

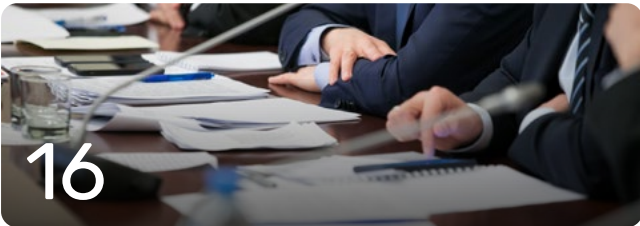
# ANCHORED IN PURPOSE. ADVANCING WITH RESPONSIBILITY.





About the Report	02	Initiatives during the Year	08
About Bajaj Finance Limited	03	Our Focus Areas	10
Message from the Chairman and Vice Chairman	04	Key ESG Highlights	12
Awards & Recognition	07	GRI Index	110

DETAILS OF OUR FOCUS AREAS



1 Corporate Governance



5 Customer Obsession



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



6 Human Capital Management



3 Preserving and Protecting the Environment



7 Information Security, Cyber Security and Fraud Controls



4 Empowering Society



8 Stakeholders' Engagement

CONTENTS

ANCHORED IN PURPOSE.  
ADVANCING WITH RESPONSIBILITY.

Rooted in a legacy of business innovation, community development and service to the nation, ESG principles are deeply integrated with our businesses at Bajaj Finance.

Over the years, our business model has evolved to not only drive financial access at scale, but also bring millions of unbanked people into the financial mainstream at a sustained pace.

**In addition to financial inclusion, the story of Bajaj Finance is one of responsible growth, customer-centricity and product innovation. Technology has been central to this.**

As our businesses expand, technology will continue to form the basis of our growth story. We have initiated our transformation into a FINAI company with AI-enabled technology architecture in FY2025. This digital transformation, combined with a sustainable products' strategy, will continue to yield positive outcomes for both society and the environment.

On the community development front, a large part of our focus is youth skilling, employability and entrepreneurship. Last year, the Bajaj Group announced Bajaj Beyond – an initiative that commits ₹ 5,000 crore and is expected to positively impact over two crore Indians over the next five years, with a primary focus on skilling for livelihood. As part of Bajaj Finserv, Bajaj Finance is making a meaningful contribution to youth skilling, in addition to child health, education, protection, women empowerment and inclusion of Persons with Disabilities.

These initiatives enable us to not only advance responsibly but stay anchored in our purpose – that of saving the environment, serving society and the nation.



Scan the QR code to know more or visit our website [www.bajajfinserv.in](http://www.bajajfinserv.in)



# About the Report

Bajaj Finance Limited ('BFL', 'Bajaj Finance', 'the Company') and our subsidiaries (hereby collectively referred to as 'BFL Group') present its Environmental, Social and Governance (ESG) Report for FY2025. This Report provides insights on the ESG processes followed by the Company as it endeavours to deliver on the principles of responsible and sustainable 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 the 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 Business Responsibility and Sustainability Reporting (BRSR) for FY2025 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. The disclosures made in the Report are in reference to Global Reporting Initiative (GRI) standards, 2021. Further, certain other initiatives

that are covered in the Annual Report of the Company and its subsidiaries for FY2025 (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, social, and governance 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 Limited ('BFL', 'Bajaj Finance', or 'the Company') is a subsidiary of Bajaj Finserv Limited. It is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as a NBFC-Investment and Credit Company (NBFC-ICC). 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. It 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 subsidiaries, viz (i) Bajaj Housing Finance Ltd. ('BHFL' or 'Bajaj Housing'), which is registered with the National Housing Bank as a Housing Finance Company (HFC); and (ii) Bajaj Financial Securities Ltd. ('BFSL', 'BFinsec', 'Bajaj Broking'), which is registered with the Securities and Exchange Board of India (SEBI) as a Stockbroker and Depository Participant.

During the year, BHFL, a subsidiary of BFL, successfully concluded its Initial Public Offer (IPO) of ₹ 6,560 crore. This included issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by BFL

amounting to ₹ 3,000 crore. This public issue generated an overwhelming response from investors across all categories, reflecting their confidence and trust in highest standard of good governance practices and transparency within Bajaj Group. Post this IPO, BHFL continues to remain a subsidiary of BFL.

BFL has made investments in equity shares of two technology companies i.e. (i) Snapwork Technologies Private Ltd. ('STPL'), in which BFL holds a stake of 41.5% on a fully diluted basis, and (ii) Pennant Technologies Private Ltd. ('PTPL'), in which BFL holds a stake of 26.53% on a fully diluted basis, which by virtue of size of holdings categorises them as Associate Companies.

BFL is present in 4,263 locations across the country, including 2,681 in rural/smaller towns and villages. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of Bajaj Finance's growth.













**18 years**  
of operations

**101.82 million**  
Customer franchise

**416,661 crore**  
Assets under management

## Product offerings

BFL focuses on 12 broad categories. Those are:

- |   |  |  |  |
|---|--|--|--|
|  <b>Consumer Lending</b>   |  <b>Mortgages</b>             |  <b>Personal Loan</b>                 |  <b>Loan against Securities</b>   |
|  <b>SME Lending</b>        |  <b>Gold Loan</b>             |  <b>Auto Financing</b>                |  <b>Rural Lending</b>             |
|  <b>Commercial Lending</b> |  <b>Micro-finance Lending</b> |  <b>Public and Corporate Deposits</b> |  <b>Partnerships and Services</b> |



Message from the Chairman and Vice Chairman

# Business transformation for a sustainable future



**Sanjiv Bajaj**  
Chairman



At Bajaj Finance, we aim to achieve carbon neutrality for Scope 1 and 2 emissions by 2032, further reinforcing our unwavering commitment to a sustainable and responsible future.



**Rajeev Jain**  
Vice Chairman

FY2025 is likely to be remembered as a year of seismic shifts, marked by an interplay of geopolitical realignment, volatile financial markets and disruptive technology.

The need for certainty, importantly sustainability, is greater now than ever.

At Bajaj Finance, we have been guided by Bajaj Finserv’s philosophy of building responsible businesses, with sustainability at the core of it.

As our businesses scale – FY2025 saw our AUM touch ₹416,661 crore and customer franchise cross 100 million – we are stepping up our effort on the sustainability front as well.

We are doing so through continuous transformation. It has always been the blueprint of our culture.

FY2025, however, was a turning point in this journey, as we embarked on a momentous business transformation, driven by technology, and one that we believe, will significantly move the needle for sustainability.

## Digital transformation and sustainability – a synergistic relationship

Over the years, our sustainability journey has been interconnected to our business transformation, technology being at the core of it.

We were among the earliest adopters of cloud technology, data, analytics and decision systems. Through time, we deployed new age technologies across products, processes and digital platforms. It helped us scale and simplify access to finance for the masses – by offering payments, savings products, and a wider range of loans and investments – through our app and website. The Bajaj Finserv App today has over 70 million net users and ranks among the top 5 Apps in the finance category on Google Playstore.

FY2025, in many ways, marked an acceleration in our business and digital transformation journey. During the year, we embarked on an AI-driven transformation to drive our next phase of growth.

As BFL 3.0 – a FINAI company, we are now not only expanding our financial offerings, but also integrating Artificial Intelligence into all our products and processes. We are deploying Generative AI (GenAI) for better engagement with our customers, improving efficiency, driving compliance, and increasing controllership.

We believe that this transformation is not only critical for business but will also aid inclusive growth in the long term, leading to improved social and environmental outcomes.

## Tying technology to inclusive growth

Deep, systemic shifts in technology are changing how we reach out to customers, engage, and offer them a range of products that suit their financial needs.

We believe that our sustainability journey is connected to technology to an unprecedented extent.

For instance, data-driven decisions are helping us further financial inclusion. So far, by leveraging data, BFL has brought over 26 million new-to-credit customers into the formal financial fold in the last six years, enabling them to buy their first home, their first two-wheeler, fund an emergency or improve their lives.

While there is no silver bullet for bringing the unbanked population into the financial mainstream, we believe an

omnipresent strategy, which combines reach in deeper geographies and responsible digital technology, can help last mile delivery.

Our AI-driven digital transformation, initiated last year, will enable us to accelerate inclusive growth. It is expected to help us optimise operations, drive greater efficiencies, respond faster to customers, and minimise costs. As we fast-track this transformation, we believe it will also augment benefits to society and the environment.

To cite an example, by combining big data, India’s digital public infrastructure and AI, we are gaining better insights and understanding of risks today, helping us plan interventions to address them.

Our financial inclusion initiatives also include microfinance loans to individuals and small businesses often excluded from the traditional banking system due to lack of collaterals or credit history.

Through our group lending model, we provide loans to individuals by focusing on their social collateral. This is to mitigate risks associated with serving customers facing challenging economic situations.

Over the last three years, we have extended loans to over 17 million women borrowers, amounting over ₹120,000 crore, empowering them financially and making them self-reliant.

Our rural lending and gold loans businesses closed the year with a 32.74% growth over last year.

Bajaj Finance launched its Affordable Housing Loan in FY2025 to provide long-term, affordable credit to underserved and low-income communities.

Technology is also empowering our colleagues with tools that assist them in daily tasks, enabling them to evolve in their job roles and adopt new ways of working.

**26 million+**  
New-to-credit customers brought into the formal economy fold in the last six years

**₹120,000+ crore**  
Loans disbursed to 17 million women over the last three years

## Reducing carbon footprint in more ways than one

In addition to technology, we are increasingly integrating sustainability into our products, processes and subsidiary businesses, for positive environmental impact.

In a bid to reduce carbon footprint through our products, we financed over 6,000 loans for solar panels in the last three



years. Additionally, more than 79,000 EVs and over 12 lakh eco-friendly devices were financed in FY2025.

Our Zero Paper initiative resulted in 95% digital KYCs, 92% E-Mandate adoption and 98% E-Agreements. This reduced physical documentation from 23% to 13%. Over the past three years, digital applications enabled us to reduce paper consumption by more than 610 crore sheets, helping us save around 730,000 trees.

Our subsidiary, Bajaj Housing Finance financed 21 Green Building projects, disbursing over ₹ 2,100 crore.

In FY2025, BFL also announced plans to expand into Green Finance.

# 79,000+

Electric Vehicles (EVs) financed in FY2025

# ~730,000

Trees saved through digital applications in the last three years

## Creating positive social impact with a focus on youth and children

FY2025 saw us take corporate social responsibility to a whole different level.

Under our youth skilling initiative, Skillserv, we are piloting new modules in niche segments such as insurance, gold loans and microfinance. We are also actively developing a library of digital programmes. Over time, we expect Skillserv to create a robust skilling ecosystem which leverages Bajaj Finserv's sectoral expertise to unlock employment opportunities for youth.

To date, around 147,407 youth have benefitted from our skilling initiatives under our grant-making programmes. Our self-implemented Certificate Programme in Banking, Finance and Insurance has trained over 100,000 youth from 161 districts since its inception. 68% of the participants are first-generation graduates, primarily young aspirants from tier 2 and tier 3 cities, with 61% being women. The programme has been recognised as an Awarding Body by NCVET, a prestigious endorsement that places CPBFI among a select group of high-quality, industry-driven skill development offerings.

In addition to youth skilling, we place significant thrust on supporting holistic care for children, especially in the areas of health, education and protection. To date, 32,244 children

were supported through health interventions, in the form of medical and surgical support and awareness, focused on cleft lip and palate, heart disease, paediatric cancer, Type 1 Diabetes and epilepsy. Around 540,648 children benefitted from education-related initiatives.

# 147,407

Youth benefitted from skilling initiatives under our grant-making programmes

# 540,648

Children benefitted from education-related initiatives

## Rooted in a culture of compliance and transparency

Strong corporate governance has been at the core of our business philosophy. We continue to bolster this through several initiatives. BFL and BHFL voluntarily constituted a Customer Service Committee of the Board (CSCB) headed by an Independent Director, to strengthen customer experience, engagement, and monitoring process. Our efforts to strengthen the risk framework also resulted in stable risk metrics.

## Looking ahead: Bajaj Finance's commitment to carbon neutrality

At Bajaj Finance, we aim to achieve carbon neutrality for Scope 1 and 2 emissions by 2032, further reinforcing our unwavering commitment to a sustainable and responsible future.

## ESG principles will continue to guide our growth

BFL's future ecosystem will see growth through sustainable business models, digital transformation being a key lever for this. While this unlocks economic value for our shareholders, it will also help us continue being a force for good.

