methodology includes mobilisation and vulnerability assessment, a foundational course covering various modules, aptitude assessment, domain-specific skill training, placement support, and post-placement assistance. Through Bajaj Finserv's support, 60 women will be trained with relevant skills and the ones that qualify will secure employment thus becoming financially independent.



Child

Children are the most vulnerable members of society, and investing in their well-being is investing in the future. By addressing their needs and providing comprehensive care through several intervention, we aim to lay the foundation for their brighter future. We support projects linked to Child Health, Child Education, Child Protection and Inclusion for Persons with Disability as these individual aspects of a child's life contribute to its overall development.

33,537
were supported through health interventions

14,582
supported under children protection

444,537
benefitted from education-related initiatives

99,189
persons with disability were supported

Note: The beneficiaries are estimated for full project period and not for the financial year under consideration.

Child Health

Child Health focuses on providing holistic care for children under 18 years of age. Through various curative and community-based interventions, we aim to address the diverse healthcare needs of children. Collaborating with various organisations and hospitals in Pune and Maharashtra, we provide financial assistance to children affected by mainly heart conditions, cancer, cleft lip/palate, Type 1 diabetes and epilepsy.

These interventions along with strategic projects are designed to provide comprehensive support, encompassing diagnosis, treatment, rehabilitation, and ongoing care. We also work with organisations to enhance the healthcare infrastructure facilities of hospitals to ensure delivery of high-quality care to those in need.

Specific interventions include:

Cleft Care

We provide essential support for children born with cleft lip or palate conditions, ensuring they receive the necessary surgeries and comprehensive care. Through our partnership with Smile Train India, we've launched the Maha Smiles Cleft Care for Every Child initiative in Maharashtra, aiming to perform comprehensive 8,000 surgeries and raise awareness for early interventions. Our collaboration extends to working closely with ASHA (Accredited Social Health Activist) or RBSK (Rashtriya Bal Swasthya Karyakram) workers and FOGSCI (Federation of Obstetric and Gynaecological Societies of India) to spread awareness within communities. To extend the reach in deeper geographies, Smile Train has established partnerships with several network hospitals and initiated fellowship programs. 27,150 children were supported through the entire project.



Type 1 Diabetes Care

We support medical care, diabetes education, counselling, and overall support to children with Type 1 diabetes and their families. Understanding the nuances around diabetes treatment, we have extended our support to HCJMRI hospital and established a Centre of Excellence for T1D that will work on Hub and Spoke Model. The approach includes establishment of a central Hub at HCJMRI in Pune and satellite Spokes in Nagpur and Kolhapur, holding capacity-building workshops for healthcare professionals to enhance project management skills, introducing skilling programmes offering courses in Nutrition and Diabetes education and Research and advocacy initiatives targeting Type 1 diabetes. 500 children were supported under the intervention.

Paediatric Heart Care

Our efforts encompass a range of initiatives, including supporting surgeries for congenital heart disease, enhancing primary healthcare facilities, raising community awareness about early interventions and heart defects through referrals from RBSK teams, and conducting research and studies on heart diseases. 1,345 children were supported under the intervention.



Cancer Care

Our initiatives are focused on providing patient support services and upgrading hospital facilities. 1,986 children were supported under the intervention.

Epilepsy Care

We provide financial assistance for paediatric patients requiring epilepsy care and surgery. 1,466 children were supported under the intervention.



HCJMRI - Sweetlings Project and Centre of Excellence for Type 1 diabetes

Children with diabetes and their families face immense physical, mental, psychological, and financial challenges. Without assistance, those from underprivileged backgrounds are particularly vulnerable to early complications, frequent hospitalisations, educational setbacks, and familial discord, risking dire health outcomes. HCJMRI's Sweetlings Project supported by Bajaj Finance provides comprehensive care to children with diabetes and their families across Maharashtra and neighbouring states. This initiative includes holistic medical support, outreach programmes for counselling and education, screening efforts, and empowerment initiatives to foster self-sufficiency among affected youth. Strengthening our commitment to Type 1 diabetes further, BFL and HCJMRI have established a Centre of Excellence (CoE) for Type 1 diabetes, aiming to extend aid to more children across multiple locations. It will adopt Hub and Spoke model and establishment of a central Hub at Pune and

Spokes in Nagpur and Kolhapur for diabetes care, do capacity-building for healthcare professionals, offer skilling programmes in Nutrition and Diabetes education and also conduct research and advocacy targeting Type 1 diabetes. The projects aim to impact 680 children and healthcare professionals.

Hailing from Surdi in Barshi, Solapur, 19-year-old Chetan comes from a family of three. Unfortunately, Chetan's father has passed away, leaving behind a significant financial burden. Despite these adversities, Chetan's determination to secure his future in healthcare remains unwavering. He is currently pursuing a course in Operation Theatre Technology (OT) at Chandrarang Paramedical College in Pune. HCJMRI's support has been instrumental in helping him overcome financial difficulties stemming from his family's impoverished background. Moreover, it has allowed him to continue his education while his mother faces health issues.





Child Education

The initiatives are directed towards enhancing the lives of children by aligning with government programmes and schemes, with a particular emphasis on education, skill development, infrastructure accessibility, and staff capacity building.

Specific interventions include:

Digital Teaching Interventions

Collaboration with organisations to facilitate digital teaching interventions, harnessing technology to augment educational accessibility and effectiveness. 17,250 children were supported under the intervention.

Foundational Learning

Supported projects target barriers to foundational learning and numeracy, with a specific focus on bolstering academic performance in core subjects through innovative approaches. 67,316 children were supported under the intervention.

Mental Health Interventions

Partnerships enable the facilitation of mental health interventions, encompassing emotional well-being promotion and behavioural issue mitigation, vital for fostering a conducive learning environment. 94,350 children were supported under the intervention.

Early Childhood Education

Centred on cognitive, social, and emotional development, early childhood education initiatives prioritise language enhancement and school readiness, laying a strong foundation for future academic success. 2,000 children were supported under the intervention.

Comprehensive School Interventions

Comprehensive interventions encompass nutrition support, health check-ups, and skill development to enhance employability, ensuring students are equipped with essential competencies for their academic and professional journey. 5,937 children were supported under the intervention.

Vocational Education Initiatives

Efforts in vocational education aim to impart practical skills and industry knowledge, contributing to decreased dropout rates and heightened employability prospects among students. 4,000 children were supported under the intervention.

Scholarship Support

We extend scholarship support, facilitating the completion of education and opening doors to brighter futures for deserving students. 10 children were supported under the intervention.

Health Check ups and Follow-up Treatments

Implementing partners oversee annual health check-ups and follow-up treatments, prioritising the well-being of children and addressing potential health concerns proactively. 200,000 children were supported under the intervention.

After-school Support

Various organisations offer after-school support through early learning centres, coaching classes, and remedial education, ensuring continued academic progress and holistic development beyond regular school hours. 1,200 children were supported under the intervention.

Pi Jam Foundation - Nurturing Creators and Problem Solvers

Pi Jam Foundation is dedicated to providing affordable technology access and enhancing computer education quality for children and educators in India, focusing on critical skills like problem-solving and critical thinking. Through a system thinking approach, they aim to instil foundational digital, computational, and problem-solving skills through demonstration, role modelling, advocacy, and research. Operating across a spectrum of depth and scale, they utilise open-source tools, curated curriculum, and co-creation with stakeholders to teach computing and design thinking in schools. Their initiative targets 5th to 8th-grade students in PMC schools, fostering skills essential for the digital age and encouraging innovation through project showcases. Methodologies include school identification, partnerships, teacher training, setting up Pi-Labs, regular classes, and monitoring progress through assessments. With Bajaj Finserv's support they will implement 250 innovative projects addressing local issues, establishing 25 new Pi-Labs, and supporting over 49,575 students in PMC school.





Child Protection

We aim to provide protection to vulnerable children from marginalised communities who face risks such as trafficking, abuse, child labour, legal conflicts, or juvenile delinquency. Through strategic partnerships, we endeavour to create a secure environment for these children, prioritising their holistic development and well-being.

Specific interventions include:

Childcare Institutions

Childcare institutions play a crucial role in offering a secure and nurturing environment for vulnerable children, providing structured educational and recreational activities. We collaborate with them to foster socialisation, assist working parents with childcare services, and prioritise the cognitive, emotional, and physical development of children. 482 were supported through the initiative.

Support for Adoption and Day Care Centres

We extend support to adoption and day care centres, enabling the operation of facilities catering to children of migrant labourers. Additionally, collaborations focus on organisations dedicated to adoption centres, ensuring continued support for vulnerable children and their families. 560 were supported through the initiative.

Rescue and Reintegration Efforts

We facilitate the rescue of children from railway platforms, providing temporary shelters, and reuniting them with their families. These initiatives have garnered recognition for their significant contributions to child protection and welfare. 3,650 were supported through the initiative.

Learning Centres

With the help of our partners, we contribute to the educational and developmental needs of vulnerable children, ensuring access to quality education and enhancing their opportunities for a better future. 690 were supported through the initiative.

Aftercare and Transition Support

We provide ongoing guidance and assistance to children transitioning between phases of life, ensuring continuity of care and support beyond immediate interventions. 950 were supported through the initiative.

Awareness and Sensitisation

Collaborative efforts extend to raising awareness and sensitising communities about the issue of child sexual abuse, partnering with various organisations to create a safer environment for children and prevent instances of abuse and exploitation. 32,818 were supported through the initiative.

Tara Mobile Crèches - Aadhar Day Care for Children of migrant labourers working at construction sites

Tara Mobile Crèches Pune (TMCP) collaborates with construction sites and real estate developers to establish day care centres, offering essential services like health, nutrition, education, and recreation to children, aged from birth to 18 years, across 14 sites in Pune and PCMC. TMCP's efforts aim to keep families together by providing a safe haven for children of migrant labourers, who otherwise face unsafe conditions or neglect while their parents' work. With support from Bajaj Finance, the project ensures a nurturing environment for children aged 0-18 at construction sites, offering day care facilities, educational support, youth development activities, and parent involvement initiatives, ultimately aiming to improve the well-being and future prospects of these vulnerable children. The project will impact 2,200 children in Pune and PCMC area.



Inclusion for Persons with Disabilities

We focus on the well-being of Persons with Disabilities (PwDs) by facilitating their inclusion into mainstream society. We address a variety of challenges, including intellectual, developmental, physical, and locomotor disabilities, with a strong emphasis on early identification, intervention, and counselling.

Specific interventions include:

Early Rehabilitation

It focuses on early detection, intervention, and counselling to address disabilities at the earliest stage possible. 1,404 beneficiaries were supported through the intervention.

Educational Rehabilitation

It encompasses supporting special schools, inclusive education initiatives, and vocational training programmes aimed at empowering Persons with Disabilities (PwDs) through education. This involves establishing inclusive learning environments where students with and without disabilities learn together, utilising teaching methods tailored to accommodate diverse learning needs. 6,501 beneficiaries were supported through the intervention.

Medical Rehabilitation

It focuses on providing assistance in obtaining aids and appliances to mitigate the effects of disabilities and improve quality of life. 2,580 beneficiaries were supported through the intervention.

Community Rehabilitation

The implemented projects offer therapies, counselling, educational support, medical aids, and employment opportunities at the community level. 14,514 beneficiaries were supported through the intervention.



Residential Homes

They are offering house solutions for individuals with Intellectual and Developmental Disabilities (IDD), addressing concerns about their future after the passing of their parents. 3,567 beneficiaries were supported through the intervention.

Infrastructure Development

It supports the renovation and construction of facilities to enhance accessibility and accommodate the needs of PwDs. 515 beneficiaries were supported through the intervention.

Dakshana India Educational Trust Fund - Sponsorship and Mentorship programme for PwD Scholars for engineering and medical colleges

Dakshana aims to alleviate poverty in India by identifying impoverished yet brilliant teenagers and providing them intensive coaching to secure admission into prestigious Indian Institutes of Technology (IITs) and Government Medical Colleges (GMCs). By mitigating financial constraints, educational disparities, and lack of guidance, Dakshana levels the playing field for talented but underprivileged students with physical and locomotive disabilities, enabling them to excel in competitive exams and gain admission into top-tier engineering and medical institutions, ultimately contributing to society. With a belief that investing ₹ 2 lakh per family can potentially increase their annual earnings by ₹ 5-10 lakh within 5-6 years and over ₹ 10-15 lakh within 10 years, the project boasts immense social return on investment (SROI). Their approach includes comprehensive planning, communication with stakeholders, application processing, selection tests, financial verification, scholar preparation, and mentorship allocation, ultimately facilitating access to scholarships and education loans for higher education. Additionally, scholars maintain a lifelong association with Dakshana, providing support to future students and contributing to the organisation's initiatives.



Impact Assessment

Bajaj Finserv is committed to making a positive impact on society through various CSR initiatives. Our CSR projects span across areas such as education, healthcare, livelihoods, skilling and People with Disabilities (PWD). We believe it is essential to assess the outcomes and effectiveness of these initiatives to ensure they align with our objectives and contribute meaningfully to the well-being of the communities we serve. With the impact assessment of our projects, we aim to:



In FY2024, we conducted the assessment study of 24 CSR projects for BFL. The assessment exercise not only helped us understand the impact of our work on ground but also highlighted the challenges associated, feeding into our decision-making process and motivating us in continuing to engage in thoughtful learning and reflection.

Way Forward

In addition to our sustained dedication to the development of Child and Youth beneficiaries, the Company is committed to amplifying the impact of its CSR expenditures by prioritising skill development, enhancing and diversifying in-house programs, capitalising on established partnerships, and implementing more strategic projects.





“
The only way to build a truly sustainable business is by putting customer first. We constantly seek new ways to solve customer pain points and push boundaries to deliver a better experience. Our customer obsession creates loyalty, advocacy, and long-term value.”

Deepak Bagati
Chief Operating Officer
& President - Debt
Management Services

UN SDGs Aligned



CUSTOMER OBSESSION

At BFL Group, we have ingrained the ethos of 'Customer Obsession' into our organisational culture to fulfil our vision of driving responsible growth. We prioritise our engagement with our customers and actively listening to their feedback across all aspects of our business operations. BFL Group is committed to facilitating a comprehensive organisational transformation through customer-centric initiatives, aiming to provide a seamless experience throughout the customer lifecycle, from loan application to closure.

Imbibing Customer Obsession to Drive Responsible Growth

The customer-centric evolution of BFL Group is driven by its profound insights into the evolving needs and aspirations of its customers. These insights are gathered through various channels, including regular collection of 'Customer Feedback' and 'Employee Feedback' on voice of customers. This approach allows us to simplify and streamline our processes, improve customer experience, and ensure ongoing customer satisfaction.

Customer-centric Approach

- BFL Group has established several communication and service channels to engage with its customers, and to address their queries and requests promptly.
- BFL has dedicated customer experience teams, within operations and across businesses, to drive our initiatives to measure customer experience, improve processes, and cultivate customer-centric culture.