**Sanjiv Bajaj**

Chairman  
Bajaj Finance

**Rajeev Jain**

Vice Chairman  
Bajaj Finance



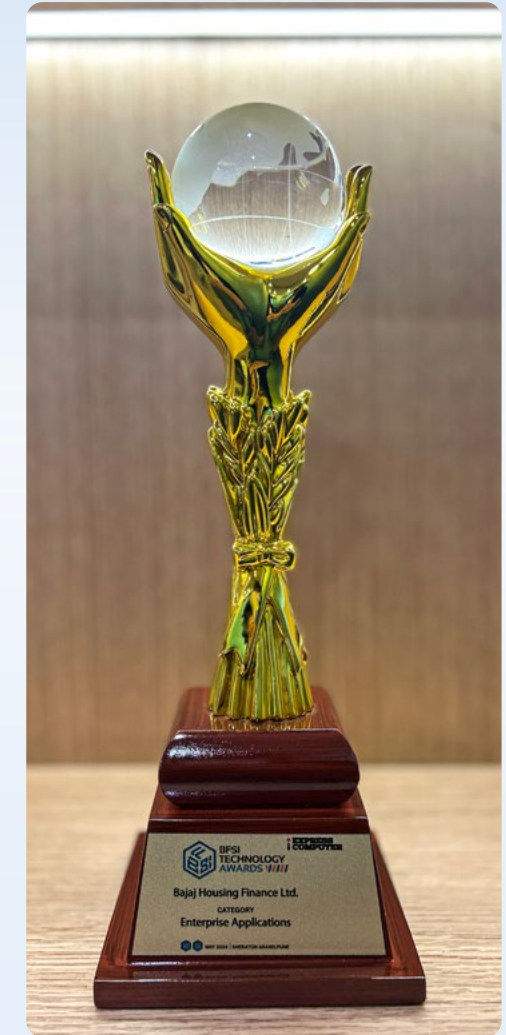
## Bajaj Finance Limited

Bajaj Finance Ltd won the 'Best Large NBFC' for FY2024 by Business Today at the Business Today Best Banks Awards held in February 2025



## Bajaj Finance Limited

Bajaj Finance Ltd won the 'Best Large NBFC' at the 17th Edition of MINT BFSI Summit and Awards held in January 2025



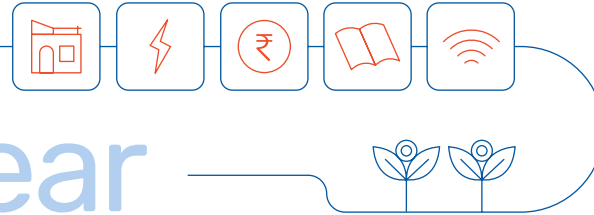
## Bajaj Housing Finance Limited

BHFL was awarded under the Enterprise Applications category for BFSI Technology Awards 2024 by Express Computers, The Indian Express Group

# AWARDS & RECOGNITION



# Initiatives during the Year



## 86%+

Forest Stewardship Council (FSC)-certified Recycled Paper procured, reinforcing commitment to sustainable sourcing

ISO 14001:2015 & ISO 45001:2018 certifications achieved for BFL Head Corporate Office, ensuring robust environmental and occupational health standards.

## 310+

Families Empowered through Affordable Housing Financing launched in FY2025, with over ₹ 46 crore disbursed to support low-income homeownership

## 4,300+

Individuals introduced to the Financial Literacy Programme to enhance financial awareness and inclusion

**Grahak Sampark Initiative** to connect leadership team virtually with customers, enhancing feedback and trust through 17 meetings across 69 branches engaging 219 customers.

Around 2 lakh saplings planted through **Project Aranya** to support greening efforts.



**Daan Utsav 2025 scaled new heights**

425 branches, 374 NGOs, and a 221% surge in donations with 130,789 items distributed.

## 221%

Surge in donations with 130,789 items distributed

**EHS Policy Implementation** across all operations of BFL to create a safer workplace.

**Implemented Suppliers' Code of Conduct** which outlines the essential standards of behaviour and ethical principles that we expect from suppliers/ value-chain partners.

**Expanded Scope 3 Greenhouse Gas (GHG) disclosures** to include **Category 3 (fuel- and energy-related activities)** and **Category 5 (operational waste)**, strengthening accountability in emissions tracking.

## Sustained Commitment to CSR Initiatives\*

### Skillserv Programme

## 17,934

Women empowered from marginalised communities through industry-aligned training in healthcare, retail, hospitality and artisanal sectors

Imparting sector-specific and need-based training to **24,305 underserved youth** through short- and long-term programmes—bridging skill gaps and unlocking employment and entrepreneurship opportunities.



## 10,792

Individuals supported with disabilities through tailored skill development, enterprise training and thereby advancing economic independence

### Comprehensive Child Development Approach

**Project Maha Smiles** launched in Maharashtra to deliver over **7,900 cleft surgeries for children** born with cleft lip deformities.



## 80,800

Children benefitted from interventions promoting emotional and mental well-being addressing behavioural issues, fostering healthier learning environments

## 2,650

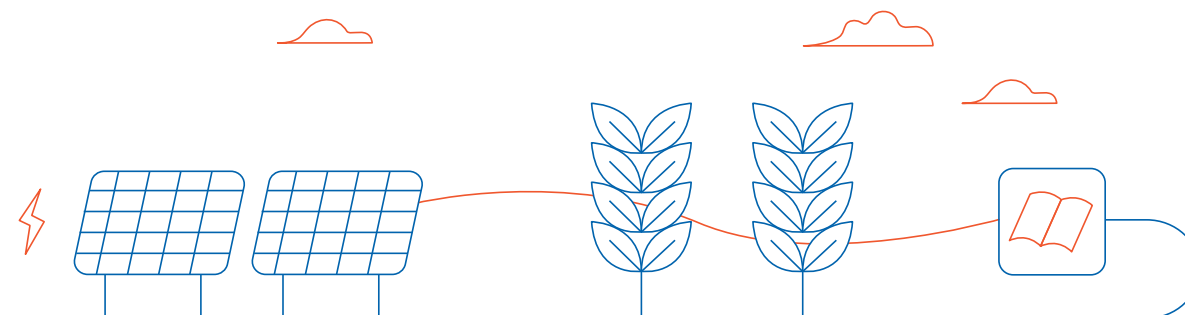
Children rescued and rehabilitated from railway stations, with a focus on reuniting them with families and ensuring safe futures

\*Note: Beneficiary estimates are based on the full project period and not just the financial year under consideration.



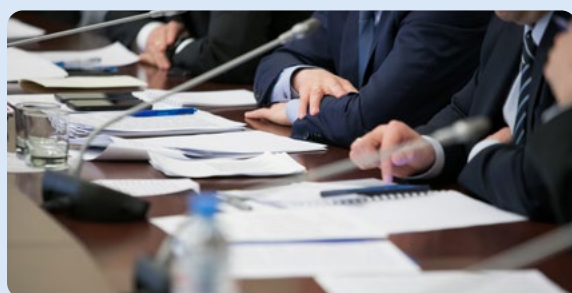
# Our Focus Areas

Our Responsible and Sustainable Business Conduct policy is aligned with NGRBCs and our business model. To drive ESG objectives and maximise impact, we are directing our efforts towards these priorities.



## Corporate Governance

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



Read more on [Page 16](#)



## Financial Inclusion

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



Read more on [Page 30](#)



## Customer Obsession

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



Read more on [Page 58](#)



## Human Capital Management

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



Read more on [Page 70](#)



## Preserving and Protecting the Environment

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



Read more on [Page 38](#)



## Empowering Society

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



Read more on [Page 48](#)



## Information Security, Cyber Security and Fraud Controls

Adopt robust information security, cyber security, and fraud control practices



Read more on [Page 88](#)



## Stakeholders' Engagement

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



Read more on [Page 96](#)



## Corporate Governance

### Committees

- ✦ Voluntary constitution of a **Customer Service Committee of the Board**.
- ✦ Board-approved **ESG Committee**.
- ✦ Board-approved **Credit Risk Policy Committee of Management**.
- ✦ Board-approved **Product Operations Process Committee of Management**.
- ✦ Board-approved **Product Approval Committee**.

### Policies

- ✦ Board-approved **Responsible and Sustainable Business Conduct Policy**.
- ✦ Board-approved **Risk Management Policy**.
- ✦ Board-approved **Code of Ethics and Personal Conduct** for employees across BFL Group.
- ✦ Board-approved framework for **good corporate governance for subsidiaries**.
- ✦ Board-approved **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.
- ✦ BFL Group's **Tax Governance Policy**.

- ✦ **A robust internal control system**, guided by clear policies and procedures, is in place across all functions and is periodically reviewed by auditors.
- ✦ **Dedicated compliance function** headed by a Chief Compliance Officer (CCO).
- ✦ Comprehensive **risk management framework**.
- ✦ Strong governance model for **debt management services' practices**.
- ✦ Appointed **two Internal Ombudsman (IOs)** responsible for dealing with customer concerns and complaints.
- ✦ **Board and RMC maintain oversight** of ESG strategy and performance.
- ✦ More than 62,000 of BFL Group employees **completed mandatory compliance course training** (ESG, Code of Ethics and Personal Conduct, POSH, KYC/AML, Data privacy, cyber security, etc.).
- ✦ Prudent and responsible business conduct:
  - ✧ **CRAR of 21.93%** versus regulatory stipulation of 15%.
  - ✧ **Strong Asset Liability Management (ALM)** with cumulative positive gap across all time buckets.
  - ✧ **Consolidated gross NPA at 0.96% and net NPA at 0.44%** are amongst the lowest in the industry.

## Financial Inclusion

- ✦ Provided financial services in **2,681 rural/smaller towns and villages**.
- ✦ Extended financing to more than 26 million **new-to-credit customers** during last 6 years.
- ✦ Provided financing access to over 17 million **women borrowers** amounting more than ₹ 120,000 crore during last 3 years.
- ✦ **Rural Lending and Gold Loans** AUM of ₹ 37,718 crore.
- ✦ Enabled livelihood through **three-wheeler passenger vehicle financing** of more than ₹ 10,000 crore and **SME lending** of more than ₹ 77,000 crore during last 3 years.
- ✦ Disbursed over ₹ 2,400 crore through more than 4.40 lakh **loans towards medical procedures and health and wellness** during last 3 years.
- ✦ **Tractor financing** – more than ₹ 700 crore disbursed during FY2025.
- ✦ Disbursed **Group lending loans** to more than 345,000 women customers in 25,000 villages across 131 districts in 10 states of the country till March 2025, through 418 branches.
- ✦ Disbursed more than ₹ 46 crore under **Affordable Housing Loan** to over 310 customers, to provide long-term, affordable credit solutions and support homeownership for underserved and low-income communities.
- ✦ **Higher Fixed Deposit (FD) rates for senior citizens** – additional interest of 0.40%. Till date approximately 9.7 lakh FDs placed.
- ✦ Over the last 3 years, disbursed over ₹ 1,990 crore through more than 2.8 lakh **loans for educational purposes**.

## Customer Obsession

- ✦ For FY2025, received over 1.65 crore responses and achieved a **Customer Satisfaction Measurement (CSAT) score** of 97%.
- ✦ Launched **Financial Literacy Programme** that covered over 4,300 individuals.
- ✦ Established a **citizen charter framework** to protect interest of customers.
- ✦ Implemented more than **25 service modules and over 340 service processes** on both its app and website.
- ✦ **Centralised call recording** and monitoring infrastructure by BFL for outsourced debt management services agency networks.
- ✦ **'Grahak Sampark'** initiative that enables the leadership team from Head Office to connect virtually with customers to hear their experience while interacting with BFL. In FY2025, 17 meetings were done, covering 69 branches wherein 219 customers participated.
- ✦ **Dedicated debt management service desks** across 38 branches to address debt-related queries of walk-in customers.
- ✦ A **revised Key Fact Statement (KFS)** was introduced by the RBI in April 2024, with an implementation deadline of 1 October 2024. However, BFL had proactively implemented the new KFS across all critical lending businesses.
- ✦ **BFL IVR is available in 9 different languages** and is operational 24/7, IVR also offers dynamic interactive self-service options for 72 use cases.
- ✦ 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.

## Human Capital Management

- ✦ In FY2025, invested more than ₹ 33 crore in **learning and development**, averaging ₹ 5,600 per permanent employee. Over 60,000 employees participated in at least one skill development programme.
- ✦ A range of **leadership development programmes** like PROPEL, Executive Coaching, etc., to enhance their capabilities, leadership skills, and creating a potential internal succession pool.
- ✦ Our corporate office has maintained a healthy female employee ratio of 22% in FY2025.
- ✦ BFL Head Corporate Office has obtained ISO 14001:2015 and ISO 45001:2018 certifications for its Integrated Environmental and Occupational Health & Safety Management System.
- ✦ Implemented **EHS Policy** at BFL.
- ✦ Over 10,000 employees were **recognised and rewarded** in FY2025 for exemplary performances and for taking initiatives.
- ✦ **Wellness programmes** – Pure Life Initiative:
  - ✧ Annual Health Check-up
  - ✧ Curated Health Programmes
  - ✧ Counselling Support
  - ✧ Physical and Mental Wellness
- ✦ **Financial assistance initiatives** like iCare, etc.
- ✦ **Diversity, Equity, and Inclusion Initiatives:**
  - ✧ Launched Women-led Branch initiative within our gold loans department – appointed 146 women branch managers entrusted with key responsibilities.
  - ✧ Karwaan is an opportunity for female employees to engage with industry leaders and spark meaningful conversations.
  - ✧ **Gender Diversity and Inclusion Council.**
  - ✧ Board-approved Gender-Neutral Prevention of Sexual Harassment (POSH) Policy.
  - ✧ Providing opportunities for People with Disability (PwD).
  - ✧ Spectrum Programme is a cornerstone of our commitment to well-being and diversity.
  - ✧ Employee Resource Groups (ERGs) focuses on women, differently abled individuals, and other groups, providing a platform for employees to connect, share experiences, and access resources.
- ✦ **Employee engagement:**
  - ✧ BOL – Building Open Listening Framework
  - ✧ Daan Utsav
  - ✧ Celebrations
  - ✧ Own My Branch (OMB) Framework
- ✦ **Zero-tolerance approach to unethical behaviour** and adherence to BFL's- Code of Ethics and Personal Conduct (CoEPC), Mind Your Behaviour, Disciplinary Action Policy, and Whistle-blower Policy.