Customer Service Practices

BFL Group's commitment to customer service proposition is guided by a set of meticulously designed systems and well-crafted practices, which are reflected in BFL Group's diversified product suite, deep geographical footprint, and vast distribution network.

Collectively, these ensure that our financial products and services reach millions of Indians. This is discussed in detail in the section- "Reaching financial services to millions of Indians and providing sustainable and safe products and services".

A glance at some of the practices driven by customer obsession philosophy

- The following are the channels through which customers can connect with BFL to engage in self-service, raise concerns, requests, and complaints related to their loans, products, services, etc.



Mobile App



ChatBot



My Account (Website)



Visit our branch



E-mail



Missed call



Dedicated service branches



Bi-Directional SMS



Call centre



- To connect with customers, all critical documents, such as loan agreements, Fair Practice Code (FPC) and branch notices, are provided in the vernacular languages of their choice. The Company's FPC along with the grievance redressal mechanism with details of GRO and RBI Ombudsman scheme are displayed on the Company's website and branches.
- BFL IVR is available in 9 different languages and is operational 24/7. IVR also offers dynamic interactive self-service options for 65 use cases.
- BFL has initiated vernacular response for queries received on social platforms in Hindi.
- For digitally non-savvy customers, BFL has provisioned a 'Dynamic Missed Call Service' for getting life-stage-based details of the latest relationships with BFL. The usage count during the FY2024 was over 9.2 lakh.





- To protect our customers' credit history, BFL proactively sends them reminders on EMI dues well before the due date. This ensures that customers keep their bank accounts funded and do not suffer unintentional defaults.
- BFL has implemented over 25+ service modules and more than 325 service processes on both the App and Website. These self-service digital platforms enable customers to perform a wide range of tasks in real-time, such as updating demographics, renewing fixed deposits, making payments, downloading statements of accounts (SOA), setting up e-Mandates, and more.
- The adoption rates for self-service are at 70%, with contributions of 76% and 57% from the App and web respectively. Additionally, self-service through IVR has reached a rate of 84%.
- Owing to the increasing digital presence, FY2024 has seen a decline in branch walk-ins.

- BFL's "9 am to 9 pm Calling" initiative is a consent-based calling system, launched for queries received on social platform. This has helped improve customer satisfaction and turn-around-time for resolution.
- Our subsidiary – BFinsec has launched mobile app – BFSLTRADE, along with a SAMADHAN platform, designed to offer customer services via self-help Q&As & ticket-based query resolution.
- BHFL has introduced Repo Rate benchmark-based lending in Salaried Home Loan – the first such offering by any HFC.
- BFL and BHFL has successfully reduced the turnaround time for customer registration, from approximately 15 days to nearly real time, with our e-mandate registration process. In FY2024, e-mandate constituted nearly 59% of new business.

- In terms of customer communication, there's a strategic focus on enhancing communication management across the organisation. A dedicated team has been established to standardise communication content for various lifecycle events in alignment with governance standards.
- 14 post disbursal events available in 20 vernacular languages. Welcome Letter & No Dues Certificate enabled in 20 languages.
- BHFL has introduced DIY home loan application process to transform customer experience and the journey is digital and seamless wherein our customer applies online, and the remaining process are also through various digital platforms like Account Aggregator, Video personal discussion, E-Sanction and NESL Aadhaar-based E-Agreement which facilitates quicker and transparent sanction and disbursement.



Awareness Campaigns

Service Campaigns

We aim to educate our audience on various topics, including NACH, understanding EMI components, and the different channels available for reaching out to us. Through campaigns, we strive to provide valuable information and assistance to our customers, enhancing their overall experience with our services.

Social Media Platforms



7
No. of Campaigns

1,690,000+
Impressions

220+
No. of posts



About Campaigns



Life Easy With NACH

Raising awareness about the National Automated Clearing House (NACH) and its numerous benefits.

Time Pe EMI

Educate customer about importance of paying EMI on time and measures for how to prevent EMI bounce.

Download Bajaj Finserv App

Customer requesting statement of account, NOC, Repayment schedule or Foreclosure letter same can be self-downloaded from website and Experia App.

Know Your 1st EMI

Educate the customer on 1st EMI amount and the component of 1st EMI amount.



Whats The Matter

Encourage our customers to reach out to us with any queries or concerns they may have. We provide them with a variety of channels through which they can easily connect with us, ensuring assistance and support.

Issued In Your Interest

In this campaign we focus on the below points: Submit your updated phone number/email with your lender, Keep a track of all your existing loans on the CIBIL website. Also, it's a healthy habit to keep checking your CIBIL report and credit score on the CIBIL website.

Coverage Hai Zaroori

This campaign aims to educate individuals about the critical importance of not cancelling coverage and benefits of coverage.



Scaling Customer Experience to the Next Level

At BFL Group, our focus is on continuously evolving our business landscape to deliver our customers with seamless experience and service.

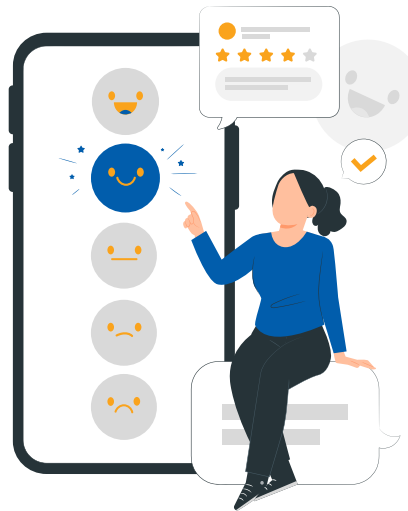
BFL Group is dedicated to enhancing its self-service infrastructure, to provide a superior experience, greater customer loyalty, and larger share of customers' financial services wallet.

In line with this approach, BFL has instituted multiple cross-functional teams to identify areas requiring process simplification across businesses, operations, and collections to deliver superior customer experience. Accordingly, we undertake periodic process, policy, and system changes to propel enhanced customer experience.

In continuation of its digital transformation journey that started in FY2021 with the launch of the new Bajaj Finserv App, BFL has gone live with 25+ service modules covering 325 service journeys on the Bajaj Finserv App and My Account (Website).

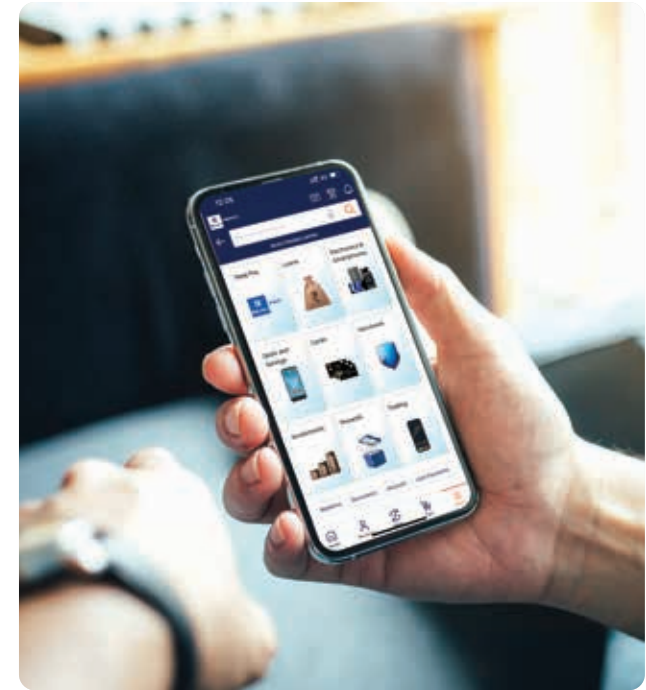


This year marked a significant milestone with BFL conducting its inaugural Customer Experience Annual Operating Plan (AOP) for digital platforms, a move necessitated by the growing scale and intricacy of the business. A key initiative under this AOP was the unification of the App and Web into a single Digital Stack, with the strategy to equate App functionality with Web, ensuring a uniform and frictionless customer experience. The completion of the App = Web strategy is anticipated with a release in September 2024. Throughout the year, the app has seen the addition of numerous features, now totalling 704.



Business Transformation

The Company's strategy remains to be an 'omnipresent' financial services company dominant across all vectors of consumer presence covering physical, app, web, social and virtual platforms. This led to the Omnichannel strategy, which was articulated in 2019 as part of BFL's long-range strategy to create a new phase of sustainable growth. It has led to a huge structural shift for the Company, and in reinventing the way it does everything.



Unlike the traditional financial services model, which is product focused followed by being customer oriented, BFL's omnichannel model starts with customers and the products and processes follow. BFL believes that the adoption of the omnichannel model has helped BFL becoming a customer-centric digital enterprise. The Company has achieved this by onboarding employees with relevant skills, training existing employees to accelerate its omnichannel strategy and making structural changes to its technology stack.

The omnichannel strategy has six domains viz. (i) Geographic expansion, (ii) Bajaj Finserv app, (iii) Bajaj Finserv website, (iv) Payments, (v) Productivity apps, and (vi) Customer data platform (CDP). During FY2024, the Company significantly advanced on all these domains.





Other Initiatives

- To enable a quick, automated response to customer requests, BFL leverages Machine Learning (ML) and Robotic Process Automation (RPA) in a big way. During FY2024, we responded to over 1.91 lakh service requests on a near to-real-time basis without human intervention.
- BFL has in place a dedicated team to ensure continuous study and solutioning of customer complaints. The prime objective of the team is to reduce customer issues through a combination of data analysis, customer interactions and there by identifying root causes. The team drives necessary changes at Organisation Level through (Process, Policy, People and Technology) to fix the identified root causes.
- BFL also has a dedicated team which monitors customer queries and grievances on various social media channels and provides quick resolution.

Debt Management System

BFL focuses on a robust debt management strategy to ensure that its delinquent debt portfolio is kept at minimal levels. It accords debt management an important place in its portfolio management strategy; and has a dedicated structure to follow a strict protocol for missed payments. The Company considers debt management as a service to customers to enable fair and ethical recovery of delinquent accounts and past-due payments.

BFL continues to invest in its debt management service structure, service organisation, processes, trainings of employees and agencies, strict adherence of compliance requirements and controllership by leveraging technology to follow a non-intrusive debt management mechanism. It follows a strong governance model for its debt management services practices and ensures strict adherence to the regulatory and internal policies, code of conduct and fair practice code. It offers a choice to customers to make overdue payments through digital channels, branch walk-in, at retailer points as well as door-step debt management services.

The debt management journey begins well before the customer's instalment falls due. As a matter of good customer service, BFL sends advance intimations to all its customers five to six days before the instalment falls due, to enable customers to maintain adequate funds in their bank account. This practice ensures that the credit history of a good customer is not impacted by any unintentional default.

The journey is expanded further to counselling of customers towards creating a good repayment behaviour by clearing subsequent EMIs directly from the given bank account. BFL has invested in service call centres to counsel customers after the payment of overdue EMI.

BFL follows a graded communication approach with delinquent customers across their repayment lifecycle. These clearly indicate: (i) the importance of timely payment, (ii) avoidance of penal charges, (iii) available

payment channels and (iv) payment confirmation. These communications are also made in vernacular language via multiple channels like SMS, email, tele-calling and in-person visits.

The Company has a dedicated structure aligned with business verticals for servicing customers: (i) with current month outstanding; (ii) in early delinquency; and (iii) in NPA and write-off stage.

In an endeavour to follow a non-intrusive debt management practice, BFL collects an electronic clearing mandate from its customers. In case of dishonour of bank instrument, BFL provides customers with over 28 different digital payment options such as NEFT, RTGS, Bharat Bill Payment Service (BBPS), Unified Payment Interface (UPI), CC Avenue, Wallets, Google Pay, payment banks etc. These digital channels, along with branch walk-ins, account for approximately 51% of debt management volume.

In November 2022, the Company 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. The success rate of agents to clear the exam is around 80%. The Company has planned to cover all its DMS agents with DRA certification in coming two years. As on 31 March 2024, more than 16,000 participants are DRA certified with the support of 79 certified facilitators as per IIBF norms.





Over years, BFL has taken various measures to strengthen its debt management process, some of which are enumerated below:

- Set up a centralised call monitoring infrastructure for its outsourced debt management services agency network to improve controllership. All agencies are required to make collection calls only through this infrastructure. All calls are now being recorded and monitored periodically to ensure compliance of debt management code of conduct.
- Opened dedicated debt management service desks across 38 to address debt-related queries of walk-in customers. The Company is committed to expand coverage of this model across more cities in future.
- Set up a centralised helpdesk for assisting and processing debt management services related requests.
- Formed a dedicated in-house team and a centralised calling unit to enable speedier resolution of debt management related complaints of aggrieved customers.

- Implemented a Debt Recovery Agent (DRA) certification process for its agents.
- Formed a dedicated team of service advisors in service centres to address and resolve queries of delinquent customers raised over phone through a customer care number of the Company.
- Expanded the scope of interaction experience score to seek the customers' rating on the debt management services agent interaction.
- Significantly strengthened its compliance framework to ensure strict adherence by the debt management service agencies of its code of conduct policy and fair practice code. This framework lays down a penal staircase for non-compliance. BFL investigates every customer complaint pertaining to debt management services and takes appropriate corrective and penal action.
- Developed 127 situational videos in 8 vernacular languages which form part of the training module on its debt management services mobility app. These provide clear understanding to agents on the do's and don'ts while interacting with a customer.
- We have made CoC acceptance and acknowledgement mandatory for all agents and agencies for accessing our Mobility App.
- BFL's debt management agency monitoring framework helps review the performance of the Debt Management agency and enables us to take suitable action in terms of warning, penalty, and termination for deviations.
- BFL captures transactional customer satisfaction (CSAT) score on the Bajaj Finserv app for multiple service journeys to gauge the outcome of its customer engagement efforts. DMS has received 1,937,000+ responses with a 98.65% CSAT score in FY2024.



- It has expanded the scope of interaction experience score to seek the customers' rating on the debt management services agent interaction. In Debt Management Services the customer experience is captured post mobile receipt generation. Customer experience is captured on a 5-scale rating, where 5 stand for best and this metric is captured on a month-on-month basis.
- New Partners Onboarding Journey: It is critical for new onboarded partners to have orientation and clear understating of recovery and organisation processes. Hence, a self-consumption digital learning in vernacular languages is triggered once the agents are onboarded so that they can be educated on the critical aspects of recovery process, customer handling and the organisation governance framework.



Protecting and Educating Customers

Through its financing options BFL enables millions of customers embark on their credit journey with bureaus and become part of the formal financial ecosystem. Over the last five years, BFL has offered financing to over 19.8 million such customers. BFL by collaborating with various agencies promotes financial discipline among customers by keeping them updated about various credit metrics evaluated by financiers. BFL also undertakes measures to create customer awareness about devious schemes run by fraudsters, thus protecting the interests of our customers.