KEY ESG

HIGHLIGHTS



## Preserving and Protecting Environment

- During last three years through various **digital initiatives**, BFL Group has reduced paper consumption by more than 610 crore sheets saving around 730,000 trees. (1 tree = 8,333 sheets of paper).
- Procured **over 86%** Forest Stewardship Council (FSC)-**certified recycled paper** during FY2025.
- Financed more than 79,000 **e-vehicles** and disbursed over ₹ 1,200 crore during the year.
- Facilitated access to environment friendly renewable energy sources by **financing solar panels** - disbursed over ₹ 23 crore through more than 6,000 loans in last three years.
- Generated more than 2 lakh units of solar energy through installed capacity of over 620 KW of **rooftop solar power plants** across 7 locations.
- BFL Group planted more than **2 lakh saplings** in FY2025, taking the total count of saplings planted to more than 545,000 till date.
- 20** environment-friendly electric vehicles (**EVs**) for **inter-office shuttle services**.

## Empowering Society

- In FY2025, 213 projects were implemented with a **CSR spend of ₹ 289.80 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. Since its inception, CPBFI has **trained over 100,000 students, including 46,807 in FY2025** alone, reaching 161 districts across 23 states in India.
- 17,934 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 - **10,792 PwDs have benefitted** from the programmes. Sector-Specific or Need-Based training - **24,305 youth have been benefitted** from these programmes.
- Support projects linked to child health, child education, child protection and inclusion for PwDs:**
  - 32,244 were supported through Health interventions
  - 540,648 benefitted from Education-related initiatives
  - 43,075 supported under Children protection
  - 484,486 Persons with Disabilities were supported

# KEY ESG

## 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 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.
- In FY2025, **advanced security posture** through strategic initiatives designed to fortify its infrastructure and enhance resilience.
  - Implementation of Database Activity Monitoring to provide real-time visibility into data access and usage, ensuring the integrity of sensitive information.
  - Deployed Network Behaviour Anomaly Detection to identify and mitigate potential threats by analysing deviations in network traffic patterns.

## Stakeholders' Engagement

- Implemented **Corporate Communication Policy** that defines the approach to communicate with media.
- Ensures one of the **highest standards of business information disclosure** amongst financial services companies in India.
- 'Samvaad - (Dialogues to Success)'** was organised in-person for 10 days; over 1,200 retailers participated and interacted live with the senior management.
- Conducted **ESG awareness campaigns** for stakeholders to encourage them for upholding the ESG values.
- As on 31 March 2025, more than 34,000 participants are **DRA-certified** with the support of more than 110 facilitators, including over 70 CAIIB-certified professionals **as per IIBF norms**.
- BFL has a well-crafted **'Stakeholders Relationship Committee'** to review the grievances of debenture and deposit holders, in addition to the shareholders of the Company.
- Engagement with regulators:**
  - Regular connect with RBI dealing officers across centres for smooth & timely disposal of escalations. In line with this BFL has participated in 54 nodal officer meetings.
  - 18 courtesy meeting with various RBI Ombudsman offices.
- During FY2025, BFL crafted over 25 digital campaigns which included more than 1,400 social media posts. These campaigns generated over 1.3 crore impressions together with more than 1.4 crore video views and over 3.6 lakh engagements. - **These campaigns focused on three essential verticals that are fraud prevention and awareness with cyber security and digital safety and financial literacy.**

# HIGHLIGHTS



“

As a responsible business and part of Bajaj Finserv, we are rooted in a culture of good governance. Transparency and accountability are taken seriously and cut through all areas in the organisation. Strong governance is at the core of how we do business.

”



**Anup Saha**  
Managing Director

# 01

## 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.

### UN SDGs Aligned





# Steering Growth through Robust Corporate Governance

As a proud member of the Bajaj Group, we uphold its strong nationalist ethos and commitment to stringent corporate governance, predating SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and other Regulatory Laws. The BFL Group integrates Bajaj Group's values of ethics, transparency, accountability, and responsible business conduct into its daily operations, ensuring compliance with all regulatory guidelines and transparent performance disclosures.



Our Leadership

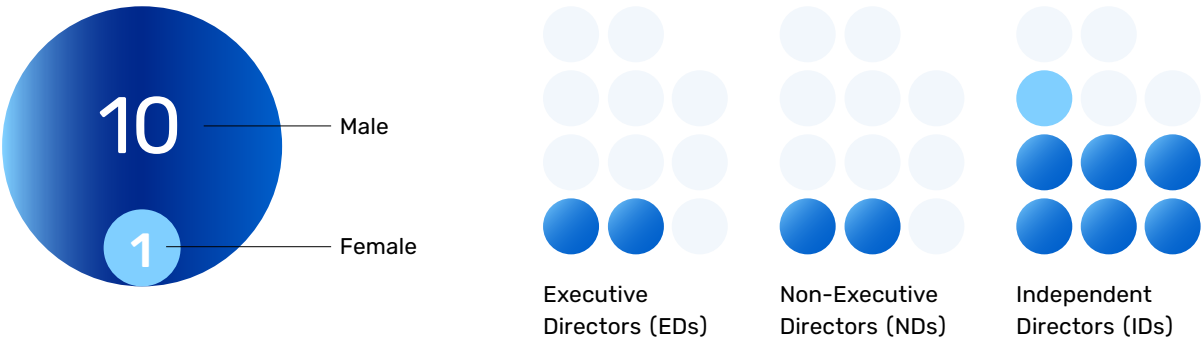
## Our Corporate Governance Structure

### Board of Directors

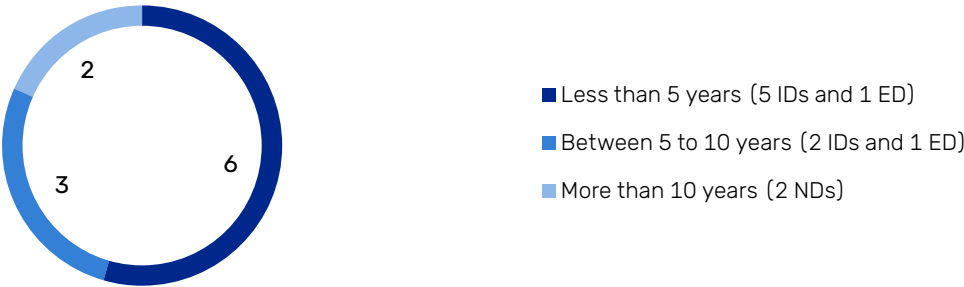
The Board at BFL comprises members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research, banking, etc. and bring with them experience/skills which further contribute to enhance the performance of the Board. The 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 selected purely based on merit, with no discrimination on race, colour, religion, gender or nationality.

### Board Composition and Gender Diversity



### Average Tenure of Board of Directors



### Expertise of Board of Directors

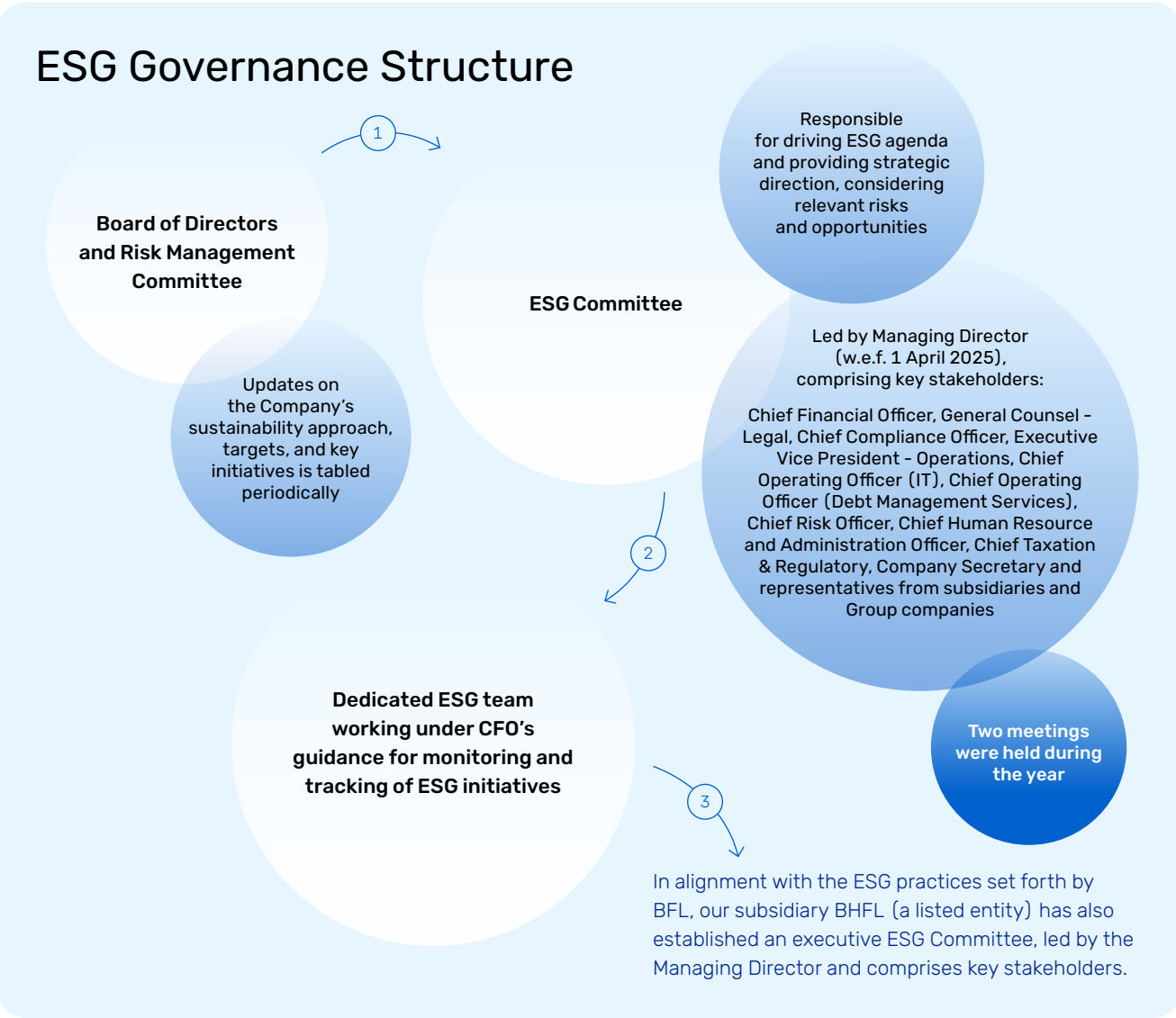
Management and Governance	Understanding of Accounting and Financial Statements	Risk, Assurance and Internal Controls
11 Directors	11 Directors	10 Directors
Financial Services	Technology and Innovation	Regulatory, Public Policy and Economics
9 Directors	8 Directors	9 Directors
Consumer Behaviour, Sales, Marketing and Customer Experience	Human Resource	Business Transformation and Strategy
7 Directors	11 Directors	10 Directors



## Board Committees

BFL's Board, the governing body of the Company, is assisted by 12 different committees. The Board is responsible for the management and all business operations, which it does directly and through the committees, which meet at adequate frequency to ensure effective oversight.

- Audit Committee
  - Nomination and Remuneration Committee
  - Stakeholder Relationship Committee
  - Corporate Social Responsibility Committee
  - Risk Management Committee
  - IT Strategy Committee
- Customer Service Committee
  - Review Committee for wilful Defaulter's Identification
  - Strategic Investment Committee
  - Special Committee for monitoring & follow up of cases of fraud
  - Credit Committee
  - ALCO Committee



## Leadership Team

Our work ethic, entrepreneurial mindset, and high ethical standards define our leadership team, comprising of experienced professionals who play a pivotal role in emerging BFL as one of the most diversified and rapidly expanding financial services companies in the country. More details are available on the website at [Bajaj Finance Leadership Team](#).

## Our Governance Philosophy



### Committing to Ethical Integrity

A key pillar of BFL Group corporate governance is focus on ethics. The BFL Group maintains a zero-tolerance stance towards unethical business practices. To promote an ethical culture within the Company, we have carefully developed a comprehensive set of policies and frameworks. We emphasise strict adherence to these guidelines, making them the foundation of our operations and decision-making.

Comprehensive policies addressing Code of Conduct, Disciplinary Action, Whistle Blower, Corporate Governance, Prevention of Insider Trading, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI), Prevention of Money Laundering, Prevention of Sexual Harassment at the Workplace, Employee Charter – Human Rights Statement, Environment, Responsible and Sustainable Business Conduct and handling of Related Party Transactions are in place and reviewed periodically by the Board/respective committees/senior management personnel as may be applicable.

Key summary of our ethical integrity practices are as follows:

### Ethical Conduct for Board of Directors and Leadership

BFL and BHFL have 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.