- Through its financial fitness report offering, BFL helps its customers to understand their leverage position and ability to avail further borrowings.
- **Loan Repayment Campaign:** This campaign stresses the importance of prudent financial practices. Some of the aspects include advising on the use of digital payments and receipts to avoid misappropriation and cautioning in respect of the wrong 'Karza Mukti' groups which can spoil the credit score, letting them know how the loan settlements affect the credit and the need for updates in personal details for proper management of the loan. The campaigns have also been a clarion call against fraud on social media and time and again reiterated the significance of making EMI payments on time to avoid charges for the same – **"Just Ask For It", "No Mukti Only Nuskaan", "Loan Ka The End", "Wait Nahi, Update Karo", "Har Koi Bajaj Nahi", "Doori Hai Zaroori From Loan Settlement", "Har Time EMI On Time", "Charges For What".**



Social Media Platforms

8
Campaigns

18,400,000+
Impressions

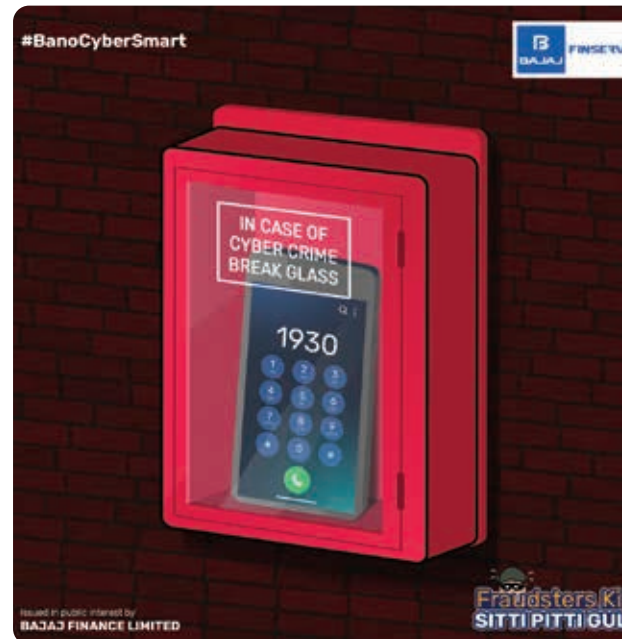
320+
Posts



- BFL has conducted extensive awareness campaigns about app adoption, the benefits of paying EMI on time, and the self-service options on social media platforms, including Facebook, Twitter, Instagram, and YouTube. During FY2024, 12 such campaigns went live, with a total of 158 posts, including 92 static posts and 66 videos. These collective efforts generated an overall impression of 18.16 lakh views.
- We have also published a cautionary post on our website relating to payment fraud – digital, cyber and UPI, sharing essential tips for cyber security awareness, UPI fraud prevention, and digital wallet fraud awareness to secure online transactions.
- BFL views engagement with regulators as an ongoing process rather than a one-time event. Such engagements help to build strong relationships, gain a deeper understanding of regulatory requirements, and adapt their compliance practices to meet evolving regulatory expectations. Details of such engagements are as follows:

- A** Participation in Nodal Officers’ meetings and regional conferences, Customer Awareness Townhalls and Outreach Programmes
- B** Part of the panel discussion on “Gaps in Implementation of Fair Lending Practices by NBFC’s” and “Handling of complaints related to credit information & challenges and Action plan”
- C** Our Internal Ombudsman was invited to give a session on the “Effectiveness of Internal Ombudsman Process”, organised by RBI
- D** During the year BFL organised awareness and education programmes for customers/ general public/ students and for DMS agents/agencies in coordination with RBI

- BHFL one of our subsidiaries conducted following customer and digital awareness:
 - ⊗ Bitly link shared through WhatsApp for all active customers and newly onboarded customer for easy access to portal and download app.
 - ⊗ Product awareness through social platform.
 - ⊗ Cyber Security awareness through social platform.
 - ⊗ Guide Videos for documentation through social platform.
 - ⊗ Awareness posts regarding RERA on social media (LinkedIn, Instagram, Meta, and YouTube).
 - ⊗ Real Estate Act has changed the way India buys homes, hence creating awareness.



- ⊗ **Awareness series on YouTube:**
#GharVerifiedTohLoanVerified.
- ⊗ Sale Agreement Verification process explained.



Protecting Privacy of Customers’ Personal Data

As a responsible corporate, we are fully committed to safeguarding our customers’ personal data. We ensure such data protection through various concerted measures.

- All information related to customers is stored as per regulatory requirements.
- All loan details are stored in compliance with the extant regulatory guidelines.
- Customer’s Personally Identifiable Information (PII) is stored in an encrypted format.
- Customer PII display is masked in the front-end applications and if required access is given as per approved policy.
- We ensure redaction of customers’ KYC details, such as Aadhaar number.



- Access to customer PII is masked and restricted access is granted on a need-to-know basis, with due approval.
- Data Loss Prevention Solutions have been deployed to monitor and detect data loss incidents, if any.
- We review our information security processes periodically and get these audited by external audit firms. BFL and BHFL has received ISO 27001 (ISMS: Information Security Management Framework) certification for its IT security.
- Our [Data Privacy policy](#) is displayed on our website, and these, inter alia, cover the details regarding consent, collection, use, sharing, processing, and retention of customer data. Customers can raise privacy related concerns through the website.
- In addition to traditional credit bureau data, we are now integrated with the account aggregator (“AA”) ecosystem, i.e. an RBI regulated entity through which individuals are able to digitally and securely share data with other regulated financial institutions in the AA network, for leveraging consent-based information.



Strengthening the Customer Service Governance Framework

As on 31 March 2024, BFL’s customer franchise extended across 83.64 million people, and it disbursed 36.2 million new loans during the year. BFL Group received 6,876 customer complaints in FY2024, amongst which 15 complaints were pending for resolution as on 31 March 2024. These complaints were suitably resolved by April 2024.

As an ethical organisation, we have developed a robust customer services governance. Some of these are as under:

- Invested significant time and effort in developing customised credit assessment and operations processes. We have a customised loan origination system and monitoring frameworks and systems to ensure high standards of on-boarding, credit quality and portfolio performance. We invest in emerging technologies and analytics in order to enable us to cross-sell our products, improve productivity, manage risks and decrease costs.

Fair Practice Code (FPC)

- FPC is at the core of dealing with customer; and BFL has established a dedicated FPC unit which works with all the businesses and functions across the organisation to ensure strict compliance with the guidelines.
- BFL now offers Key Fact Statement (KFS) to all customers, both digital and non-digital, across retail and MSME products at pre-sanction stage. Every customer is required to review the KFS and provide explicit consent to the KFS through an ‘I Agree’ process for availing sanction from the Company. The Company has also introduced digital signatures on agreement and KFS in line with digital lending guidelines of the RBI. Further, to ensure accessibility and transparency, BFL has made collaterals and KFS available in 20 vernacular languages.



- BFL has constituted a Customer Service Committee of the Board.
- As part of BFL’s Board-approved Grievance Redressal Mechanism policy, the Board conducts quarterly review of customer grievances and complaints received from RBI. The focus of the review is on identification of root cause, corrective action plans and customer service initiatives.
- Effective grievance redressal mechanism in place wherein multiple online and offline customer touchpoints are set up for easy and transparent grievance resolution with >98% resolution within 48 hours. Board-approved complaint classification document is in place for the same and quarterly updates on the same are sent to the Board.
- The BFL Group has a “Contact US” tab on its website homepage for anyone to reach us in case of queries/ concerns. The grievance resolution timeline, escalation matrix, etc. is publicly disclosed on this tab. These queries/concerns are manned by seasoned resources, equipped with good communication skills and product/process knowledge.



- BFL has customer experience teams, within operations and across businesses, to drive our initiatives to measure customer experience, improve processes and build customer-centric culture.
- BFL has in place a management committee to approve changes in loan-related fees and charges.
- Internal Audit (IA) conducts quarterly review of customer experience, collections and complaints received from online channels, along with their remedial measures.
- BFL has created a [citizen's charter](#), which is available on the website, to promote fair practices. It gives our customers a high degree of transparency with respect to our various financial products and service offerings.
- BFL's 'Reparation Policy' is based on principles of transparency and fairness in treatment of customers. It seeks to compensate customers for service deficiencies and financial loss as per agreed metrics. In addition to this Company has made provision to compensate customers "in-kind" for scenarios where there is no deficiency at the Company's end under "Goodwill Gesture Reparation".
- BFL Group follows a strict Code of Conduct (CoC) for their outsourced agents. The CoC prescribes stringent guidelines, such as maintaining privacy of prospect and existing customers, providing accurate product information, telemarketing etiquettes etc.
- Customer Satisfaction Measurement: Monitoring transactional customer satisfaction (CSAT) scores across all channels for multiple service interactions enables the Company to review the effectiveness of its customer engagement initiatives. For FY2024, BFL has received over 58 lakh responses and achieved a CSAT score of 93%.



“
Businesses constantly face new challenges posed by new market realities. At Bajaj Finance, we are in a dynamic regulatory environment, and ensure adherence to the regulations both in letter and spirit.”

Neelesh Sarda
 Chief Compliance Officer



RBI Ombudsman

BFL has a dedicated team which deals with the concerns or complaints raised by the customers as well as escalations received from various offices, including Ombudsman, Customer Education and Protection Department (CEPD), Department of Supervision (DOS), etc. The team strives to provide timely responses to all customer escalations received from the RBI offices, adhering to prescribed timelines.

The 'Scheme for Internal Ombudsman' requires IO to be at the apex of the NBFC to independently review the resolution provided by the NBFC in the case of wholly or partially rejected complaints. BFL has implemented the grievance redressal mechanism, the RBI Ombudsman scheme, and the Internal Ombudsman (IO) scheme within the organisation to deal with unresolved or partly resolved concerns and complaints of its customers.

BFL has two IOs supported by a four-member team independently responsible for case screening, review, secretarial work and examination of the resolution provided in such cases as well as all escalations received from the regulator. All escalations are vetted and reviewed by the Internal Ombudsman before submitting the response to the RBI Ombudsman offices. The team is also responsible for organising customer awareness and education programmes in coordination with and under the guidance of RBI Ombudsman offices.

The IOs are permanent invitees to the Customer Service Committee of the Board (CSCB). There is a bi-annual review on the IO process with the Managing Director and monthly meetings and discussions with internal teams.

To ensure quick response and resolution to customer complaints and escalation received from regulators, BFL has established localised presence at Chennai, Kolkata, Chandigarh, and Lucknow. In FY2024, the RBI added three new centres, namely Shimla, Chennai and Kolkata taking the overall centre count to 24. All the 24 RBI ombudsman centres are internally mapped to internal nodal officers, who ensure smooth and timely resolution of escalations with these offices.





“ Our People are central to the value we create as an organisation. Our HR practices thus are focused on providing opportunities to outperform, building a long term career with us, competitive compensation and a robust rewards and recognition framework. We foster a culture of entrepreneurship, transparency, care & connect which aligns them with the larger purpose of the organisation. We do what it takes to ensure the well-being of our colleagues. Our Code of Ethics and Personal conduct, behavioural and whistle-blower policies empower our people to do the right thing.”

Anupam Sirbhaiya
Chief Human Resources &
Administration Officer

UN SDGs Aligned



HUMAN CAPITAL MANAGEMENT

Committed to Employee Growth

At the heart of BFL Group's corporate ethos lies the unwavering commitment to nurturing our most valuable asset – human capital. Our employees play a central role in our objectives of achieving sustained growth in a constantly changing business environment. Our commitment to our people is to create an atmosphere focused on holistic employee development and building workplace culture that reflects our values.

Advancing Employee Development

BFL Group believes in the essential growth of our employees to achieve our goals. We invest in the development of all stakeholders, with a keen focus on our employees. We provide an environment that supports both personal and professional growth to all our employees.

Fundamental to BFL Group’s philosophy is the understanding that “happy customers start with happy employees.” We are committed to attracting, engaging, and retaining top talent and recognise their crucial role in delivering superior business performance. We are focused on creating a thriving, safe and inclusive workplace for our employees.



Cultivating a Purposeful Culture

Culture is a defining element of any workplace, shaping behaviour, interactions, and the overall work environment. BFL Group actively fosters a culture that is in harmony with the organisational goals. To fulfil these goals, and to build a One BFL Leadership DNA, we have defined a set of leadership mindsets and behaviours that encapsulate the target culture, which, we believe will be driving the BFL Group to the desired future, aligning with the BFS Group’s mission.

Leadership at the BFL Group is seen as both - a practiced behaviour, and a choice, hence expected of all employees. The four leadership mindsets and behaviours are integral to the cultural DNA of the BFS Group. These leadership mindsets and behaviours combine, shape a culture that values customer focus, agility, entrepreneurship, empowerment, and innovation.

These leadership mindsets and associated capabilities are detailed in the Code of Ethics and Personal Conduct adopted consistently across all BFS Group companies.

Leadership Mindsets



Founder’s Mindset



Customer Obsession



Talent Builder



Being Responsible

Leadership Behaviours



Dream to Deliver



Innovate to simplify



Delegate & Develop



Do the Right Thing

14 Cultural Anchors

Our ethos embraces 14 cultural anchors, integral to our policies and procedures. These anchors are categorised strengthen our employee culture, growth, and overall well-being. We are dedicated to enhancing employee engagement and motivation through these anchors promoting their sustained excellence and momentum for continual growth and development within the Company.



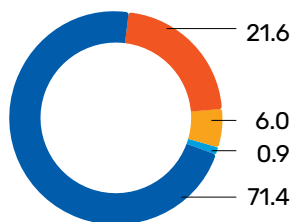


People at BFL Group

As of 31 March 2024, the BFL Group boasts a diverse workforce of 53,782 full-time employees. **The addition of 10,635 employees in FY2024** attests to the Company's growth trajectory and its continuous efforts to enriching our human.

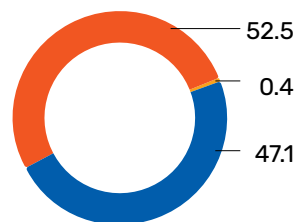
Summary of employees: Band wise and Age wise

Band wise (%)



- Entry level
- Junior level
- Middle level
- Senior level

Age wise (%)



- Below 30 years
- Between 30-50 years
- Above 50 years

People Strategies in Action

BFL Group's people strategies are embedded in the organisation's policies and practices. These strategies are organised into four categories:

- 1 Equal Opportunity Employer: Embracing Diversity, Creating Inclusion and Respecting Human Rights
- 2 Employee Support, Well-being and Engagement
- 3 Talent Development and Retention
- 4 Ethics and Compliance

1. Equal Opportunity Employer: Embracing Diversity, Creating Inclusion and Respecting Human Rights

The BFL Group is committed to creating a culture of fairness, openness, diversity, and transparency. The company fosters an environment where employees can freely express their views, supported by transparent communication of policies, compensation approaches, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes.

Recognition and adherence to human rights principles stand as paramount within the responsible and sustainable framework of the Company. Grounded in a belief in the inherent dignity and equality of all individuals, the company is unwavering in its dedication to upholding and promoting diversity, equity, inclusion and human rights across its operations.

Employee Charter – Human Rights Statement

Our 'Employee Charter – Human Rights Statement' details our commitment to human rights. It sets out what employees can reasonably expect from the Company (Employee Rights), and the responsibilities and qualities expected from them while performing their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, and a workplace free from harassment, forced or child labour, while providing a safe, healthy, and growth-oriented for all our employees.



While BFL Group strives to not have a situation that leads to any grievances. Should such a situation arise, BFL Group has a well-defined Grievance redressal mechanism in place. This includes the [Code of Ethics and Personal Conduct \(CoEPC\)](#), [Employee Charter](#), [Disciplinary Action Committee](#), [Whistle Blower and Vigil Mechanism Policies](#).

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously without fear of any retaliation. Additionally, we have 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.

We ensure sustained compliance with all applicable laws pertaining to human rights.

- **Equal Employment Opportunity and Non-discrimination**

We ensure equal employment opportunities for all and strictly refrain from discrimination based on age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, or health conditions such as HIV/AIDS. Our dedication to fostering inclusivity is formalised through the adoption of an Equal Employment Opportunity and Non-discrimination Policy, accessible on the BFL website. This policy expressly prohibits discrimination, aligning with the mandates outlined in the Right of Persons with Disabilities Act, 2016, the Transgender Persons (Protection of Rights) Act, 2019, and the HIV AIDS (Prevention and Control) Act, 2017, ensuring a fair and respectful employment environment for all.



- **Diversity, Equity, and Inclusion**

Our commitment to a diverse workforce includes creating roles for People of Determination (PwD). This step reflects our commitment to inclusivity, recognising the unique needs of individuals and embracing diversity within our talent pool.

We monitor and report on DEI goals at the leadership (MD) level to ensure transparency and accountability. We have initiated various DEI programmes for diversity, equity and inclusion which are detailed in the subsequent sections of the report. These initiatives cultivate an organisation that embraces and celebrates diversity.

- **Gender-Neutral Prevention of Sexual Harassment (POSH) Policy**

BFL Group's gender-neutral PoSH (Prevention of Sexual Harassment) policy is designed to create a safe and inclusive workplace environment for all employees regardless of gender identity. This policy ensures that every individual feels respected, valued, and protected from any form of harassment or discrimination. By adopting gender-neutral language and guidelines,

BFL group aims to promote equality and diversity, fostering a culture where everyone can thrive professionally without fear of bias or prejudice. Through comprehensive training, transparent and defined escalation process to reporting incidents,



and corrective and disciplinary action against any violations, BFL group demonstrates its commitment to upholding the principles of fairness and respect across all levels of the organisation.

- **RISE - Respectful, Inclusive & Safe Work Environment awareness series**

We continuously conduct awareness sessions and training programmes on human rights, diversity, and inclusion. 'RISE' is our initiative aligned with these values, designed to spread awareness and promote a respectful, inclusive, and safe work environment across the Company.

RISE, is a comprehensive programme designed for all employees, aimed at reinforcing workplace norms, policies, and practices centred around respect, safety, and mental well-being. It addresses the fundamental expectation of physical safety and mental well-being in the workplace. The programme comprises situation and case-based open floor sessions led by external facilitators and company leaders, conducted across the head offices and branches. The main focus of these sessions is to understand the essence of respect and safety in the workplace and to establish a tone of acceptable behaviour, ensuring that all employees are familiar with and adhere to these essential workplace principles.

In last two financial years, 93 RISE sessions were conducted across corporate and branch offices.



Similarly, human rights trainings are an integral part of the mandatory module for all employees.

In FY2024, 51,000+ employees across BFL Group were provided with training on human rights aligned with the company's Employee Charter - Human Rights statement.

2. Employee Support, Well-being and Engagement

At BFL, our dedication to enhancing human potential is deeply ingrained in our culture. Our culture anchors serve as guiding principles, ensuring alignment with our values. Caring for our employees extends beyond professional space. We believe in empowering our employees with financial as well as emotional growth.

Our care initiatives have led to improved employee retention, demonstrating their impact on fostering commitment. Positive feedback from employees further highlights the effectiveness of these initiatives in creating a caring and supportive work environment. Our flagship employee support initiatives aim to provide resources and a platform for physical, mental, emotional wellness and financial assistance for all employees.



• Purelife Initiative

Our commitment to well-being and work-life balance is steadfast. We balance business growth and employees' physical and mental well-being. The 'Pure Life' initiatives provide resources and a platform for overall wellness for all employees.

- Mental health initiatives include access to counselling services, stress management workshops, and mindfulness programmes.
- Physical well-being programmes encompass fitness awareness, sessions, health check ups, and ergonomic workspace arrangements.



i. 1-to-1 Counselling

Our 1-to-1 Counselling offers confidential support for employees navigating personal or work challenges. Individual sessions provide targeted guidance, offering solace when employees face the profound challenge of bereavement. In these moments, our dedication to offering meaningful assistance becomes evident, ensuring that employees feel genuinely cared for and supported. Reduced stress levels, increased morale, and overall positive well-being metrics among employees are indicators of the success of our care initiatives.

ii. Walk-a-thon

Prioritising the health and well-being of our employees, Walk-a-thon is our commitment to encourage an active lifestyle. We aim to enhance the overall health and vitality of our workforce, ensuring they are energised and ready to meet the challenges in both their personal and professional life. This initiative serves dual purpose i.e. prioritising health along with noble cause towards environment. **Over 70,000 saplings were planted to celebrate achievements of the employees who completed the goals as set by the organisation.**

iii. Emotional Care Champion

The Emotional Care Champion programme demonstrates our focus on emotional health for a supportive atmosphere. We aim to nurture an environment where emotional health is prioritised, allowing individuals to navigate challenges with resilience and thrive holistically.



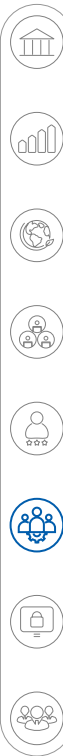
• Spectrum Programme

Spectrum Programme aims to promote well-being and enhance diversity, equity, and inclusion. This programme offers comprehensive benefits across employee groups, including males, females, expectant mothers, new mothers, LGBTQ+, PWD.



i. Parental Counselling Initiative to support expecting parents, fostering a supportive environment for them and their partners.

ii. Leave Policy: A generous leave policy and an option of flexible office timings enable employees to spend quality time with their families and leisure while managing work. Parental leave, including paternity, maternity, and adoption leave, recognise the significance of family moments for important life events. Our leave policy allows for maternity leave of 26 weeks and paternity leave of 14 days.





- iii. **Preferential Transfer Policy:** All employees, post marriage/change in job location of partner/post-delivery, can request for a relocation to preferred city.
- iv. **Creche Benefit:** The Company has a Creche policy in place. Employees can opt for the creche facility at their location as empanelled by the Company or choose the re-imburement option. This benefit is for all employees. 600+ employees have availed of this benefit.
- v. **Reserved Parking:** Providing support and convenience to expecting mothers and to our employees with physical disabilities at Corporate Offices.
- vi. **Travel Allowance for Expecting Mothers:** The travel allowance is being offered to provide a comfortable and safe commute option for expecting mothers.
- vii. **Women Travel Safety:** We have implemented women-centric travel guidelines to ensure their safety. This includes increased travel and stay limits, accompanied travel options, and mandatory companionship in specific scenarios.

viii. **Women Safety Options:** To prioritise the safety of our women employees, a dedicated safety cab service is thoughtfully provided offering them secure and reliable commuting options.

ix. **Flexibility:** Our organisation empowers women professionals by offering flexible work schedules, ease of return post maternity and work from home option to promote a healthy work-life balance tailored to individual preferences to promote a healthy work-life balance tailored to individual preferences.

• **Dedicated Gender Diversity and Inclusion Council**

BFL actively champions the cause of creating equal opportunities and fostering a culture of true inclusivity. The comprehensive policies and practices, guided by leadership oversight, not only prioritise the well-being of women employees but also contribute to their professional growth.



• **Encouraging Women to join Technology Roles**

Our emphasis is on attracting, retaining, and advancing women in technical roles, demonstrating our commitment to fostering diversity within the tech sector.



• **Spouse Working as a Consultant**

The BFL Group encourages qualified spouses of the employees to work on special projects in the Company, on a flexible timing basis, to fulfil their career aspirations while balancing family demands at home. We also encourage full-time employment of spouse.



• **Financial Assistance initiatives**

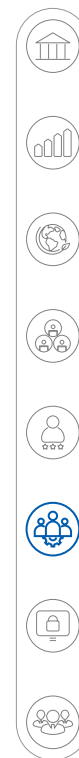
To support employees in times of financial distress due to a personal exigency, the BFL Group offers various options for financial support.

- i. **Fortnightly Salary:** BFL Group offers a fortnightly salary option- **over 3,800 employees availed this benefit in FY2024.**
- ii. **Money on Call** provides emergency funds within 24 hours to an employee which can be repaid within a month; **more than 14,700 employees availed this benefit in FY2024.**
- iii. **Advance Salary:** Under this programme an employee can take up to three months of gross salary as advance and repay it over two to three months.
- iv. **Financial Assistance Policy:** During the tough times of COVID, we began an initiative to help affected families, and we have kept it going. So far, we have supported 26 families, providing close to ₹ 10 lakh every month. This assistance aims to make a positive impact during these challenging days and contribute to the well-being of those in need.



- v. **i-Care:** The BFL Group has an employee participatory financial-assistance programme called 'i-Care' for emergency situations, medical or otherwise. It encourages employees to enrol and contribute a small amount from their monthly salaries, which is matched by the BFL Group contributing an equal amount. **In FY2024, over 42,000 employees have registered under this programme and more than 230 employees received financial support of over ₹ 13 crore.**

BFL extends various financial support and compensatory packages on death of an employee (regardless of whether death occurred during work or otherwise), which include a one-time lumpsum payment from the iCare fund, a full month's pay with recovery waivers, Group Term Life insurance assured amounts, employment opportunities to the immediate family members of the deceased employee or due to medical exigencies.



• **Employee Engagement**

BFL's large workforce is spread out at various locations; so, having a solid and lasting engagement model within the organisation is crucial.

In FY2024, we conducted employee engagement drives engaging employees in social activities that would help them participate in social work within an institutionalised framework.

i. **Daan Utsav**

Daan Utsav is an initiative in which BFL employees came together to contribute to the well-being of society under four themes: 'Nanhe Kadam' (Child welfare), 'Anna Daan' (Food for the needy), JOY (Just Older Youth) Club and 'Gifts Unlimited'.

With the impact created in FY2023 and moving forward to FY2024, DAAN Utsav has increased its participation footprint from 107 branches in FY2023 to 216 branches in FY2024. This has in turn increased the impact of the initiative with 216 NGOs benefitting due to the donated items.

The number of unique NGOs also increased to 192, with a total distribution of 40,741 items. Comparing these two fiscal years, there was a significant increment across all metrics: 102% increase in the number of branches and NGOs involved, 92% growth in the number of unique NGOs, and a 61% surge in the number of items distributed.



ii **Celebrations**

a. **Festival**

We believe that small gestures go a long way, under Celebration Framework at BFL, we establish meaningful connections with our employees and extend festival spirit to their families. We celebrate all festivities, employee milestones and achievements.

In FY2024, we celebrated regional festivals across 848 locations, encompassing more than 15,800 employees and more than 5,800 families. Shifting from a centralised celebration framework to a regional one, we embrace and “celebrate cultural diversity”.

b. **Indoor Games Tournament**

Indoor games offer a break, reducing stress and enhancing mental well-being. They foster teamwork, strengthen relationships, and improve communication. Engaging in enjoyable activities boosts morale, motivation, and employee satisfaction, enhancing company culture and values.

2,890+

Total Employee Participation

iii. **Own My Branch (OMB) Framework**

Own My Branch is a programme that connects senior management and the Head Office to branches across India. This ensures smooth execution of the Leadership voice from the Head Office to ground level and builds ever-growing trust between the leadership and employees.

Each leader is responsible for overseeing 2 to 3 branches quarterly. Currently, we covered over 1,100 locations, which has grown by 13% since last year. Our meticulous tracking of the OMB programme attendance and participation reveals a substantial impact, with more than 800 leaders reaching out to nearly 31,500 employees.

iv. **Townhall as a Nexus of Open Dialogue**

MD/Deputy MD along with CHRO, led “Confluence” emerges as a dynamic hub for open dialogue, exemplifying our leadership’s commitment to transparency and accessible communication. Every quarter, nearly 45% of employees across more than 3,700 locations participate virtually. Through Confluence, leaders share crucial updates of the Company, organisational strategies, financial health, addressing queries openly, hence enriching collective understanding of our organisational landscape.



v. Regional Town halls

Regional town halls are dynamic platforms fostering open interaction between employees and the leadership. These informal sessions contribute to a culture where employees, regardless of their roles, feel heard and valued.

Through these monthly and quarterly forums, we extend trust uniformly, recognising the contribution of our employees, including those off the rolls which reinforces a culture where trust is not limited by employment status but is an inclusive and extended facet of the organisation.

vi. Ruminare – Leadership Forum

Ruminare is our flagship leadership discussion forum that provides them an opportunity to exchange views, delve into BFL-centric case studies and build meaningful connections outside work. This programme provides a direct channel for them to share insights with the Managing Director (MD).

The tangible outcome is seen in business leaders collectively embracing mutual expectations, nurturing a culture that promotes alignment with our core values.

vii. Employee Satisfaction Survey

Employee satisfaction is the core of human capital management at the BFL group. Accordingly, two employee surveys were conducted during FY2024:





One Finserv: Employee Engagement Survey 2024 in collaboration with Kincentric: **During FY2024, more than 43,000 employees participated in the survey and the overall engagement score for the company was 90%.**

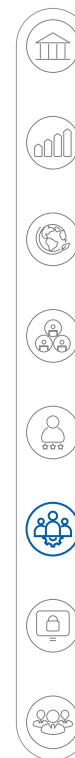
Great Place to Work: The survey is designed to collect and represent views on an organisation’s ability to create and sustain a high-trust, high-performance culture by surveying employees.

Recognised by Great Place to Work™ as India’s Best Workplaces™ Building a Culture of Innovation by All (2023-2024).

Recognised by Great Place Work™ as India’s Best Workplaces™ in BFSI (2023-2024).

In tracking employee metrics, the following aspects are addressed in our employee surveys

 <p>Job satisfaction (external motivation, e.g. I am satisfied with my job)</p>	 <p>Happiness (e.g. I feel happy at work most of the time)</p>
 <p>Purpose (internal motivation, e.g. my work has a clear sense of purpose)</p>	 <p>Stress (e.g. I feel stressed at work most of the time)</p>



• Environment, Health, and Safety

BFL Group has always looked forward to infinite possibilities, abilities, and approaches to achieve goals by adopting sustainable process. In current dynamic development period, society is conscious about Environment, Health & Safety standards to be followed. BFL Group is responsibly moving forward in deploying best EHS practices year on year. Our approach to safety is centred around creating, sustaining, and enhancing an EHS culture. In FY2024, aligning to its parent company; Bajaj Finserv, BFL Group operationalised the Environment, Health, and Safety manual consisting of policies, procedures, and formal processes to effectively implement EHS best practices across the group.