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

### Upholding Zero Tolerance for Unethical Practices

#### Code of Ethics and Personal Conduct (CoEPC)

- ✦ Board-approved CoEPC, adopted by BFL Group.
- ✦ Sets standards for professional behaviour and guidance for employees.
- ✦ Covers areas like anti-bribery, anti-money laundering, insider trading, non-discrimination, confidentiality of information, conflict of interest, whistle blower, and environment, health and safety among other aspects linked to ethics.
- ✦ Aims to comply with environmental regulations as applicable, to minimise pollution and contribute to environmental protection.
- ✦ Platform for stakeholders to report grievances and unethical behaviour, to designated personnel.
- ✦ Effective implementation of CoEPC through mechanisms like the Disciplinary Action & Grievance Redressal and Whistle-blower Policies.
- ✦ Disciplinary Action Committee (DAC) at BFL, periodically reports significant incidents to the Managing Director (MD) and the Audit Committee, ensuring continuous monitoring of ethical behaviour.
- ✦ Employee performance appraisal systems integrate compliance of CoEPC. Disciplinary actions (categorised as: a. Counselling, b. Warning, c. Warning with Incentive Docking, d. Separation) taken against an employee affects performance evaluation.

**62,000+ employees**  
were provided with training on CoEPC across the BFL Group



Disciplinary Action & Grievance Redressal Policy and Whistle-blower Policy

- ✦ Aims to create internal governance framework for BFL.
- ✦ Offers a thorough framework for receiving and resolving complaints or grievances from stakeholders.
- ✦ Addresses various concerns, including instances of corruption, improper business practices, and behavioural issues.
- ✦ Outlines a staircase methodology and specifies action to be taken by committees responsible.
- ✦ BFL's policies safeguard employees against victimisation for reporting under whistle blower, POSH, disciplinary action, insider trading policies. These policies are subject to annual reviews and updates, wherever applicable. The Board views any non-compliance seriously and initiates action commensurate with proven violations.

'Know Your Customer' Policy

- ✦ Board-approved policy at BFL.
- ✦ Ensures effective implementation of Company culture opposing money laundering and terrorism financing.
- ✦ Conforms to RBI guidelines and applicable laws.
- ✦ Policy covers following areas:
  - ✧ Customer due diligence (CDD)
  - ✧ Non-face-to-face CDD
  - ✧ Terrorist financing
  - ✧ Politically exposed persons (PEPs)
  - ✧ Senior management to sign off PEP customers
  - ✧ Record keeping
  - ✧ Independent evaluation of the compliance functions
  - ✧ Concurrent/Internal Audit system to verify the compliance with KYC/AML policies and procedures.

62,000+ employees in FY2025, completed KYC training across the BFL Group and more than 11,000 fixed-term contract employees at BFL also completed KYC training

Fair Practice Code (FPC)

- ✦ FPC is at the core of dealing with customers, and to reinforce its commitment to regulatory compliance and customer-centricity, BFL established a dedicated FPC unit last year. This unit actively collaborates with all businesses and functions to ensure adherence to regulatory guidelines and proactively identify opportunities for improvement.

- ✦ An approved Product Programme and Audit Framework, underpinned by baseline FPC metrics, tracks the charges levied and guarantees precision in every loan processed. Through continuous oversight and timely interventions, the FPC unit ensures transparency, fairness and accountability across all operational processes.
- ✦ A revised Key Fact Statement (KFS) was introduced by the RBI in April 2024, with an implementation deadline of 1 October 2024. However, BFL had proactively implemented the new KFS across all critical lending businesses, including MFI and digital lending loans.
- ✦ BFL introduced all service documents, including SOA, Foreclosure Letters, NOCs, and NDCs, in 20 vernacular languages.
- ✦ BFL has established a dedicated concurrent audit unit that focuses exclusively on the FPC process, ensuring strict compliance with guidelines through faster corrective and preventive actions across all businesses and functions.

Tax Strategy and Governance

BFL Group is committed to comply with existing laws and regulations with a zero-tolerance policy for non-compliance. It ensures timely statutory tax compliance across all jurisdictions using technology for tracking, escalations, and reviews. The Group's Tax Governance Policy and tax risk management strategy are designed to enhance long-term shareholder value and uphold its reputation as a responsible taxpayer.

Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)

Complete adherence to the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII) is ensured at BFL Group, 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.

Adherence to Confederation of Indian Industry ('CII') Charters

BFL, through its Parent Company, i.e. Bajaj Finserv Limited (BFS), has signed charters of 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.

Rooted in a Culture of Compliance, Transparency, and Accountability



Compliance

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. Keeping in mind this philosophy, BFL significantly augmented its headcount in the compliance function during FY2025.

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 programmes have been rolled out to enhance the compliance knowledge and awareness of our employees.

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



Transparency

BFL Group believes in adhering to transparency and fairness in every aspect of its operations in letter as well as in spirit.

- ✦ **Customers:** We ensure our products provide all relevant information for customers to make informed choices. Product details are disclosed as per regulatory requirements and are available on the BFL Group website at [www.bajajfinserv.in](http://www.bajajfinserv.in)
- ✦ **Shareholders and Investors:** We prioritise transparency through detailed communication with stakeholders, including investor presentations, quarterly and event-based updates, earnings call transcripts, prompt sharing of price-sensitive information, and half-yearly performance updates. The Company voluntarily provides provisional key financial metrics for respective quarters to the stock exchanges within seven days from the end of the quarter.
- ✦ **Employees:** 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 across the Company. Employees can also make suggestions, raise concerns, and seek direct responses from the senior management on any queries/concerns.
- ✦ **Political Contribution:** During the year BFL has made donation of ₹ 25 crore to political parties.





Accountability

BFL Group upholds the spirit of accountability. The BFL Group is managed by competent and qualified professionals, while being proficiently overseen by their respective Board of Directors.

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

Key Governance Practices

- ✦ BFL and BHFL have voluntarily constituted a Customer Service Committee of the Board (CSCB) headed by an Independent Director, to strengthen the customer experience, engagement, and monitoring process.
- ✦ BFL and BHFL hold more Board and Committee meetings than the statutory requirement, including meetings dedicated for discussing strategy, operating plans, and risks.
- ✦ Panel of Independent Directors with outstanding track records and reputation at BFL and BHFL.
- ✦ The calendar for the Board and Committee meetings of BFL are fixed in advance for the entire year and circulated to the Directors, way in advance, to ensure their participation.
- ✦ All the major Committees are chaired by Independent Directors at BFL and BHFL. BFL's Audit Committee comprises only of Independent Directors, which is beyond the requirement of law.
- ✦ Independent discussions by BFL's and BHFL'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 at BFL and BHFL, without presence of Non-Independent Directors or executive management.
- ✦ Half-yearly communication from the Chairman at BFL and BHFL 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, President and Chief Human Resource and Administration Officer, and members of executive management who are the process owners at both BFL and BHFL.
- ✦ Complete and detailed information is provided to Board members at BFL and BHFL in advance to enable them to review all matters carefully for meaningful discussions.
- ✦ Risk Management Policy of BFL and BHFL includes sustainability (particularly, ESG-related risks) assessment and risk minimisation procedures.

- ✦ The scope of Risk Management Committee at BFL and BHFL is defined and includes credit risk, operations risk, debt management services, human resource risk, investment risk, financial risk, technology risk, ESG risk, and legal and compliance risk.
- ✦ Confidential Board evaluation process at BFL as well as BHFL, where each Board member evaluates the performance of every Director, Committees of the Board, the Chairman of the Board, and the Board as a whole.
- ✦ BFL has Board-approved corporate governance guidelines for subsidiaries covering minimum information to be placed before BFL Board and Committees, related party transactions, review of loans, advances, and investments, and exchange disclosures regarding subsidiaries.
- ✦ BFL has implemented the RBI introduced, Internal Ombudsman (IO) Scheme to deal with customer concerns and complaints. BFL has appointed two IOs, who independently review the resolution provided by the Company.
- ✦ Ongoing familiarisation programme keeps the Board of BFL and BHFL, including Independent Directors, updated on industry matters, business model, risk management, regulations, IT and cyber security, roles and responsibilities, and major Company developments.
- ✦ 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, 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.
- ✦ 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 as applicable.
- ✦ 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 Report on Corporate Governance section of the Annual Report at Page 72.

Risk Governance, Management Process and Culture Governance

As an NBFC, BFL is mainly exposed to credit, liquidity, operational, market and interest rate risks. 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.

Risk Framework

Governance	Functions
Board of Directors	Oversight and review of the risk management principles and policies, strategies, risk appetite, processes and controls.
Risk Management Committee (RMC)	<ul style="list-style-type: none"><li>✦ RMC Composition and detailed terms of reference of RMC can be accessed at Page 87 of the Annual Report FY2025.</li><li>✦ Meeting of RMC is held along with the meeting of Board of Directors.</li><li>✦ RMC met six times in FY2025.</li><li>✦ Reviews the status and progress of the risks and risk management system on a regular basis.</li><li>✦ Scope 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.</li></ul>
Chief Risk Officer (CRO) assisted by Risk Heads and Managers	<ul style="list-style-type: none"><li>✦ Board appointed a CRO in line with the RBI guidelines on Risk Management System – Appointment of Chief Risk Officer (CRO) for NBFCs.</li><li>✦ CRO reports to the MD.</li><li>✦ Acts as second line of defence and is structurally independent of the business lines.</li><li>✦ Responsible for establishing policy, monitoring risk profiles, and forward-looking risk identification and management.</li><li>✦ Quarterly update presentation by CRO to RMC and the Board on the risk exposure, performance against risk appetite and the risk profile.</li><li>✦ Periodic formal updates on various portfolios, latest-risk management practices and risk-specific information/awareness are provided to RMC and the Board.</li></ul>





## Risk Management Process

BFL promotes a strong risk management culture that is embedded across the organisation.

The Board of Directors has 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.


The Company has deeply invested in its risk organisation structure that includes dedicated credit risk units for each business vertical; business specific units such as underwriting, risk containment and fraud control, payment risk; and horizontal risk analytics, business intelligence and operational risk management units. In addition, BFL continues to invest in debt management services capacity.

As part of the revised framework and the guidance note issued by the RBI on 30 April 2024 on operational risk management and operational resilience, BFL has put in place a Board-approved Operational Risk Management Policy which outlines the governance structure and processes for managing operational risk. The policy involves assessing and measuring risks, monitoring them closely, and implementing mitigating measures through a structured governance framework. A management level Operational Risk Management Committee (ORMC) has been put in place to oversee implementation of the Operational Risk Framework.

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



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

 Please refer to Annual Report for Risk Management Process at Page 44.

BFL 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 307 under section Financial Risk Management of Annual Report FY2025.

BFL has institutionalised a Board approved ICAAP policy and document which 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 FY2024 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.

BFL in its Board-approved ICAAP Policy has set out internal risk appetite limits for material risks that Company is exposed to for example – 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

Risk-Based Internal Audit (RBIA) is linked to the BFL's overall risk management framework. It 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. 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. BFL's Risk Management, Operational Risk Management, Information Technology and Cyber Security practices have already been elaborated in the Annual Report FY2025 at Page 44.

## 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 the 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. During FY2025 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 the Company.
- ✦ Financial incentives of the employees are linked to risk management metrics, including business goals, company performance, customer complaints, portfolio performance, compliance, and fraud controls.
- ✦ 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.
- ✦ Incorporating risk criteria in the product development or approval process. Each business/product of the Company starts operations only after the Product programme is approved and rolled out by all relevant internal stakeholders.

## Technologies and Analytics

Data, technology and analytics have been fundamental to BFL's digital transformation over the last few years, serving as key enablers of the Company's ability to innovate and scale. Through strategic investments in technologies such as Big Data and Cloud Computing, BFL has unlocked sophisticated data science techniques that address complex business challenges and elevate its decision making capabilities.

Integration of business intelligence and advanced analytics solutions spans across almost every facet of BFL's operations, including customer acquisition, cross-sell, propensity modelling, risk management, debt management, operational efficiency, and customer service.

Few key milestones in BFL's journey towards technological and analytical excellence include:

- ✦ BFL's entire data ecosystem and analytics are hosted on Microsoft Azure, which offers flexibility and scalability required to handle complex Big Data workloads, and supports over 1,500 active users in a dynamic, high-performance environment.
- ✦ The Company has seamlessly integrated with the Account Aggregator (AA) ecosystem, utilising consent-based information for real-time underwriting. This approach shifts from traditional data silos to a more integrated, customer-centric model, enhancing overall customer experience.
- ✦ BFL invests in products across all credit bureaus to enhance its 360-degree view of customer creditworthiness, enabling more informed and timely credit decisions using a multi-bureau framework.
- ✦ The Company continues to expand and refine its statistical models to manage risk across the credit lifecycle, including acquisition, account management and debt management. Enhanced capabilities from banking data insights introduce new variables, thus improving the precision of risk models.
- ✦ BFL's advanced risk analytics ensure adherence to ECL provisioning requirements, while continually enhancing governance frameworks, model monitoring, and validation to support sustainable risk management.
- ✦ Established a Board-approved Model Risk Management policy to create a framework for identifying, assessing, monitoring, and mitigating risks related to model development and use. This ensures models are utilised safely, effectively and in compliance with regulations.
- ✦ Leveraging cutting-edge data infrastructure, BFL has implemented real-time controls across various decision-making and operational processes. This significantly strengthens BFL's credit and operations risk management framework and ensures proactive risk identification and mitigation.