The primary objective of this manual is to promote Zero Harm goal. It caters management and scientific principles to systematically control safety risk during all stages of business requirements. The manual assists operational team to adopt, manage and continuously improve on EHS implementation.

Aligning to this virtue, and as a pilot project, the BFL Head Office building has successfully obtained ISO 14001:2015 & ISO 45001:2018 certification on Integrated Environmental & Occupational Health & Safety Management System. It is based on internationally recognised PDCA cycle i.e., Plan, Do, Check & Act. It provides framework to enhance EHS performance by setting objectives and targets and continually monitoring key performance indicators. The framework has helped to achieve implementation of waste to wealth project, water conservation, energy conservation and cost cutting methodologies.

The Integrated Management System for Environment, Health & Safety is assessed through internal and third-party auditors.



3. Talent Development and Retention

Encouraging exceptional employee performance is an integral aspect of our organisational ethos, manifested through a comprehensive approach to remuneration and recognition. Our employee compensation structure includes fixed pay, performance-based incentives (monthly/quarterly/annual), and long-term incentives in the form of stock options wherever applicable.

‘Do More, Earn More’ philosophy not only motivates employees to go above and beyond but also ties individual efforts directly to tangible rewards. This outcome driven approach fosters a sense of purpose, ownership, and achievement across the organisation. In aligning with these guiding principles, our initiatives not only reinforce our dedication to cultivating a culture of continual growth and recognition but also emphasise our strategy to maximise human potential.

Commendable performances and significant contributions are acknowledged through various reward programmes.

- **Recognition and Rewards: Inspiring Greatness Through Appreciation**

In fostering a culture of excellence and appreciation, our Recognition and Rewards programmes at BFL are meticulously designed to inspire greatness among our team members. These initiatives go beyond traditional methods, recognising and celebrating exceptional performance at various levels.

- i. **Excelsior**

Excelsior League is the pinnacle of the Rewards & Recognition programme. The League was conceptualised to recognise the top 1% of our highest performers. Under this programme, we invite the winners along with their families to celebrate them for their hard work.

- ii. **Central R&R**

Our centralised Recognition and Rewards platform is a unified space to celebrate accomplishments through monetary rewards, it encompasses a diverse range of recognition methods to appreciate various forms of contributions. In FY2024, over 18,000 employees were rewarded, highlighting our dedication to valuing and celebrating the diverse achievements of our team members. Our existing ‘Kudos’ framework honours our everyday heroes.

18,000+
Employees awarded



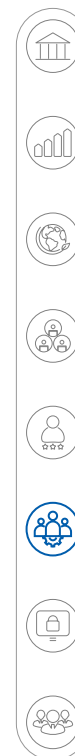
- iii. **Wall of Fame**

The Wall of Fame is a designated area to honour and acknowledge remarkable accomplishments of our individuals within the Company’s Recognition and Reward Framework. Showcasing images of quarterly award recipients, it is a source of inspiration for others, encouraging them to pursue excellence.



- iv. **Dhvani (Rural R&R Connect)**

Dhvani is a unique initiative extending recognition to our colleagues in rural areas, covering over 39,700 employees. It bridges the gap between urban and rural contributions, ensuring that every employee, regardless of location, feels valued and appreciated.



● **Job Enrichment Opportunities**

i. **Auto Promotion and Internal Job Posting (IJP)**

BFL Group conducts business-performance review of all eligible employees monthly, quarterly, and annually as per its internal policy. The Group has a well-defined Performance Management System, Auto Promotion and Internal Job Posting policies to address performance, growth, and development needs of employees.

IJP allows employees to apply for a role of their interest, giving them the choice to acquire multidisciplinary skills to shape their career. BFL Group prioritises career development, offering job rotation, **during the year more than 5,500 employees were promoted under our unique Auto Promotion Policy and more than 4,000 employees moved through IJP within the same/another business or functions within the BFS group.** These programmes empower employees to explore diverse roles, advance within the organisation, and achieve significant career milestones. The Person with Disabilities (PwD) hiring initiative, across functions, underscores our commitment to diversity and inclusion.



ii. **Annual Appraisal Performance**

The Company follows a comprehensive performance and career development review of all eligible employees. This review is conducted mid-year and annually. All employees must conduct a self-assessment of their performance bi-annually, focusing on key results in their roles. The Appraiser and Appraisee then engage in a collaborative performance discussion, covering self-evaluation feedback on performance, competencies, development needs, and career aspirations. Following this, the Appraiser documents their evaluation and provides overall feedback.

Employee performance appraisal system is multi-dimensional and integrates compliance/ codes of conduct.

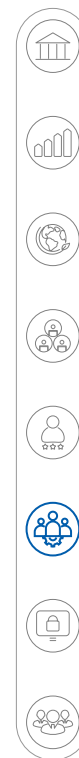
● **Approach towards Training and Development**

We have a strong orientation to learning and development. Our learning approach is designed to enhance the individual and organisational capabilities needed to execute business efficiently. All employees, from a new joiner to a tenured one, are provided tailored opportunities as per their role,

level, and specific focus areas. At early career stages, the focus is on making the employee role ready through functional knowledge and skill-based training, moving to managerial capability building at mid-levels, and leadership at senior levels. Even the topmost levels of leadership undergo a leadership programme every year.

Building a talent pipeline is a critical aspect of the BFL Group's training and development philosophy. While choosing the 'develop versus hire' talent model, BFL Group places larger emphasis on developing talent. This strategy is enabled by hiring employees near the entry level and developing them through a 'grow from within' career-management framework.

BFL Group has incorporated a mandatory compliance module for employees that covers topics such as ESG, Whistle blower policy, health & safety, information security, business continuity and data privacy, handling differently-abled customers, Prevention of Sexual Harassment (POSH), Code of Conduct, Know your customer (KYC), Anti-Money laundering (AML), Human rights – employee charter, Mind your behaviour (MYB), Dealing in Bajaj Finserv (BFS) securities, etc.



In FY2024, more than 90% of employees completed training on compliance related aspects.

Our commitment to continuous learning is evident through collaborations with global digital learning platforms such as Coursera, Go1, Percipio and Harvard. These initiatives extend diverse courses and learning resources to employees, wherein, **over 16,000 employees have consumed over 20,000+ Content pieces in FY2024.**

Our Distance Learning Programme exemplifies the enthusiasm for learning, surpassing expectations by enrolling 355 participants out of the available 500 seats, reflecting the genuine commitment of our workforce to continuous education and development.

Total expenditure on Learning and development by the BFL group in FY2024 was over ₹ 53 crore, which translates to approximately ₹ 9,800 average per employee.

These numbers bear testimony to our drive, to continue to deliver our best despite mounting challenges and stringent cost structures.

During the year, more than 48,400 employees participated in at least one of the developments programmes viz. functional, managerial and leadership skill enhancement programmes helping them in upskilling/multi-skilling. Around 83% of the female employees and 90% of the male employees during the year participated in at least one of the functional/skill upgradation trainings.

In FY2024, BFL group registered more than 6 lakh training hours cumulatively.

Our training programmes features a blend of virtual and in-person sessions, prioritising the reintroduction of classroom training to enhance

the overall learning experience. To cater diverse learning needs, we added premium digital content courses for our employees, further enriching their professional development journey.

i. Set Up of Regional Training Centres

The establishment of Regional Training Centres (RTCs) at BFL supports our strategic initiative towards extending learning opportunities to remote and regional employees who may lack exposure to the corporate world. The RTCs are designed to provide them with essential skill enhancement, by catering to their specific needs. The RTCs ensure that they are equipped with the knowledge and capabilities necessary for success in their roles, ultimately contributing to the continued growth and success of the organisation.

Regional Training Centres (RTC) and Functional Induction play a crucial role in offering a comprehensive introduction to our values, mission, and operational aspects. Spanning across 9 function schools at 143 units, these programmes have successfully trained over 14,000 employees.



ii. On-the-Job-Training (OJT)

To facilitate structured onboarding and training of fresh joiners, the company has in place a framework for On-the-Job-Training (OJT), which includes

planned conversations between a new employee and the manager for a year, to ensure hand holding, training and support. A platform, Employee 360 is in place which has been set up to facilitate and record these conversations and feedback.

iii. Programme for Result-Oriented People in Executive Leadership (PROPEL)

In Bajaj Finance, a transition to a Business Head role is a pivotal shift from a previous role in terms of expectations and responsibilities. The change is more pronounced and requires a leap in capability, mindset and action.

iv. Leadership Coaching

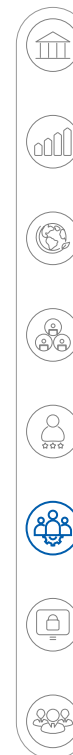
Our Leadership Coaching, facilitated by external coaches, fosters self-awareness, and equips leaders to guide others. Tailored for the Senior Management Teams, each leader undergoing coaching receives an Individual Development Plan with 10 strategic connections over 10 months, ensuring focused and smart development.

v. Manager Capability Development (MCD)

MCD is designed to empower our leaders through a structured four-month training programme. The outcomes of MCD are impactful, leading to heightened productivity, increased employee engagement, and a reduction in attrition. By imparting these skills, MCD empowers leaders to guide their teams in aligning their roles with the organisational goals outlined in AOP and LRS agenda.

vi. 30 Under 30

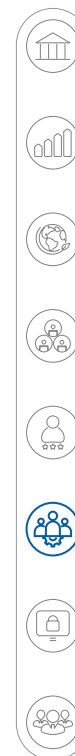
This programme is designed to identify and groom top 30 young talents under 30, across BFS group companies. It is designed to strengthen the young talent pool, by focusing on developing capabilities and skills required for the future.



vii. Employee Development Programmes

Name of the programme	Description and objective	Impact of the programme
<p>Certified Internal Partner</p>	<p>Primarily built to</p> <ul style="list-style-type: none"> • Create a ready and qualified internal pool of certified trainers • Build a group of internal partners with multi-functional and multi-lingual expertise • Increase speed-to-market for future projects and outreach to different geographical areas • Reduce dependence on external partners for learning interventions • Enhance the people development role of leaders 	<p>Aligning with this, we have created a pool of 700+ Certified Internal Partners (CIP).</p>
<p>Learning and Development Programmes exclusively for women employees</p>	<p>Committed to fostering the professional growth of its women employees through a range of exclusive Learning and Development Programmes. These initiatives are strategically designed to uplift women across all bands by providing them opportunities for skill enhancement, leadership development, and career advancement. To address the unique needs and aspirations of women at BFL, we aim to empower them and contribute to a more diverse and inclusive workplace.</p>	<p>Around 83% of the female employees during the year participated in at least one of the functional/skill upgradation trainings during FY2024.</p>

Name of the programme	Description and objective	Impact of the programme
<p>Women Leadership Programme - ASCENT</p>	<p>ASCENT is a women’s leadership development initiative, tailored for women employees on the brink of leadership. The programme cultivates courageous conversations, conquers internal barriers, refines executive presence, facilitates career jumps, and enhances leadership qualities by tapping into a community of women and male allies, all under the ethos of emotional intelligence and execution rigor. ASCENT ensures open dialogue, executive impact, career acceleration, and leadership empowerment.</p>	<p>The programme has proven quantifiable results, accelerated career growth trajectories and sharpened executive presence for these 21 high-potential women, preparing them for senior leadership roles.</p>
<p>Women Self Development Programme - NAVIGATOR</p>	<p>Navigator is a leadership development programme specifically designed for mid-level women managers focusing on helping them to shape aspirations and navigate transitional changes in careers. The programme offers tailored learning and mentoring approach to equip high performing women with skills and confidence required to take on higher roles.</p>	<p>Under Navigator, 66 women participated and received guidance to navigate their career paths even amid numerous responsibilities and competing priorities.</p>





● **Campus Recruitment Programme - BYTE**

To support the Company’s digital transformation agenda, the need for tech talent was recognised and a young talent, ‘Bajaj Young Technical Engineers’ (BYTE) programme was launched. BYTE is a campus recruitment programme that aims to attract and build ground-up tech talent for the company. In the fiscal under review, 300+ new engineers were invited to join BFL Group under BYTE programme.

● **ESG Awareness for Employees**

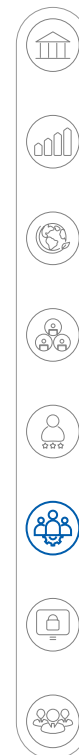
Throughout the year, the BFL group undertook diverse campaigns aimed at cultivating awareness among employees regarding responsible and sustainable business conduct principles. The primary objective was to acquaint and engage them with BFL’s Environmental, Social, and Governance (ESG) practices and initiatives. Leveraging various platforms such as social media posts, intra-net communication forums for focused dialogues, device screen savers, office space displays, and email announcements, we strategically disseminated ESG-related information. Recognising that sustainable practices require a collective endeavour of employees and organisation to achieve the desired results.



4. Ethics and Compliance

- We along with our subsidiaries ensure compliance with the Minimum Wages Act, 1948 and The Payment of Bonus Act, 1965. The BFL Group is compliant with all applicable labour laws.
- The Company does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to ‘freedom of association’.

- BFL and its subsidiaries have zero tolerance for unethical behaviour and business practices.
- The Company-initiated ethics and compliance awareness series among employees to create awareness of ethical behaviour and business practices. Employees are urged to read various policies of the company like [CoEPC](#), [Mind Your Behaviour](#), [Disciplinary Action Policy](#), and [Whistle Blower Policy](#). Strict disciplinary action framework is in place to act against the employees ranging from penalties to termination of services for non-compliance.
- We and our subsidiaries enable employees to work without fear of prejudice, gender discrimination and harassment. We have zero tolerance for non-compliance with these principles.
- The BFL Group did not receive any complaint related to child, forced, or involuntary labour during FY2024.
- The BFL Group received 9 complaints related to sexual harassment, and the same were appropriately addressed.
- The BFL Group has ‘Code of Ethics and Personal Conduct’ (CoEPC), ‘Whistle Blower’ and ‘Mind Your Behaviour’ frameworks as grievance mechanisms for employees and value-chain partners to report or raise concerns confidentially and anonymously, and without fear of retaliation.
- During FY2024, all employee complaints linked to CoEPC (earlier CoC) adherence were suitably resolved.