## Internal Controls

BFL has robust internal control systems in place, driven through various procedures and policies which are reviewed and tested periodically across processes, units, and functions and the effectiveness of internal controls framework is also assessed by auditors periodically. Its risk and credit teams have inbuilt processes to identify the existing and probable risks and to mitigate identified risks. Senior management also regularly monitors the mitigating measures. BFL 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.

BFL has instituted the 'three lines of defence' model, viz.

**First Line of Defence**

Internal operations management and management controls.

**Second Line of Defence**

Risk and Compliance function.

**Third Line of Defence**

Internal audit function.

BFL has a dedicated team for 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, it monitors Information and Technology General Controls (ITGC) on a periodic basis. The Company has specialised units within IT and operations 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 a regular basis. The control functions implement, review, and monitor the standards, and lay down policies and procedures by which the entity manages risks, including compliance with regulatory guidelines and applicable laws, adherence to operational controls, and relevant standards of conduct.

## 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. BFL continues to invest 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.

For further details please refer to "Customer Obsession" section of the report.

## 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 FY2025, BFL delivered:

**AUM Growth in FY2025**

26%

2025 ₹ 416,661 crore

2024 ₹ 330,615 crore

**Growth in Profit After Tax (PAT) in FY2025**

16%

2025 ₹ 16,779 crore

2024 ₹ 14,451 crore

**Return on Average Assets (RoA)**

4.57%

**Return on Average Equity (RoE)**

19.19%

## Exceeding Regulatory Standards

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

BFL		BHFL	
Capital to Risk-weighted Assets Ratio (CRAR)			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
21.93%	15%	28.24%	15%
Of which Tier-I			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
21.09%	10%	27.72%	10%
Statutory Liquidity Ratio			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
15.78%	15%	NA	NA
Liquidity Coverage Ratio			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
124.93%	100%	192.81%	100%
Cumulative asset liability mismatch			
1-7 days			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
51%	(10%)	29%	(10%)
8-14 days			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
56%	(10%)	37%	(10%)
15-30/31 days			
As of 31 March 2025	RBI Stipulation	As of 31 March 2025	RBI Stipulation
56%	(20%)	15%	(20%)





“

At Bajaj Finance, financial inclusion has been a journey we've continued with care and responsibility. We see every customer reached, every loan extended, as an opportunity to support someone's progress. We've leveraged data for deep customer understanding, along with India's digital public infrastructure to bring millions of new-to-credit customers into the formal financial fold. Our transformation as a FINAI company will now enable easier access to finance, enhance digital experience, and accelerate last mile delivery.”



**Manish Jain**  
Deputy CEO

# 02

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

BAJAJ FINANCE LIMITED

We, at BFL Group 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.

### UN SDGs Aligned





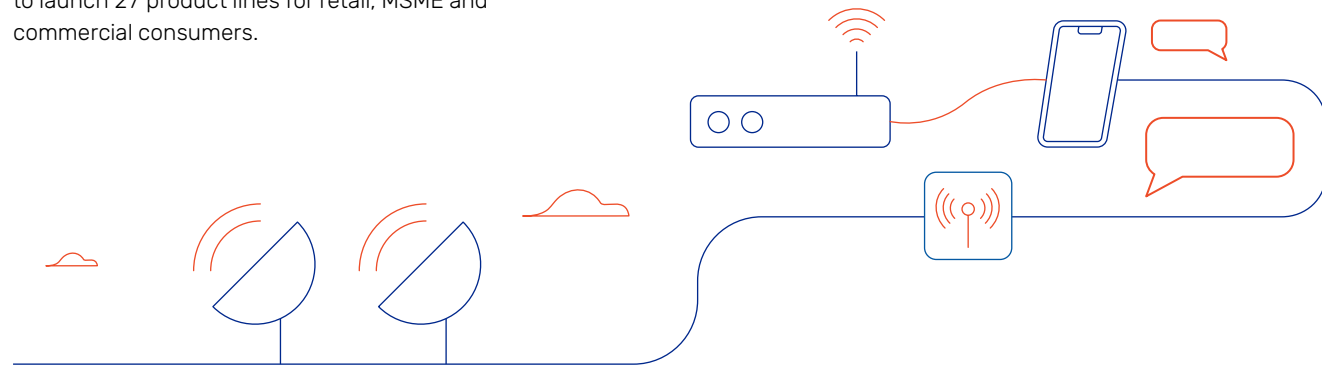
## Empowering Millions of Indians Financially

**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 lies tech-driven innovation and financial inclusion. Over the past 18 years, Bajaj Finance has enabled India's growing mass affluent and middle-class population in fulfilling their aspirations by providing access to an extensive range of financial solutions.

Since inception, the Company has leveraged technology to launch 27 product lines for retail, MSME and commercial consumers.

Recently, the Company announced a strategic partnership with Bharti Airtel, one of India's largest telecom service providers. Airtel will offer Bajaj Finance's retail and MSME products on its Airtel Thanks App and its nation-wide network of stores in a seamless and secured manner. The combined strength of the companies' digital assets will enable significant increase in penetration of financial products and services and will further reinforce our goal of empowering millions of Indians.



# 101.82 million

Customers

## 232K+

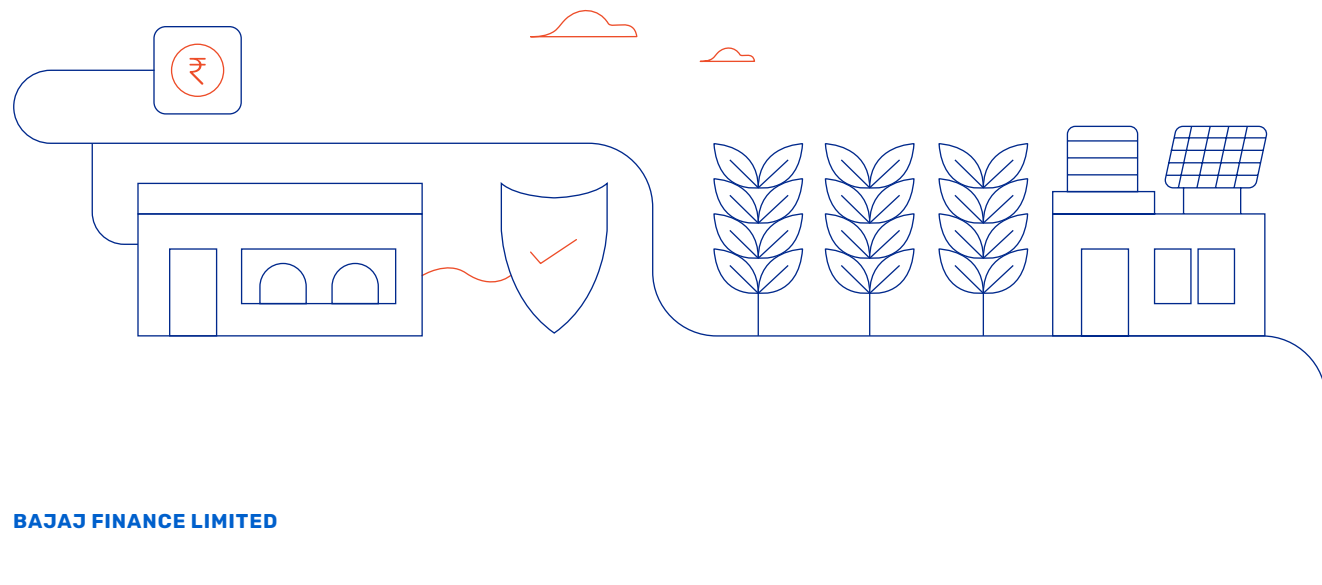
Active distribution points

## 4,263

Geographic locations

## 2,681

Presence in rural/ smaller towns and villages



## BFL's Focus Areas

Our focus is woven around 12 broad categories:



BFL has established a diversified business model with a strong focus on customer acquisition and multiple loans and services offerings. We are located in both 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. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of the Company's growth.





## Key Initiatives in Inclusive Finance

### New-to-Credit Financing

**26 million+**

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

### Empowering Women

In accordance with BFL Group's commitment to sustainable growth, it has identified women empowerment as a key focus area. **Over the last 3 years, loan amounting over ₹ 120,000 crore disbursed to more than 17 million women borrowers** 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.

**₹700 crore+**

Tractor loans disbursed in FY2025

### Affordable Housing

BFL launched its Affordable Housing Loan business to provide long-term, affordable credit solutions and support homeownership for underserved and low-income communities.

- Our business is built on the pillars of Accessibility, Affordability and Inclusion.
- We aim to address the unmet demand for formal housing finance for individuals with irregular income patterns, cash-based income, and limited or no formal credit history.
- Loan amounts are available up to ₹ 30 lakh, making it suitable for a wide range of affordable housing needs.**
- The offering aligns with government programmes aimed at promoting affordable housing for all. This reflects our commitment to inclusive financial access and long-term community development.
- We remain focused on maintaining robust risk and compliance frameworks, including responsible lending practices and customer-centric policies.
- BFL has disbursed over ₹ 46 crore to more than 310 families.

### Rural Lending

As part of BFL's Rural Lending initiative, it has 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 businesses closed current financial year with AUM of ₹ 37,718 crore, with a 32.74% growth registered over the previous financial year.



### Microfinance and Group Lending Loans

BFL has Microfinance and Group based lending operations carried out through its 418 branches.

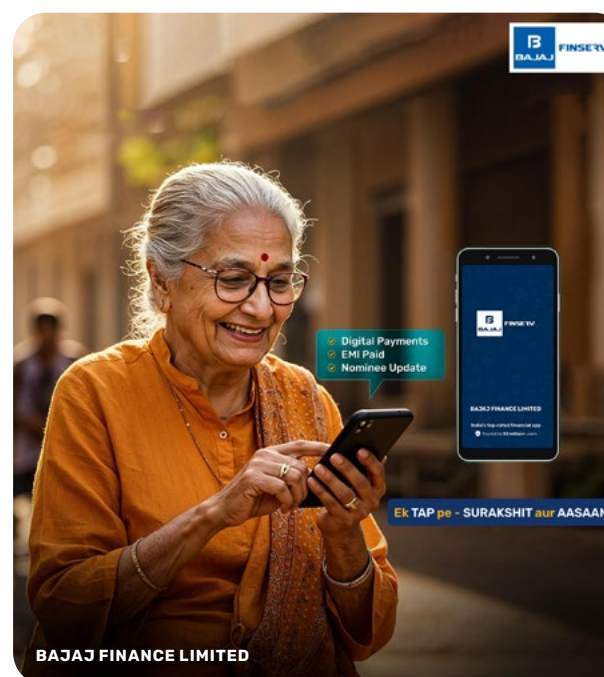
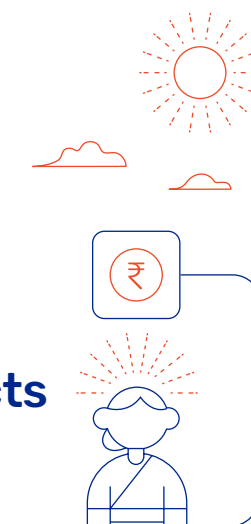
- BFL's Microfinance model focuses on providing micro loans to those who are often excluded from traditional banking systems, lacking collateral or credit history. Our aim is to empower and uplift low-income individuals with access to financial resources necessary to start or expand small businesses.
- Our guiding goal is to bridge the gap between under-banked population with those having access to formal financial services.
- We are using group lending model to individuals focusing on social collateral to mitigate the risks associated with serving clients in challenging economic situations.
- Microfinance 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.

By the end of March 2025, BFL has lent group lending loans to

**345,000+** women

in **25,000** villages across **131** districts

in **10** states of the country



### Bajaj Pay

Bajaj Pay is instrumental in fostering financial inclusion by driving the adoption of UPI payments and advancing digital payments infrastructure. As of 31 March 2025, (i) over 32 million customers have a wallet account with the Company; and (ii) More than 40 million have a UPI handle.

**By bridging the gap between customers and merchants, payment wallets enable greater financial engagement, expand access to formal financial systems, and facilitate economic participation across underserved communities.**

BFL has been driving UPI payments. It has accelerated quick response (QR) deployment at small and medium format merchants. Bajaj Pay QR enables merchants to accept payments by way of UPI, PPI (Bajaj Pay Wallet) and Bajaj EMI. The Company has deployed over 0.5 million merchant QRs in FY2025 with cumulative base crossing 3.7 million.



## Securing Lives and Livelihoods Sustainably

BFL's 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

BFL's 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.

**₹10,000 crore+**

Disbursed by BFL over last three years through more than 410,000 three-wheeler passenger vehicle loans

### Supporting SMEs

BFL addresses the working capital and term loan requirements of professionals, and relatively underserved SMEs and MSMEs. Thus, enabling growth and sustainability of these critical segments.

**₹77,000 crore+**

Disbursed by BFL over last three years for SME lending

### Green Finance

For responsible growth and sustainable development, BFL provides financing for solar equipment through affordable EMI schemes, facilitating access to environment friendly renewable energy sources.

**₹23 crore+**

Disbursed by BFL over last three years through over 6,000 loans for financing solar panels



### Education Goals

Educational loan is a key component of BFL's EMI financing solutions, with customised offerings addressing our customers' education loan requirements.