“ Digital transformation is an ESG priority for Bajaj Finance. We are deploying emerging technologies, including generative AI, and digital tools to empower our customers, protect data, improve operational efficiencies, reduce environmental impact, and foster greater stakeholder engagement. ”

Anurag Chottani

Chief Operating Officer
& Chief Technology Officer

UN SDGs Aligned



INFORMATION SECURITY, CYBER SECURITY AND FRAUD CONTROLS

In this technological age, the significance of safeguarding information, irrespective of its origin or type, cannot be over-emphasised. Within BFL Group’s information technology framework, robust measures in information security, cyber security, and fraud controls finds dominant place. These controls are essential for preventing disruptions and security breaches that could lead to the loss of customer data and disruptions in business operations.



Our IT Framework

BFL Group has a comprehensive Information Technology (IT) framework which inter alia covers governance, policy, operations, security, audit, outsourcing, and Business Continuity Plan (BCP) to overcome the threats and challenges pertaining to information security, cyber security, and fraud.

Information Security

We have adopted an information security framework to establish, implement, monitor, and constantly improve our information security posture:

1. **BFL is compliant with**
 - a. **ISO 27001:2013** Information Security Management System
 - b. **ISO 22301:2012** Business Continuity Management System
 - c. **RBI's Master Direction** – "Information Technology Framework for the NBFC Sector"
 - d. **Payment Card Industry Data Security Standard v4.0** for Wallet Environment

2. **BHFL is compliant with**
 - a. **ISO 27001:2022** Information Security Management System
 - b. **NHB's Policy circular** "Information Technology Framework for HFC Sector"
3. **BFSL is compliant with** SEBI's Cyber Security and Resilience Framework

To protect systems and data against the threats in 'work environment' BFL and its subsidiaries wherever applicable have also implemented Data Loss Prevention (DLP) solutions such as

- 01 Endpoint, Email and Network DLP
- 02 Conditional access to Office 365
- 03 Global protect (VPN) access on Business Applications
- 04 Mobile Device Management (MDM) for corporate mobile apps, etc.
- 05 Big-IP (F5) VPN solution for secure remote access on Business Applications
- 06 Dedicated solution for Server security – Trend Micro Deep security

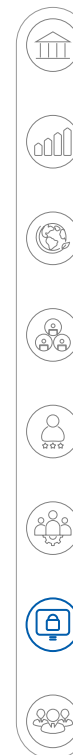
All data protection controls are enhanced periodically and evaluated at least once in a year.

BFL Group has defined and implemented policies such as IT Policy, Cyber security policy and Data privacy policy as per applicable regulatory requirements.

Cyber Security

BFL Group has institutionalised a cyber security policy to protect its information infrastructure on internet, prevent and respond to cyber threats; reduce vulnerabilities; and minimise damage from cyber incidents. This is achieved through a combination of dedicated teams, control processes and technology. Some of the operational measures to monitor and respond to data breaches and cyber-attacks are:

- Security operations centre managed by a reputed cyber security service provider that monitors infra logs 24x7.
- Surface Web and Dark Web monitoring: carried out through different service providers.
- Customer-related fraud events: detected, managed, and mitigated through Risk Containment Unit (RCU).



Additionally, the cyber security policy extends to the following domains:

- **Vulnerability management:** BFL administrates a vulnerability management process that actively scans for security threats. The vulnerability management team is responsible for tracking and following up on vulnerability closures. BFL's IT infrastructure and information security management system is audited by external auditor during the year. We conduct simulated hacker attacks as part of our Red Team exercise. The same is performed by an external agency.
- **Penetration testing:** To test potentially exploitable vulnerabilities, penetration tests are conducted for all critical networks and systems within the Company's internal environment and for external applications. Penetration tests are triggered based on several events, including new releases, updates, or enhancements. The types of penetration tests that are conducted include Network/Host Penetration Testing and Application Penetration Testing.

Data Privacy

Led by a strong commitment to protect the privacy of personal data, we have formulated a well-structured Data Privacy Policy which incorporates:

- Commitment to obtain user data through lawful and transparent means, with explicit consent of the data subject where required.
- Clear terms involving the collection, use, sharing and retention of user data, including data transferred to third parties.
- Collection and processing of user data that is limited to the stated purpose.

- Commitment to notify data subjects in a timely manner in case of policy changes or data breach.
- If any employee discovers data breach incidents, they can be reported on the platform as available.

Following mechanisms are in place to ensure effective implementation of the Company's privacy policy:

- Privacy policy applies to the entire operations.
- Designated person or department responsible for privacy issues.
- Privacy policy system embedded in group-wide risk/compliance management.



- Disciplinary actions in case of breach (i.e. zero tolerance policy).

Privacy of Personal Information

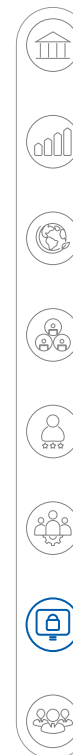
BFL Group is committed to protecting the privacy of individuals whose personal data it holds, and processing such personal data in a way that is consistent with applicable laws. We believe that the data privacy framework should be in line with the evolving regulatory changes and digital transformation. Please refer to '[Customer Obsession](#)' section of this Report.

BFL Group is evaluating the requirements of the Digital Personal Data Protection Act, 2023 and its impact on existing policies and processes. BFL Group has zero-tolerance for breach of data confidentiality and privacy. Further, BFL Group has defined disciplinary actions, ranging from suspension, to termination, penalty, legal action, etc. for noted instances of data breach. **During the year, there were no instances of data breaches involving personally identifiable information of customers across BFL Group.**

Audits and Assessments

BFL and BHFL conducts regular internal security audits, vulnerability assessments and penetration testing of its systems, products and practices affecting user data, in compliance with ISO 27001 standards. BFL and BHFL conduct periodic application security assessment like pre-production, six monthly application security assessment and a structured exercise at various stages of its business enhancements, APIs, Bots, etc.

BFSL conducts yearly external Vulnerability Assessment and Penetration Testing (VAPT) audit through a CERT-IN empanelled vendor as mandated by SEBI guidelines.



BFL Group systems, products and practices affecting user data goes through an extensive audit assessment by external experts wherever applicable, including:

- ISO 27001 surveillance audit ISO 22301 surveillance audit for BFL.
- ISO 27001 recertification audit for BHFL.
- Audit under the RBI’s Master Directions – “Information Technology Framework for the NBFC Sector”.
- Audit under RBI’s Master Directions on Prepaid Payment Instruments.
- Information technology governance, risk, and compliance audit by the internal auditors of the Company.
- Red Team exercise for internet facing systems and IT Infrastructure.
- Audits under NHB’s Master Directions.
- System and cyber audits conducted by CERT-IN empanelled partners for stock exchanges (NSE, BSE, NSDL, CDSL) are done every six months.

Business Continuity Management

BFL Group has a robust and resilient business continuity strategy and framework which is also compliant with regulatory requirements. Business Continuity Plan (BCP) envisages likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis. It aims to eliminate or minimise potential disruption to critical business operations.

BCP includes Disaster Recovery (DR) procedures to quickly recover from an emergency. DR plan includes planning, developing, and implementing disaster recovery management for IT services. Annual BCP drills ensure that it is effective given the current nature of business processes, infrastructure, personnel, etc.

The BCP of BFL and BHFL have Board oversight. BFL is compliant with the ISO 22301 standards of BCM system.

Incident Management

We have a formal policy for incident management. Incidents may be detected automatically via our Security Incident and Event Management (SIEM) tool which is integrated with our critical systems or may be reported by IT system owners, employees, vendors, or partners. Further, our Cyber Risk Unit also monitors the dark web for any potential incident. Incidents are tracked and closed as per the severity. For Incident Response and Resolution, we have designed a documented framework which also includes a process to include learnings from incidents to improve incident response and recovery activities and capabilities. However, the said policy is internal to the company.

Code of Ethics and Personal Conduct (CoEPC) states all fair practices to be followed at the workplace by employees; in case of any breach observed by an employee, he can raise a complaint through Whistle Blower Channel and appropriate action will be taken as per Disciplinary Action Policy (DAP). The CoEPC & Disciplinary Action Policy is available on the Company’s website.

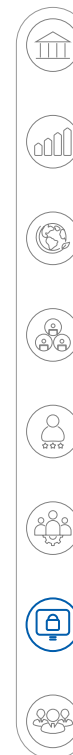
IT Security and Cyber Security Governance Structure

All IT Security-related projects and operations of BFL are regularly reviewed by IT Strategy Committee comprising Board members and/or senior executives of BFL. Subsidiaries of BFL have their separate IT Committees who regularly review their IT security-related projects and operations.

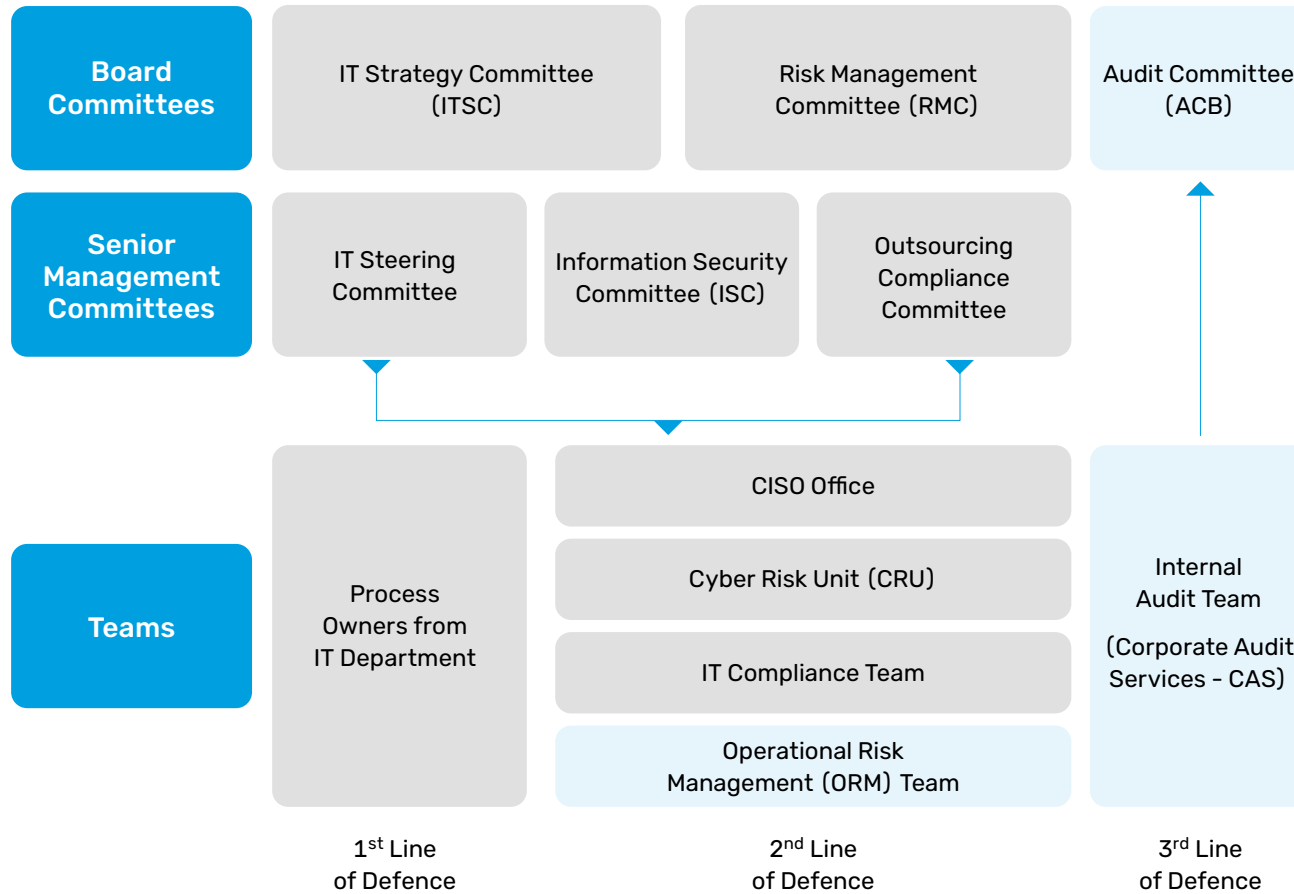
The Committee meets on a half-yearly frequency. The Committee members and Executive Management team have relevant experience and background in IT strategy and processes.

Composition of BFL’s IT Strategy Committee

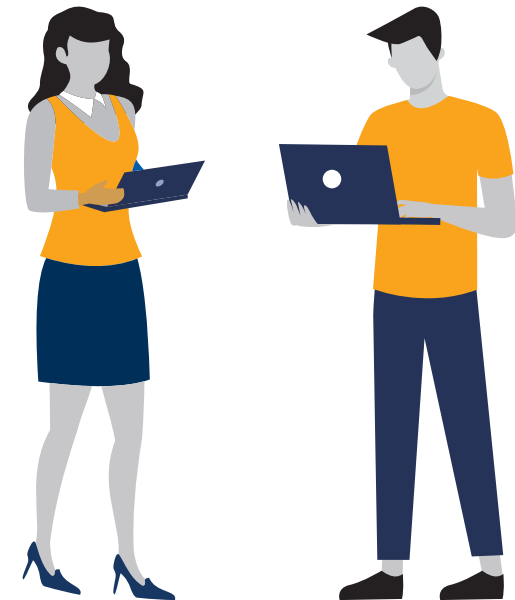
Sr. No.	Designation
1.	Chairman, Non-Executive, Independent Director
2.	Non-Executive, Non-Independent Director
3.	Managing Director, Executive
4.	Executive Director
5.	Senior Executive, Chief Technology Officer
6.	Senior Executive, Vice President – Technology and Digital



In addition to the IT Strategy Committee, the overall IT Governance structure is designed as below to ensure appropriate segregation of roles and responsibilities between the 3 lines of defence:



Specific for Information Technology (IT)
 Org wide units covering IT as well



BFL group has dedicated information security and cyber risk units to manage cyber security programme and operations for all digital initiatives.

The Terms of Reference of the Committee

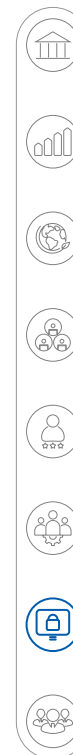
IT Strategy Committee looks into various technology related aspects. The functions of the Committee are to formulate IT strategy and related policy documents, ensure that IT strategy is aligned with business strategy, review IT risks, etc. The terms of reference of the Committee are:

1. Ensure effective IT strategic planning process in place;
2. Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy towards accomplishment of its business objectives;
3. IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives, and unambiguous responsibilities for each level in the organisation;
4. Processes for assessing and managing IT and cybersecurity risks is in place;
5. Budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives;

6. Review at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management;
7. Review the assessment of IT capacity requirements and measures taken to address the issues;
8. Approve documented standards and procedures for access to information assets;
9. Decide constitution of Information Security Committee (ISC), with Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc.;
10. Such other matters as may be assigned by the Board of Directors or prescribed under any of the directions, circulars, or guidelines issued by Reserve Bank of India or otherwise directed by them, from time to time.