**₹1,990 crore+**

Disbursed by BFL over last three years through more than 2.8 lakh education loans

### Healthcare Financing

BFL's comprehensive EMI solutions are tailored to meet the healthcare and medical needs of customers, covering financing for medical procedures, fitness equipment, and bicycles.

**₹2,400 crore+**

Disbursed by BFL over last three years through more than 4.40 lakh loans in health and wellness sector



## Enhancing Customer Protection and Promoting Savings



### Deposits

BFL as a responsible financial partner, actively promotes a culture of savings among our customers:

- ✦ **Higher Fixed Deposit (FD) rates for senior citizens**, we provide additional interest of 0.40%. Till date, approximately 9.7 lakh FDs have been placed.
- ✦ In November 2024, BFL launched 'FD Max', a retail deposit product having rate of interest up to 25 bps higher over regular deposits, for deposits between ₹ 15,000 – ₹ 25,000.

### Mutual Fund

Mutual funds encourage regular savings through options like SIPs, helping individuals grow wealth over time. By promoting disciplined investing, mutual funds support financial security and long-term goals.

**₹170 crore+**

Invested in mutual funds by over 8,000 customers in past three years through BFL's subsidiary, BFSL (Bajaj Financial Securities Limited)

### 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. **More than 2,000 NPS accounts distributed and serviced till date.**

“At Bajaj Finance, we've leveraged data analytics and automation to simplify processes, improve financial access, and thereby, last mile delivery. Our ongoing digital transformation is now enabling us to deepen reach and further financial inclusion.”



**Harjeet Toor**  
Deputy CEO

### Insurance Products

BFL is an Insurance Regulatory and Development Authority of India (IRDAI) registered Corporate Agent authorised to distribute Life, Health and General Insurance products across 27 insurers. BFL currently works with three Life Insurance companies, nine General Insurance Companies and five Standalone Health Insurance companies offering their products across urban, rural, and semi urban geographies.

To ensure comprehensive coverage for our customers, we distribute life, health, and term insurance products as we **distributed more than 1.5 crore life insurance policies, more than 1.1 crore health insurance policies, and more than 7 lakh term life insurance policies, in the last three years.**

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.



“

Environmental protection is a business imperative for Bajaj Finance. While technology has been the key driver for paperless processes and green products, we are also nurturing an employee culture that aligns with our sustainability goals.

”



**Anupam Sirbhaiya**

President & Chief Human Resources and Administration Officer



# 03

## Preserving and Protecting the Environment

BFL Group is committed to promoting a clean and sustainable environment by enhancing its environmental performance. We focus on providing financial solutions with minimal resource consumption. We promote a conservation-oriented culture by closely monitoring resource use and encouraging innovative ways to reduce reliance on natural resources.

### UN SDGs Aligned



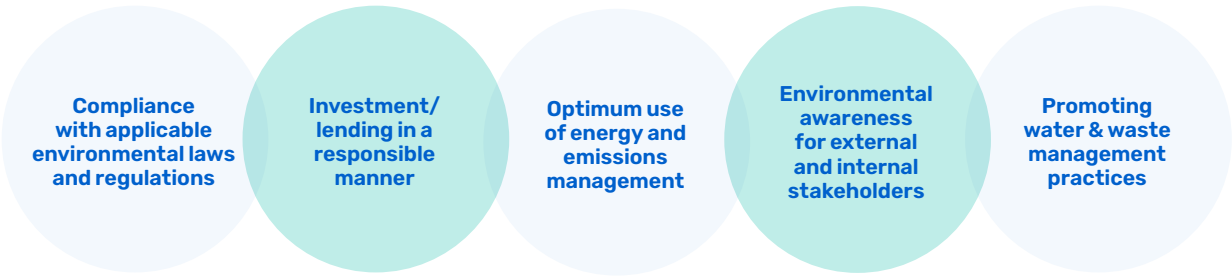


# Environmental Governance

At BFL Group, environmental responsibility is one of the core parameters of our governance framework. BFL Group’s Code of Ethics and Personal Conduct (CoEPC), along with the Environmental Policy at BFL and BHFL are critical components of our commitment in minimising our environmental impact, and ensuring ethical, sustainable practices across the organisations.

With governance and oversight from our ESG Committee and Risk Management Committee, we continue to prioritise the responsible management of environmental resources, mitigate risks, and pursue sustainability goals.







BFL and BHFL’s [Environmental Policy](#) highlights key best practices that endeavour to achieve environmental sustainability, with critical focus areas including:






## Environmental Policy Exclusion List

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.

Across all business segments, we do not finance customers engaged in:

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

Under commercial lending business segment, we do not finance customers engaged in:

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



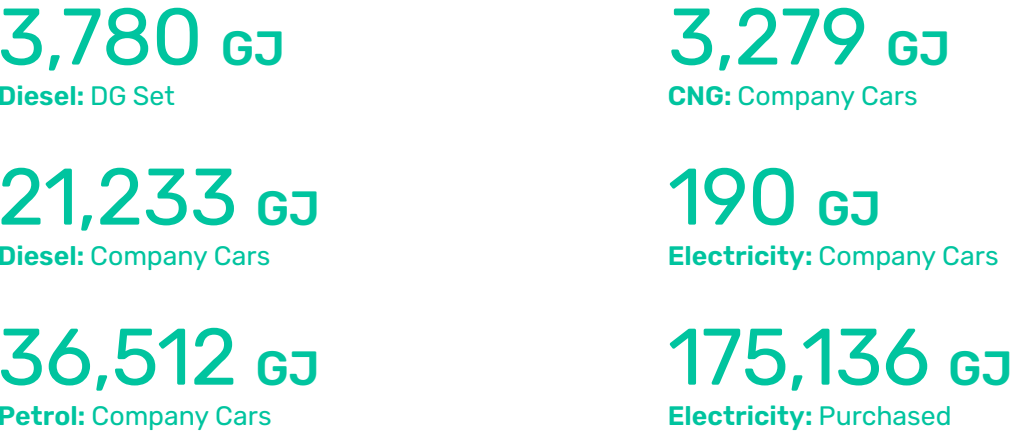
# Environmental Key Performance Indicators (KPIs)

Environmental Key Performance Indicators (KPIs) play a crucial role in helping organisations measure, manage, and reduce their environmental impact. However, the expansion of BFL Group’s physical presence, includes opening new offices and branches to accommodate our growing talent and meet the demands of ever-expanding businesses, has led to an increase in our overall environmental footprint.

To remain committed to environmental responsibility, we continuously monitor our performance through key Environmental KPIs. These indicators help us understand the impact of our operations and identify opportunities for improvement. Below are the Group’s Environmental KPIs:

## 1. Energy Consumption

As a service-based industry, energy plays a critical role in our operations at BFL Group. In FY2025, we consumed 240,862 Gigajoules (GJ) of energy – which has increased by 45,005 GJ on account of Group’s increased operational footprint.



Out of the total energy consumed at BFL Group, electricity is the primary contributor with 176,059 GJ accounting for 73% of the total consumption.

Most of this electricity is procured from the grid. However, the feasibility of implementing alternate clean sources of energy is being continually explored at the Group. Till date, rooftop solar devices have been installed at 7 locations.





Energy Efficiency Initiatives

Energy efficiency is a smart choice for a sustainable future. We, at BFL Group, contribute for creating a brighter, cleaner, and more sustainable world for all by embracing energy efficiency activities in our daily lives and businesses.

Initiatives Undertaken



**Advance illumination**  
Over 3,500 BFL Group branches are provided with LED light fittings as a standard feature.

**Outcomes**  
LED fittings boast a long lifespan and consume significantly less electricity, saving both energy and the environment in the long run.



**Daylighting**  
Selecting and designing offices to harness natural sources of light and brighten and illuminate interior environments.

**Outcomes**  
Promoting a connection to the outdoors and providing various benefits such as energy savings and improved well-being.



**Rooftop solar installations**  
Rooftop solar at total of 7 locations, with a total capacity of over 620 KW.

**Outcomes**  
Resulting in avoidance of over 145 tCO<sub>2</sub>e during FY2025.



**EV shuttle services**  
20 environment-friendly electric vehicles (EVs) for inter-office shuttle services, significantly reducing air pollution and improving local air quality.

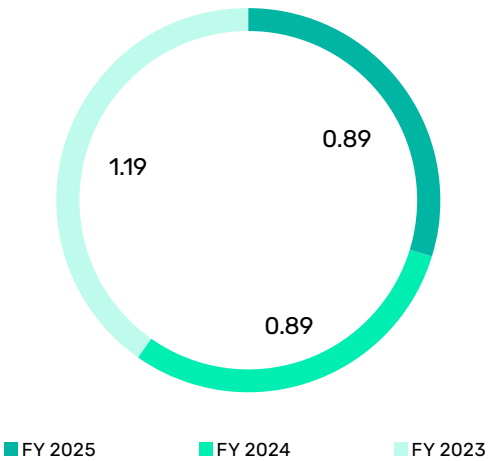
**Outcomes**  
Traveling around 4.5 lakh kilometres and completing around 1.8 lakh trips during FY2025 avoiding ~52 tCO<sub>2</sub>e.

2. Greenhouse Gas (GHG) Emissions

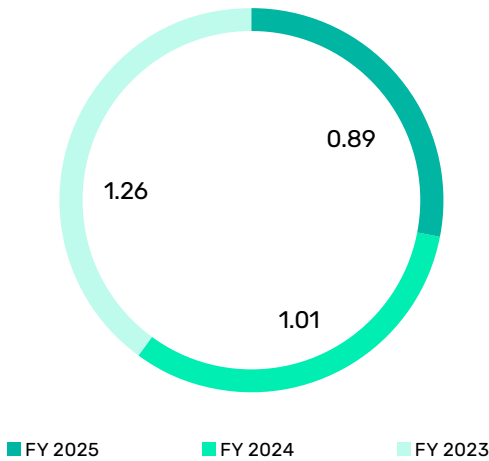
In upholding BFL Group’s environmental responsibility, it is essential to evaluate and manage the GHG emissions, considering various aspects of its operations.

In FY2025, BFL Group’s total Scope 1 and 2 footprints stood at 41,652.23 tCO<sub>2</sub>e. Scope 3 emissions from four categories (mentioned below) as per GHG Protocol stood at 20,452.05 tCO<sub>2</sub>e. Overall, our Scope 1 emissions accounted for 10%, Scope 2 emissions accounted for 57%, and Scope 3 emissions accounted for 33% of the total reported emissions.

Total GHG Emission (Scope 1,2 and 3) Intensity per crore of Consolidated Total Turnover



Total GHG Emission (Scope 1,2 and 3) Intensity per Average FTE



In our ongoing efforts to enhance the completeness of GHG inventory, in FY2025, we expanded our Scope 3 disclosures to include Category 3 and Category 5 as per GHG Protocol. BFL Group’s current Scope 3 emissions portfolios include:

**Category 1 Purchased Goods and Services**  
Procurement of office supplies and housekeeping supplies, courier, and relocation of employee’s household goods

1,319.65 tCO<sub>2</sub>e

**Category 3 Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)**  
Transmission and Distribution (T&D) losses

6,238.41 tCO<sub>2</sub>e

**Category 5 Waste Generated in Operations**  
Disposal and treatment of E-waste and Battery waste

0.81 tCO<sub>2</sub>e

**Category 6 Business Travel**  
Travel by air, train, road, hotel stay, and guesthouse stay

12,893.18 tCO<sub>2</sub>e

Bajaj Finance’s commitment to carbon neutrality

At Bajaj Finance, we aim to achieve carbon neutrality for Scope 1 and 2 emissions by 2032, further reinforcing our unwavering commitment to a sustainable and responsible future.





Independent Verification of GHG Emissions

BFL Group is committed to make consistent efforts to enhance the credibility and reliability of its reported carbon footprints. For FY2025, BFL Group undertook a reasonable level of assurance for Scope 1 and 2 emissions, in compliance with SEBI guidelines. Additionally, BFL Group voluntarily obtained limited level of assurance for reported Scope 3 emissions through an external independent assurance provider.

Please refer to the BFL's Annual Report FY2025, Page 205, for detailed assurance statement.

Measures to Reduce GHG Emissions

Ozone-friendly Air Conditioning Systems

BFL is promoting usage of ozone-friendly refrigerants that help prevent ozone depletion and reduce the risk of harmful UV radiation. These refrigerants utilise newer technologies that are more energy-efficient, consume less electricity, and produce lower greenhouse gas emissions.



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 a healthier planet, BFL Group procured over 86% of Forest Stewardship Council (FSC)-certified recycled paper during FY2025.

86%+

Forest Stewardship Council (FSC)-certified recycled paper procured by BFL Group

Sapling Plantation

To preserve the environment, promote biodiversity, and mitigate climate change, BFL spearheaded a tree plantation initiative 'Project Aranya' which successfully led to the plantation of around 2 lakh saplings during the year.

10,000+ saplings

Planted by BHFL during FY2025 as part of a tree plantation drive

545,000+ saplings

Planted by BFL Group till date and built a robust plantation portfolio

Digital Initiatives

BFL Group leverages digitalisation to enhance efficiency, customer experience, and operational agility. Through smart technologies, the Group drives innovation while supporting sustainability goals. It has two initiatives:

- 1 Paper-saving Initiatives
- 2 Digital Initiative



1 Paper-saving Initiatives

By comprehensively integrating digital applications into its business operations, BFL Group has reduced paper consumption by more than 610 crore sheets during last three years, saving around 730,000 trees.

(1 Tree = 8,333 sheets of paper)



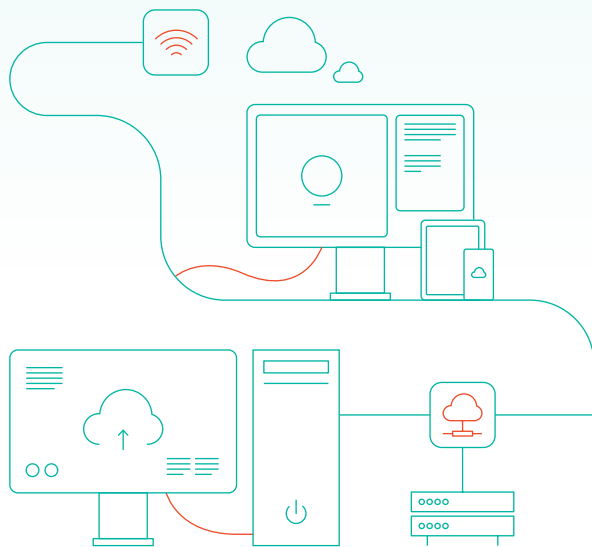
- ✦ Through its Zero Paper initiative, BFL has achieved 95% Digital KYC, 92% E-Mandate adoption, and 98% E-Agreements, resulting in a reduction of physical documents from 23% to 13%, reinforcing its commitment to sustainability and digital transformation.
- ✦ Enabling BFL customers to place deposits online, till date over 5 lakh deposits have been placed digitally. With more thrust on digital sourcing of deposits, approximately 73% of the deposits sourced during the year are paperless.
- ✦ BFL replaced physical EMI cards with digital EMI cards.
- ✦ BFL encourage dissemination of insurance, extended warranty, comprehensive asset care policies, and bureau reports by partners through a digital medium.
- ✦ BFL Group is focusing on migrating all mandatory and voluntary customer communications over email and messaging apps, etc.
- ✦ Shifting from issuance of physical purchase orders at BFL to electronic purchase orders.
- ✦ Issuance of digital visiting cards to BFL employees.
- ✦ Shifting a large proportion of BFL invoice processing to e-invoicing.
- ✦ Password-enabled centralised printing system at BFL to reduce paper waste.





## 2 Digital Initiatives

- ✦ Preferring 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 and BHFL sends documents such as notice calling the annual general meeting, postal ballot notice, audited financial statements, Directors' Report, Auditors' report, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the depositories.**



## 3. Waste Generation

In a dedicated effort to mitigate environmental impact BFL and BHFL have undertaken the Reducing, Reusing and Recycling (3R) approach and follow responsible waste segregation and disposal practices. Our waste management efforts primarily focus on E-waste and Battery waste, being significant to nature of our business operations. In our ongoing efforts to enhance our disclosure, we have started tracking Biomedical waste at our corporate offices.

BFL and BHFL has partnered with waste management vendors for the responsible disposal of its applicable waste by adhering to the Waste (Management) Rules.

### 34.24 tonnes

E-waste generated and recycled/safely disposed in FY2025

### 92.74 tonnes

Battery waste generated and recycled/safely disposed in FY2025

We are committed towards advancing waste management through innovative solutions, aiming to reduce waste, enhance recycling, and minimise our environmental impact as part of our ESG goals.

## 4. Water Usage

Given the nature of BFL Group's business operation, water is consumed primarily for domestic use and drinking. We source water from municipal or third-party suppliers at most of our locations.

**In FY2025, BFL Group's total water consumption is 856,862 Kiloliters (KL).**

The quantity of water (in liters) per employee is derived in line with the CGWA Guidelines - Estimation of Water Requirement for Drinking and Domestic Use which provides for '45 liters per person per working day'.

## Environmental Stewardship through Financing

At BFL Group, we are committed to driving sustainable development by financing green technologies that reduces environmental impact and promotes a cleaner and more energy-efficient future.

Through BFL solar panels, electric vehicles (EVs), eco-friendly equipment financing business, and BHFL green building financing - BFL Group is making a meaningful contribution towards lowering environmental footprints.

### 6,000+

Loans for solar panel financing by BFL and disbursed more than ₹ 23 crore over past three years

### 79,000+

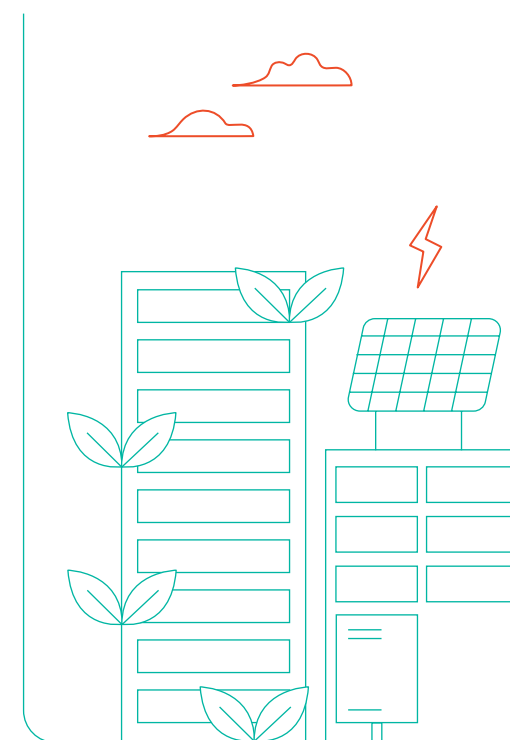
EVs financed by BFL and disbursed more than ₹ 1,200 crore in FY2025

### 1,200,000+

Eco-friendly devices financed by BFL, with over ₹ 4,000 crore disbursed in FY2025\*

### 21

Green Building financing projects BHFL disbursed over ₹ 2,100 crore



\*The term Eco-friendly devices refers exclusively to air conditioners, washing machines, and refrigerators that carry a 5-star energy efficiency rating.





“

A sustainable future will always be anchored in the empowerment of youth and the well-being of children. FY2025 saw our youth skilling and employability initiatives achieve significant scale, through self-implemented programmes as well as partnerships, across multiple industry sectors. We stay committed to bringing positive and lasting change in communities through our interventions in child health, education and protection, and inclusion for Persons with Disabilities.”

”



**Kurush Irani**

President - Corporate Social Responsibility

# 04

## Empowering Society

Backed by a strong legacy of community impact, Bajaj Finserv, through Bajaj Beyond, is dedicated to shaping a better future for 'Youth of Today' and 'Youth of Tomorrow.' The initiative spans key focus areas, including Skilling, Child Education, Child Health, Child Protection, and Inclusion for Persons with Disabilities. We work closely with grassroots organisations, partners, schools, institutions and hospitals to drive meaningful change. In FY2025, implemented 213 projects with a CSR spend of ₹ 289.80 crore, further strengthening its commitment to social impact.

### UN SDGs Aligned





## Youth Skilling: Addressing the Skills Gap

Bajaj Finserv is committed to bridging the skills gap through skilling and employability programmes, self-employment initiatives, and entrepreneurial support, with a focus on youth and women from disadvantaged backgrounds. Our Skillserv initiative aims to bridge the employability gap in BFSI by offering comprehensive, industry-relevant training.

# 46,807

Students trained for Skillserv programme in FY2025

# 147,407

Benefitted through skilling under grant-making programmes

## Self-Implemented Initiative - SKILLSERV

At the heart of this initiative is the flagship Certificate Programme in Banking, Finance and Insurance (CPBFI) – a 120-hour module designed to equip youth with the knowledge and skills demanded by the industry. Remarkably, 68% of CPBFI participants are first-generation graduates, primarily young aspirants from Tier 2 and Tier 3 cities, with women making up nearly 61% of this cohort. Since its inception, CPBFI has trained over 100,000 students, including 46,807 in FY2025 alone, reaching 161 districts across 23 states in India.

Expanding its footprint further, Bajaj Finserv launched Project Odiserv in collaboration with the Ministry of Skill Development and Entrepreneurship to roll out CPBFI across 60 colleges in Odisha, covering 11 cities and 10 districts. A major milestone has been the programme's recognition as an Awarding Body by NCVET, a prestigious endorsement that places CPBFI among a select group of high-quality, industry-driven skill development offerings.

In addition to CPBFI, Skillserv is piloting new skilling modules in niche BFSI segments such as insurance, gold loans, and microfinance, and is actively developing a growing library of digital programmes. Over time, Skillserv aims to create a robust skilling ecosystem – one that leverages Bajaj Finserv's sectoral expertise to unlock economic and social opportunities for underserved youth across the country.

## Skilling through Grant-making Initiatives

We partnered with multiple organisations to deliver a diverse range of training and skilling programmes, ensuring broader access to skill development and employment opportunities.

## Sector-specific or Need-based Training Projects

We support Sector-specific or Need-based Training Projects aimed at employment or enterprise by providing targeted skill development, a mix of short term and long term vocational and need-based programmes. These projects are designed to benefit youth from marginalised or underserved communities, to learn specific skills meet the demands of specific industries, regions or entrepreneurial model. By focusing on these targeted efforts, we aim to create meaningful income generation opportunities and bridge the gap between job seekers and industry needs.

# 24,305

Youth are being supported through these programmes



## Healthcare Skilling

Within the healthcare domain, our efforts are directed towards enhancing the capacity of healthcare professionals, especially paramedics and technical staff, through targeted skilling, education 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.

# 537

Individuals are being supported under this initiative across various partners

## Skill Development for Persons with Disabilities

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.

# 10,792

Individuals with disabilities are being supported

## Enterprise and Entrepreneurship Development

We support individuals in establishing micro and nano-enterprises, helping them transition into income-generating activities with long-term potential. To drive innovation in the skilling ecosystem, we have also incubated social startups that address critical challenges in employability and vocational training. Additionally, artisan training programmes have been implemented to both preserve traditional crafts and create sustainable livelihood opportunities, blending heritage with economic empowerment.

# 29,440

Individuals are being supported through this initiative

## Women Empowerment

We are committed to empowering women—especially those from marginalised communities, rural areas, and lower socio-economic backgrounds—by equipping them with the skills needed for employment or entrepreneurship. Through diverse training programmes in healthcare, retail, hospitality, artisanal crafts, food processing, we aim to enable sustainable income generation and foster economic independence. Women are provided training in both traditional and non-traditional roles, expanding their employment opportunities and strengthening their participation in the workforce.

# 17,934

Women are being supported through these initiatives



Mann Deshi: Empowering Women Entrepreneurs

The Business School is designed to support women starting new enterprises or those aspiring to establish their own businesses. Through the Chamber of Commerce, women are equipped with the skills and resources needed to grow and sustain their ventures.

**With support from Bajaj Finserv, Mann Deshi is training 3,240 women and mentoring 1,800 entrepreneurs—offering end-to-end assistance from financial linkages and documentation to packaging, branding, and access to government schemes.**

One such entrepreneur, Priyanka Jagirdar, transformed her wooden Ghana oil business through the programme—revamping her packaging, building a digital presence, and boosting her income and confidence.



Child: Comprehensive Child Development Approach



Investing in children’s well-being is essential for long-term societal progress. We support initiatives in child health, education, protection, and inclusion for persons with disabilities, ensuring a holistic impact on their development.

32,244

Were supported through Health interventions

43,075

Supported through Children protection

540,648

Benefitted from Education-related initiatives

484,486

Persons with Disabilities were supported

Child Health

We are committed to providing holistic care for children under 18 years facing critical health conditions through a combination of medical and surgical support, infrastructure enhancement, and community awareness. We are specifically focus on cleft lip and palate, heart diseases, paediatric cancer, type 1 diabetes and epilepsy. Our interventions are not only focus on treatment and surgeries but also on early diagnostic, community-based screening, awareness to reach last mile beneficiaries. In parallel, we collaborate with organisations to strengthen healthcare infrastructure in hospitals, ensuring the delivery of high-quality, accessible care to the most vulnerable.

Key Focus Areas

- Cleft Care:** We are dedicated to supporting children born with cleft lip and palate conditions, ensuring access to timely surgeries and comprehensive care. In collaboration with Smile Train India, we launched the Maha Smiles – Cleft Care for Every Child initiative in Maharashtra, with the goal of performing over **7,900 surgeries** while also driving awareness for early intervention. To strengthen community outreach, we work closely with ASHA and RBSK workers as well as FOGSI, enabling early identification and referral. To further extend care to underserved regions, the initiative has built a network of partner hospitals and introduced fellowship programmes, enhancing both capacity and reach. **22,600** are being supported for cleft care.
- Type 1 Diabetes Care:** We support comprehensive care for children with Type 1 Diabetes (T1D) by providing access to medical treatment, diabetes education, counselling and overall family support. Recognising the complexity of diabetes management, we have partnered with HCJMRI Hospital to establish a Centre of Excellence for T1D, operating on a Hub and Spoke model. This includes a central Hub in Pune and satellite Spokes in Nagpur and Kolhapur, designed to decentralise care and expand reach. As part of a holistic approach, the Centre conducts capacity-building workshops for healthcare professionals, introduces skilling programmes in nutrition and diabetes education, and leads research and advocacy efforts to raise awareness and advance treatment for T1D. Collectively, **680 children** and healthcare workers are being supported.
- Paediatric Heart Care:** Our efforts encompass a range of initiatives, including supporting surgeries for congenital heart disease, raising community awareness about early interventions and heart defects through community-based screening and referrals by working with RBSK teams, and conducting research and studies on heart diseases. Support is being extended to **1,490 beneficiaries**.
- Cancer Care:** Paediatric cancer support initiatives were introduced to facilitate access to advanced treatments and holistic care to **1,012 children**.
- Epilepsy Care:** Critical surgeries and medicinal assistance are being provided to **726 children** affected by epilepsy, improving their quality of life.
- Healthcare Infrastructure:** Hospitals were equipped with advanced paediatric medical equipment, and healthcare workers were trained to improve service delivery, supporting **2,356 children**.