Awareness and Training

- BFL Group creates cyber security and data privacy awareness across stakeholders including employees, value-chain partners, business partners, etc. as may be applicable through multiple channels such as training, emails, posters, brochures, social media, etc.
- Trainings are imparted on security requirements, applications and other information processing facilities to employees and vendors who use customer facing application and assets. BFL also conducts phishing drills periodically.
- To educate customers/users on privacy, security awareness and confidentiality aspects, the Group companies run campaigns on NOT sharing OTP, fraud alerts, no asking/sharing of personal details on calls, phishing emails, etc. In addition to awareness campaigns, **during the year 95% of employees were imparted training on fraud prevention, cyber security, and data privacy by BFL Group.**



- Information security/cyber security is part of the employee performance evaluation. Disciplinary actions on employees during the financial year impacts performance evaluation/rating of an employee. For example, if an employee has been issued a warning under Disciplinary Action Policy, he/she shall not be eligible for A+ rating for respective financial year.

The Company through its awareness series 'Information Security Awareness | Know the infosec guidelines' created awareness amongst its employees on importance of information security on following topics:

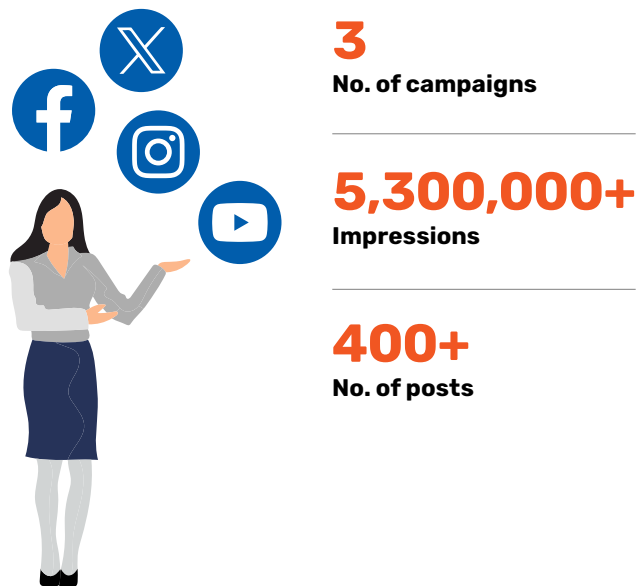
- Password security
- Phishing attack
- Mobile security
- Prevent malware
- Beware of social engineering
- Clear desk and clear screen
- Printouts
- Data security
- End user security
- Internet usage – controlling access for safety and security
- Email security

Fraud and Cyber Awareness

Overview: Rising instances of cyber fraud and increase in reports of users falling prey to fraudsters who are luring them on fictitious pretexts, such as alleged completion of KYC requirements, impersonating identities and websites of lenders and payment system operators, etc. are increasing day by day and is anticipated to rise further.

The safety and security of customer data and digital transactions are of paramount importance to our customer base. We have actively undertaken digital awareness campaigns in social and Audio-Visual media.

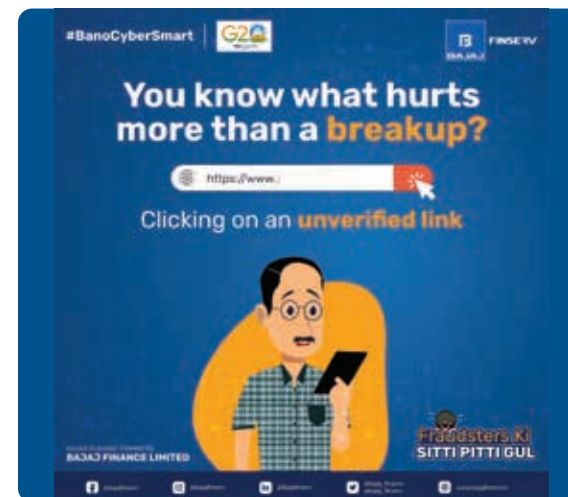
Social Media Platforms



About Campaigns

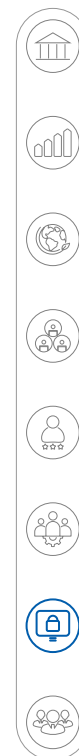
Sitti Pitti Gul – Our umbrella campaign for fraud and cyber awareness under which we covered below sub-campaigns:

- Bano Cyber Smart:** In this campaign, we focused on general cybercrimes and cyber awareness things that people should be aware of - not sharing with strangers their ATM/Card (Debit/Credit/Prepaid) details, beware of phishing, smishing and vishing scams, etc.
- Settle Karna Hai Loan, Pehle Pucho Aap Kaun:** Encouraging people to never pay off their debts through third-party loan/debt settlement entities. Always contact your lender for settling your loan.
- Fake Loan Ka Danger Zone:** Advising people to stay away from scammers representing himself/herself as an employee of Bajaj/any reputable bank or NBFC where they are offering loans, asking for personal/financial details, PAN card, Aadhaar Card, etc.



Award

Bajaj Finance Ltd. clinched the esteemed title of Digital Enterprise of India - BFSI at The Economic Times CIO Awards 2024.





Fraud Risk Management

To check any fraudulent activities across our business operations, we closely assess various fraud risks to which we are exposed. We have in place a robust framework/ policy on fraud risk management, along with a proactive fraud detection process. Our anti-fraud programme is crafted to prevent such risks. Report on identified frauds are presented in the Risk Management Committee of the Board every quarter with the root cause and corrective/ preventive actions taken. Our five pillars of Fraud Risk Strategy are:

A. Prediction & Prevention

Our prediction & prevention strategy is structured around:

- 1) Fraud Framework
- 2) Fraud Awareness

1) Fraud Framework

BFL has in place a robust framework/ policy on fraud risk management for lending business, along with a pro-active fraud detection process, for payment business. It broadly covers:

- Board-approved policy.
- Roles and responsibilities.
- Technology set up for fraud identification, monitoring, verification disposition, and reporting.
- Operational process for fraud monitoring through centralised HO and decentralised field teams.
- Proactive monitoring and engagement with sourcing channels.
- Due diligence while onboarding partners.
- Regular communications to keep stakeholders updated on emerging trends.
- Dedicated sales compliance framework in each business for distribution control.

2) Fraud Awareness

Our fraud awareness focus encompasses targeted initiatives and programmes covering (i) customers and (ii) employees. BFL's website has dedicated educational material on information security, phishing, and vishing frauds along with constant engagement to create awareness on fraudulent threats arising from social media handles.

Bajaj Finance Fraud Awareness Message (bajajfinserv.in)

Customer notification is done through a mandatory read on fraud awareness during Bajaj Finance Mobile Application Onboarding journey.

Periodic customer notification on the latest fraud trends is done through App notifications and through social media campaigns.



B. Detection

1) Predictive - Preventive Analysis

Deployed early warning signals through predefined rules, which provides an exception report of suspicious cases logged. This has helped in improving our agility to identify and curb frauds immediately on detection.

2) Early Warning Signals

By studying historical data of fraudulent cases, the early warning model have been created to highlight the high-risk instances/cases and further sent for field investigation.

3) Default Investigation

Investigation of early default cases to understand root cause of default and proactive involvement in case of frauds. Apart from RCU checking early default cases, a process has been created for debt management team and services team to flag off suspected fraud cases/ complaints to RCU for response.





C. Response

1. Investigations and Strict Consequence Management

- i. Conducting investigations on the suspicious profiles identified.
- ii. Taking strict disciplinary action against distributors/employees found involved in fraud.
- iii. Ensuring confidentiality and security to individuals who report fraud through the whistle-blower mechanism.

2. FIRs and Police Complaints

The Company lodges FIRs and police complaints against fraudsters, creating deterrence.

D. Collaboration

1. **Collaboration with Sales:** Fraud risk markers are being shared with the sales team monthly. Basis this, fraud mitigation steps are being implemented at the ground level, including strict consequence on the errant distributors and employees.
2. **Collaboration with RBI/National Payment Corporation of India (NPCI):** Collaboration with NPCI and RBI for taking deterrence actions against perpetrators like freezing bank accounts used for crediting fraud value, reporting identified payments frauds to NPCI and Suspicious Transaction Reports (STRs) filing for probable AML cases and blocking VPA handles used in fraud. There is internal process in place to block the logins on the Mobile App and sharing of data with NPCI.

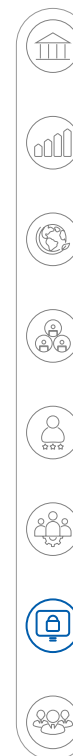
3. **Industry Collaboration:** Collaboration with the banking ecosystem to identify new trends. Also, for taking deterrence actions against perpetrators like freezing bank accounts used for crediting fraud value, blocking VPA handles used in fraud. Direct communication to Third Party Application Providers (TPAPs), Banks where a fraudulent profile is identified; sharing of data with NPCI to confirm the same being ADHOC incidents or a new trend.

E. Awareness and Training

Mandatory Awareness and Prompt Communication on Mobile Application

Based on some predefined rules, we at BFL reach out to the customers regularly who are more vulnerable to frauds. This keeps the customers aware and alert in case they are being approached by fraudsters. Also, quarterly the fraud awareness messages are shared across the entire customer base. Further, training on AML is given to employees every year. **During FY2024, 95% of the employees completed training on AML.**

For further information on awareness and trainings, please refer to [Stakeholders' Engagement](#) section of the ESG Report.





“
Strong leadership is the foundation of good governance. Our Board of Directors and executive management bring a wealth of perspective and experience to Bajaj Finance. Our governance framework focuses on transparency, full compliance, robust data-reporting and actively responding to the needs of regulators and stakeholders.”

Vijay R
Company Secretary

STAKEHOLDERS' ENGAGEMENT

As a responsible corporate, we, at BFL Group, are committed to effectively addressing expectations and concerns of our stakeholders. BFL Group understands the impact of its policies, decisions, products and services, and associated operations on the stakeholders. In line with its policies, practices, and processes, BFL Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and where warranted takes corrective measures.



UN SDGs Aligned



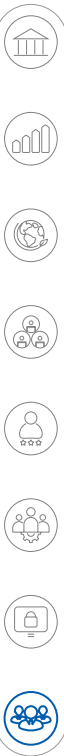
Engaging with Stakeholders Responsibly

Identifying and prioritising stakeholders is essential for achieving our sustainability objectives and establishing trust with them. Individuals or a group of individuals, agencies, institutions who are interested or impacted by the activities of the Company's businesses and vice-versa now or in the future are identified as key stakeholder by BFL Group.

We hold periodic and event-based interactions with all our stakeholders to understand the impact of BFL Group's policies, decisions, products, and services and associated operations on the stakeholders. BFL Group also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

In line with above approach, we have identified seven critical stakeholder groups that are seen as being the most important for our business. The key stakeholders of BFL Group are shareholders and investors, lenders and depositors, value chain partners, customers, employees, society, as well as the government and regulators.

We have dedicated ourselves to upholding and protecting human rights of all our stakeholders. We ensure sustained compliance with all applicable laws pertaining to human rights.



Our Corporate Communication Policy

Information on BFL is actively sought by mainstream financial media, social media influencers, investors, and employees. It is important that the flow of information is managed in an efficient and transparent manner, leaving no room for misinterpretation.

Aligning to this virtue, BFL has a 'Corporate Communication Policy' which defines the approach to communicate with media. The policy provides a framework and process for effective media engagement, both proactive and reactive.

This policy governs all disclosures in news and earning releases, senior management speeches, presentations, press releases, information on the Company's intranet and includes discussion in public and quasi-public areas where conversations may be picked up by the media.

The main objective of the Policy is to protect and safeguard the reputation of BFL and mitigate risk to its reputation. The policy protects the interest of customer and shareholder, lays down a standard procedure for handling all communication with external and internal audiences and strengthen BFL's image, ensures that all information shared with the media is aligned with BFL's desired messaging and the direction of its management and complies with legal and regulatory requirements.

Shareholders and Investors

Our commitment to protecting the interests of our shareholders and investors is evident in the fact that we maintain some of the highest standards of business information disclosure amongst financial services companies in India. We communicate with our shareholders, investors, lenders and deposit holders through quarterly investor presentations, earnings call, stock exchange announcements, investor conferences and non-deal roadshows.



We have in place a well-crafted Stakeholders Relationship Committee to review the grievances of debenture and deposit holders, in addition to the shareholders of the Company. All complaints received from shareholders were suitably resolved.

Value Chain Partners

We strongly believe in the mutual and inclusive growth of our value chain partners, including retailers, direct selling agents, direct marketing agents, recovery agents, etc. We ensure their compliance with the highest standards of ethics through our Board-approved Code of Conduct (CoC) for our value-chain partners. Through this Board-approved Code of Conduct, BFL monitors the performance of the value chain partners and takes suitable disciplinary action in terms of warning, penalty, and termination for deviations, if any.

The Company conducts awareness and training programmes for its value chain partners (especially agents and other intermediaries), depending upon business needs, stakeholder feedback and regulatory requirements, relating to code of conduct, skill upgradation, functional trainings, etc.

Starting from FY2023, we have integrated ESG clauses into our agreements with value chain partners, emphasising ethical business practices, human rights and environmental protection.

During the year, BFL has provided training to its collection agents. The summary of the training is as follows:

1. In November 2022, the Company 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. The success rate of agents to clear the exam is around 80%. The Company has planned to cover all its DMS agents with DRA certification in coming two years. As on 31 March 2024, more participants are DRA-certified with the support of 79 certified facilitators as per IIBF norms.
2. Around 40,000 DMS One App users view COC/FPC/ Customer Communication guidelines related videos on 'One App Code of Conduct' as a part of situational training every week.
3. We conduct an annual meet 'Samvaad - Dialogues to Success' to strengthen relationship with our business partners and to address their concerns. We felicitate and recognise outstanding performance of our partners at such forums. In FY2024, post-COVID, Samvaad was organised in-person for 22 days; over 1,500 retailers participated and interacted live with the senior management physically.





Government and Regulators

We proactively share our views on formulating new industry standards or regulatory developments pertaining to the NBFC sector. In doing so, we strive to balance the interest of various stakeholders. We engage 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, we also discuss areas of focus and concerns.

Our 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. We also give recommendations, from time to time, to various regulators in the larger interest of the industry.

Partnering Regulatory Change Journeys

BFL views engagement with regulators as an ongoing process rather than a one-time event. Such engagements help to build strong relationships, gain a deeper understanding of regulatory requirements, and adapt their compliance practices to meet evolving regulatory expectations. Details of such engagements are as follows:

1. Participation in Nodal Officers' meetings and regional conferences, Customer Awareness Townhalls and Outreach Programmes.
2. Part of the panel discussion on 'Gaps in Implementation of Fair Lending Practices by NBFC's' and 'Handling of complaints related to credit information & challenges and Action plan'.
3. Our Internal Ombudsman was invited to give a session on the 'Effectiveness of Internal Ombudsman Process', organised by RBI.
4. During the year, BFL organised awareness and education programmes for customers/general public/students and for DMS agents/agencies in coordination with RBI.

Campaign Details

Loan Repayment Campaign

Overview: Loan Repayment campaigns stress the importance of prudent financial practices. Some of the aspects include advising on the use of digital payments and receipts to avoid misappropriation and cautioning in respect of the wrong 'Karza Mukti' groups which can spoil the credit score, letting them know how the loan settlements affect the credit and the need for updates in personal details for proper management of the loan. The campaigns have also been a clarion call against fraud on social media and time and again reiterated the significance of making EMI payments on time to avoid charges for the same.

1. **Just Ask For It:** Always use digital mode of payment and always take receipt to reduce Cash Misappropriation cases.
2. **No Mukti Only Nuskaan:** Through this campaign, we created awareness amongst stakeholders to not join Karza Mukti Abhiyan and such fake groups as this may affect their credit score in a negative manner.

3. **Loan Ka the End:** Always obtain NDC from your lender on the closure of loan.
4. **Wait Nahi, Update Karo:** Importance updating or changing contact number should also update the same on loan account.
5. **Har Koi Bajaj Nahi:** Stakeholder were made aware of fraudsters commenting on social media posts of random people as a Bajaj representative and asking for their loan details/money.
6. **Doori Hai Zaroori From Loan Settlement:** Stakeholders were communicated the importance of staying away from loan settlement.
7. **Har Time EMI On Time:** In this campaign, we highlighted to the stakeholders to pay their EMIs on time and emphasise the potential consequences of failing to do so.
8. **Charges For What:** Educating people on penal charges, ECS changes and bounce charges.

Social Media Platforms



8
No. of campaigns

18,400,000+
Impressions

320+
No. of posts



Cyber Security/Fraud Awareness Campaign

Overview: Rising instances of cyber fraud and increase in reports of users falling prey to fraudsters who are luring them on fictitious pretexts, such as alleged completion of KYC requirements, impersonating identities and websites of lenders and payment system operators, etc. are increasing day-by-day and is anticipated to rise further.

The safety and security of customer data and digital transactions are of paramount importance to our customer base. We have actively undertaken digital awareness campaigns in social and Audio-Visual media.

Social Media Platforms



3

No. of campaigns

5,300,000+
Impressions

400+
No. of posts



About Campaigns

Sitti Pitti Gul – Our umbrella campaign for fraud and cyber awareness under which we covered the below sub-campaigns:

- Bano Cyber Smart:** In this campaign, we focused on general cybercrimes and cyber awareness things that people should be aware of - not sharing with strangers their ATM/Card (Debit/Credit/Prepaid) details, beware of phishing, smishing and vishing scams, etc.
- Settle Karna Hai Loan, Pehle Pucho Aap Kaun:** Encouraging people to never pay off their debts through third-party loan/debt settlement entities. Always contact your lender for settling your loan.

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The 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.

BFS is a member of the World Economic Forum and CII, through which it actively engages in policy advocacy.

ESG Stakeholder Awareness series

We at Bajaj Finance Limited commit to achieving a positive social and environmental outcome through our business operations in a responsible, ethical, and inclusive manner. We also ensure a clean and sustainable environment by adhering to all pertinent laws and regulations applicable to our business operations in letter and spirit. Keeping this virtue in mind, we initiated awareness campaigns to encourage our stakeholders for upholding the same values, principles, and business ethics in their dealings.



Society
Page-45



Customers
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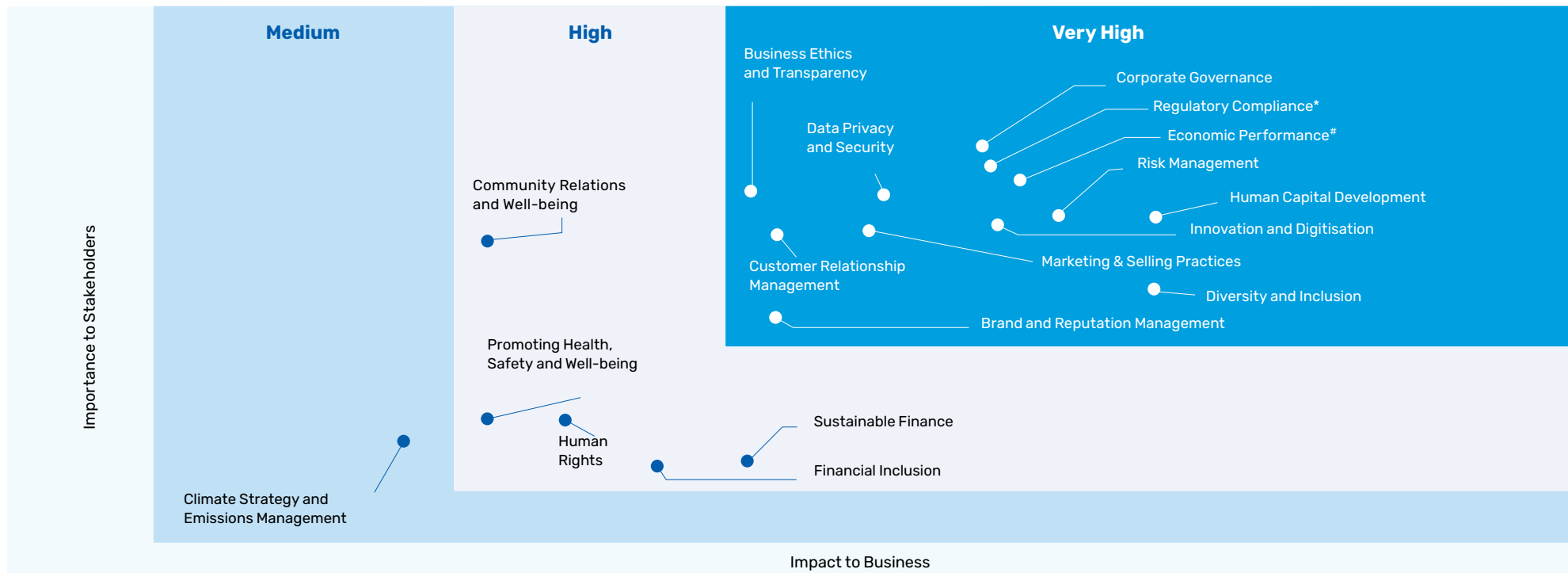
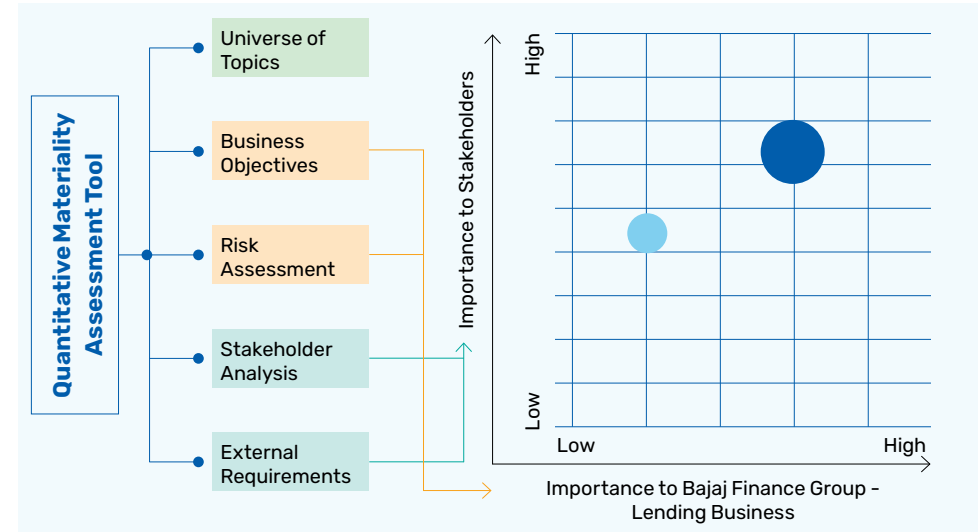
Employees
Page-65



Materiality Assessment

Our sustainability interventions focus on issues that are most material to us and our stakeholders. The Materiality Assessment intends to determine environmental, social, and governance issues central to oversight and the active engagement from the senior management and ESG leadership teams. This assessment has helped prioritise, from the universe of material issues, topics of highest importance to the Company's business.

The Materiality Assessment exercise was conducted through survey-based forms and engagement with senior officers of the BFL Group to identify relevant sustainability issues. The Assessment considered the requirements of various ESG Standards and Rating agencies. The outcome was a final materiality matrix to guide our ESG journey including areas of high impact on our business operations and stakeholders.



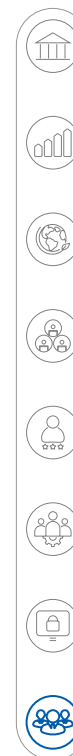
* Regulatory compliance which was part of corporate governance is now being considered separately.

Economic Performance is newly considered material topic.



We have tried to map our footsteps in the journey to evaluate our maturity through the ESG Materiality Assessment. Following is a list of high importance topics for the BFL Group based on its current maturity assessment and level of information available and transparent disclosure in this ESG Report:

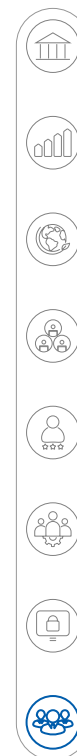
S.No	Material Issue Identified	Indicate Whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In Case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1	Enhancing Customer Relationship Management	Opportunity	Enhancing customer experience and satisfaction helps BFL Group expand its customer base, improve customer retention, build a strong brand image, customer loyalty and satisfy customers' financial goals.	NA	Positive
2	Robust Corporate Governance	Opportunity	Adhering to proper governance practices carries substantial benefits, including strong reputation and building stakeholder trust.	NA	Positive
3	Upholding Business Ethics and Transparency	Opportunity	Exercising ethical business behaviour in business presents opportunities for the following reasons: <ol style="list-style-type: none"> Helps build trust and credibility with stakeholders Promotes long-term sustainability and profitability Prevents reputational damage, legal problems and loss of business 	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 in 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, we have formulated a well-structured Data Privacy Policy framework and controls. The BFL Group has 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 programmes 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



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)
7	Embracing Diversity and Inclusion	Opportunity	At Bajaj Finance Limited, we seek to create an inclusive, equitable, culturally competent, supportive and safe environment where our employees model behaviour that enriches our workplace. We are committed to embedding equity and inclusion in all our people & business practices. Our practices aim to establish an inclusive culture, that celebrates diversity, is free from discrimination and is based on our Cultural Anchor framework. We have adopted an Equal Employment Opportunity and Non-discrimination Policy. We are committed to meritocracy-based recruitment and career advancement.	NA	Positive
8	Fostering Human Capital Development	Opportunity	We strongly believe that "happy customers start with happy employees". We value our people as they power our success. In line with this philosophy, at the BFL Group, 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	Opportunity	BFL works in highly regulated environment. Failure to comply with regulation can lead to stoppage of business, litigations, penalties, sanctions and reputation loss.	NA	Positive
10	Prudent Risk Management	Opportunity	As an NBFC, BFL is exposed to credit, liquidity, operational, market and interest-rate risk and various other types of risk. The ability to manage various types of risks is critical to our sustainable growth.	NA	Positive
11	Enhancing Innovation and Digitisation	Opportunity	Technology-enabled seamless customer experience has been the hallmark of our businesses. Each business is unique; 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 responses. In the technology age now, information security, cyber security and fraud controls have become extremely critical. This challenges us to continue innovating to address evolving customer requirements, drive efficiency and adapt our products to attract and retain customers. New technologies offer business opportunities.	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 companies' 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 misconduct include discriminatory lending practices, false marketing, predatory lending, misleading investors through poor disclosure and illegal foreclosure practices.	The company has a strong marketing and product offering programme that assesses responsible marketing aspects. The company has preparedness measures to address Product Governance issues. BFL Group follows a strict Code of Conduct (CoC) for its outsourced agents. The CoC prescribes stringent guidelines, such as maintaining privacy of prospective and existing customers, providing accurate product information, telemarketing etiquette, etc. The CoC for our outsourced agents is available on our website.	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.	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.	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.	NA	Positive
17	Upholding Human Rights	Opportunity	Human Rights risks: The risks that a company's operations/ activities/products pose to people's fundamental human rights. 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
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 on the environment. BFL is committed to reduce 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.	Negative



#BFL ODISSEY

We foster innovation, agility and ownership for **long-term profitability and growth**

BAJAJ FINANCE LIMITED

#BFL ODISSEY

Our musical journey thrived on **passion**, with today's excitement reflecting our commitment to embracing diverse abilities for the future

BAJAJ FINANCE LIMITED

#BFL ODISSEY

I learnt how to **write** today

BAJAJ FINANCE LIMITED

#BFL ODISSEY

I believe that **education** makes even the most distant dreams **achievable**

BAJAJ FINANCE LIMITED

URGENT INCIDENT REPORTING
YOUR ROLE IN WORKPLACE SAFETY

PROMPT REPORTING
Report incidents immediately to your supervisor and BFL CSDS Team. Please do not try to fix it on your own.

CLEAR DETAILS
Provide accurate information about the incident, including who, what, and where.

BAJAJ FINANCE LIMITED

#BFL ODISSEY

My visits for treatment have become **carefree**

BAJAJ FINANCE LIMITED

#BFL ODISSEY

We support **sustainable solutions** along with convenience of easy commute across our offices

BAJAJ FINANCE LIMITED

#BFL ODISSEY

Up-skilling and professional growth will always be our priority

BAJAJ FINANCE LIMITED

RISE

NO ASSUMPTION BUT COMMUNICATION.
RESPECT HER CHOICES OF WORK & CAREER.

BAJAJ FINANCE LIMITED #Respectatwork

Join the NAMING GAME

SUGGEST A NAME FOR **BFL'S VERY OWN CRECHE**

CLICK HERE TO SHARE YOUR SUGGESTIONS

BAJAJ FINANCE LIMITED

RISE

NO REVERT DOES NOT MEAN 'YES'
RESPECT PRIVACY, EVERYONE MAY NOT BE COMFORTABLE SAYING 'NO' UPFRONT.

BAJAJ FINANCE LIMITED #Respectatwork

RISE

USE YOUR BREAK TIMES TO **BUILD POSITIVE RELATIONSHIPS, NOT CONFLICTS.**

BAJAJ FINANCE LIMITED #Respectatwork

#BFL ODISSEY

I secured my financial future today

BAJAJ FINANCE LIMITED

RISE

NOT YOUR MIND WITH STEREOTYPES

BAJAJ FINANCE LIMITED #Respectatwork

ASCENT
Accelerate career growth for senior leadership roles

NAVIGATOR
Navigate career paths and shape aspirations

GROW AS A LEADER, INSPIRE AS A WOMAN.

At BFL, we identify women employees with high potential for leadership roles and have launched exclusive programs to propel them up the growth ladder.

BAJAJ FINANCE LIMITED



Bajaj Finance Limited

Regd. Office: Akurdi, Pune - 411 035, India

Website: <https://www.bajajfinserv.in/corporate-bajaj-finance>