HCJMRI: Comprehensive Support for Children with Type 1 Diabetes



In partnership with HCJMRI, we provide medical care, counselling, and diabetes education to children with Type 1 Diabetes (T1D) and their families. We have recently established a Centre of Excellence in Pune, following a Hub-and-Spoke model with satellite centres in Nagpur and Kolhapur.

**The initiative focuses on strengthening healthcare delivery through capacity-building workshops for professionals, launching skilling programmes in Nutrition and Diabetes Education, and driving research and advocacy efforts around T1D, 680 individuals are being supported through Bajaj Finserv’s support.**

One such story is of Asmita Kshirsagar, a 20-year-old from a farming family, who was diagnosed with T1D four years ago. Initially overwhelmed by fear and uncertainty, Asmita and her family found renewed hope through the Sweetlings Programme. With consistent counselling and support, she has successfully managed her condition and is now pursuing a degree in sports physiotherapy—living proof that with the right care, young lives can thrive.



## Child Education

We have implemented targeted interventions and collaborations to strengthen foundational literacy and numeracy, STEM education, and social-emotional learning among children. The initiatives are directed towards enhancing the lives of children by aligning with government programmes and schemes.

### Key Initiatives

- Digital and Tech-based Interventions:** We collaborate with organisations to facilitate digital teaching interventions, harnessing technology to augment educational accessibility and effectiveness. **14,100 children** being supported under the intervention.
- Foundational Literacy and Numeracy:** The projects target barriers to foundational learning and numeracy, with a specific focus on bolstering academic performance in core subjects through innovative approaches. **65,400 children** are receiving support 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. **80,800 children** are being benefitted 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 covering **8,577 children**.
- 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, impacting **3,000 children**.
- 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 & Well-Being:** Implementing partners oversee annual health check-ups and follow-up treatments, prioritising the well-being of children and addressing potential health concerns proactively, supporting **360,500 children**.

## Child Protection

We are committed to protecting vulnerable children from marginalised communities who face risks such as trafficking, abuse, child labour, legal conflicts, and juvenile delinquency. Through strategic partnerships, we strive to create a safe and nurturing environment that prioritises their holistic development and long-term well-being. To ensure sustained support, Bajaj Finserv adopts both institutional and non-institutional care models, enabling children to access protection, rehabilitation, and developmental opportunities in settings best suited to their individual needs.

### Key Initiatives

- Institutional Care:** Comprehensive support was provided to shelter homes and child welfare institutions, ensuring safe housing and holistic care, supporting **1,442 children**.
- Rescue and Rehabilitation:** Child rescue operations were conducted at railway platforms, with a focus on reuniting children with their families and rehabilitating them, impacting **2,650 children**.
- Adoption and Daycare Support:** Safe spaces and early childhood care services were provided for children of construction workers, ensuring their well-being. **100 children** were supported under the intervention.
- Community Protection Programmes:** Education and protection programmes were integrated to empower **1,710 children** in vulnerable communities and improve their employability.
- 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. **855 children** are being benefitted under the intervention.
- 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. **36,318 children** were supported under the intervention.

### WOSCA Life Lab: Shaping Children Science and Sustainability



WOSCA is committed to promoting sustainable livelihoods and the socio-economic upliftment of marginalised communities. Its work spans across diverse yet interconnected areas such as skill development, climate change resilience, social accountability and disaster relief—focusing on sustainable and holistic development.

In partnership with Life Lab and Bajaj Finserv, WOSCA is transforming science education across 16 schools in Pune by creating hands-on, inquiry-based learning environments. The programme empowers students to think critically, innovate and solve real-world problems.

4,100  
Young learners benefitted from the programme

### Ashraya: Empowering Marginalised Communities



Ashraya is dedicated to uplifting de-notified tribal communities, particularly those previously engaged in street begging. The organisation adopts a holistic approach that includes enhancing academic performance and developmental milestones, promoting extra-curricular activities and life skills, and strengthening parent-teacher engagement and community awareness. Ashraya also focuses on ensuring the health and well-being of children, women, and the broader community, while empowering youth and women through vocational training. To build a strong foundation for impact, the programme also invests in the capacity-building of teachers and staff.

1,200  
Community members supported

200  
Children supported



## 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.

### Key Focus Areas

- ★ **Rehabilitation and Comprehensive Care:** Early therapies, parental counselling, and continuous support programmes were implemented to enhance the quality of life for persons with disabilities. **655 individuals** are being supported through these initiatives.


★ **Educational Inclusion:** 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. **3,598 individuals** received support.

★ **Medical Rehabilitation:** It provides access to aids, prosthetics, and critical medical treatments was facilitated to improve mobility and health outcomes. **380,560 beneficiaries** received support under the intervention.
- ★ **Assistive Technology:** Various technological advancements were leveraged to enhance disability support and accessibility for individuals with disabilities. We have partnered with various organisations and start-ups to support **3,075 individuals**.

★ **Community-based Inclusion:** The implemented projects offer therapies, counselling, educational support, medical aids, and employment opportunities at the community level. Self-help groups and mentorship programmes were introduced to promote self-reliance and inclusion. **6,706 people** were impacted through the initiative.

★ **Competitive Exam and Fellowships:** Students with disabilities were supported in clearing competitive exams, ensuring access to higher education and employment opportunities. Capacity-building programmes were launched to support special educators working with children with learning disabilities. **100 individuals** received support under the initiative.

With each initiative, Bajaj Finserv moves closer to a future where inclusion is an integral part of everyday life, fostering a society that embraces and empowers individuals of all abilities.



### NCPEDP: Enabling Equal Futures for Students with Disabilities

The National Centre for Promotion of Employment for Disabled People (NCPEDP) empowers persons with disabilities through advocacy, awareness, and accessibility.

**With support from Bajaj Finserv, the initiative provides scholarships to 100 students with disabilities across secondary, senior secondary, and higher education levels—helping bridge systemic gaps in inclusive education.**

One such beneficiary, Rajesh Vallal from Solapur, overcame visual impairment and financial hardship to complete his education. The scholarship enabled him to access learning tools and mobility support, leading to his current employment with Indian Railways. His journey reflects the impact of meaningful support in creating equal opportunities.

## 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:

- Evaluate the effectiveness of our CSR projects in achieving their intended goals and objectives.
- Assess the sustainability of the outcomes generated by these projects.
- Identify strengths, weaknesses, opportunities, and challenges associated with our CSR initiatives.
- Provide recommendations for improvement and optimisation of future CSR endeavours.
- Enhance transparency and accountability in our CSR reporting and communication.

**In FY2025, we conducted the assessment study of 14 CSR projects.**

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



Alongside our continued focus on the development of child and youth beneficiaries, the Company is committed to deepening its impact in Pune city through multi-pronged interventions, partner capacity building, and the implementation of more strategic, outcome-driven projects.

Note: Beneficiary estimates in Empowering Society section are based on the full project period and not just this financial year, unless specified.





“

Customer centricity has been at the heart of our journey. Over the years, we've harnessed data to deeply understand evolving consumer needs, craft relevant financial solutions, and manage risk prudently. Our omnichannel strategy—spanning our integrated app, website, and expanding physical presence—ensures seamless engagement, both online and offline. Now, with AI at the core, we're elevating this experience further by delivering personalised recommendations and significantly faster response times.”



**Deepak Bagati**  
Chief Operating Officer

# 05

## 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.

**UN SDGs Aligned**





## 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 BFL's practices driven by customer obsession philosophy

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

- |  |                  |  |                            |
|--|------------------|--|----------------------------|
|  | Mobile App       |  | Dedicated Service Branches |
|  | Visit Our Branch |  | Customer Portal (Website)  |
|  | Call Centre      |  | E-mail                     |
|  | Chat Bot         |  |                            |

“We aim to be a significant financial enabler for individuals and businesses. Our accelerated digital transformation will help us drive sustainable innovation in products and services, thereby empowering people and powering the economy.”



**Sidhant Dadwal**  
Deputy CEO

- ✦ All critical documents such as loan agreements, Fair Practice Code (FPC) and branch notices, are provided in the vernacular languages of customers' choice.
- ✦ FPC along with the grievance redressal mechanism with details of Grievance Redressal Officer (GRO) and RBI Ombudsman scheme are displayed on the 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 72 use cases.
- ✦ BFL has initiated vernacular response for queries received on social platforms in Hindi.
- ✦ 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'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 turnaround time for resolution.
- ✦ BFL has successfully reduced the turnaround time for customer registration, from approximately 15 days to near real time, with our e-mandate registration process. In FY2025, e-mandate constituted 86.2% of new business.
- ✦ In terms of customer communication, there is 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 disbursement events available in 20 vernacular languages. Welcome Letter and No Dues Certificate enabled in 20 languages.
- ✦ Customer communication on 'Due Past Date' (DPD) reporting in bureaus are live in 19 vernacular languages.
- ✦ BHFL has introduced a Do-It-Yourself (DIY) home loan application process to transform customer experience. The journey is digital and seamless wherein our customer applies online, with the remaining process carried out 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.



Our teams at

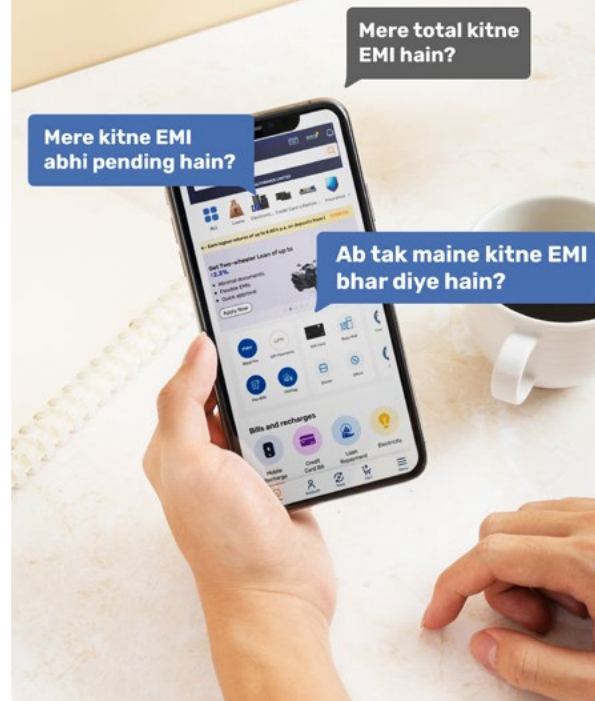
- [customerexperiencehead@bajajfinserv.in](mailto:customerexperiencehead@bajajfinserv.in)
- [grievanceredressalteam@bajajfinserv.in](mailto:grievanceredressalteam@bajajfinserv.in)
- [ospno@bajajfinserv.in](mailto:ospno@bajajfinserv.in)

in case your specific issues need specific attention!



Sare sawalo ke jawab aapko Bajaj Finserv app me mil jayenge

[Menu > Help & Support > Frequently Asked Questions](#)





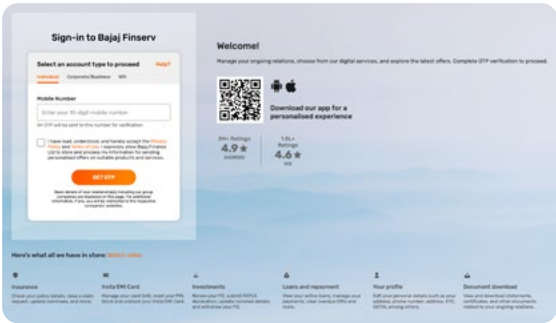
# Scaling Customer Experience to the Next Level

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

## Key Initiatives

BFL has implemented more than 25 service modules and over 340 service processes on both its 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, setting up e-mandates, and more.



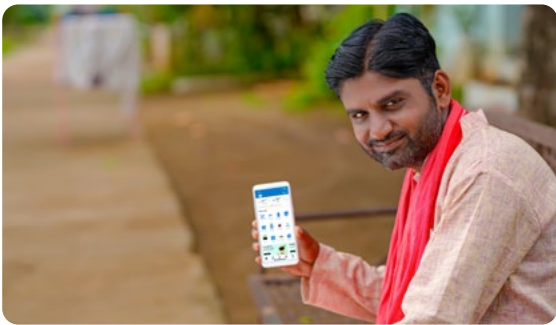
During FY2025, significant enhancements were made by BFL to the Interactive Voice Response (IVR) channel, managing approximately 1.8 million monthly and 22.1 million yearly calls, including implementing 18 new DIY modules for better self-service, introducing UPI Collect and App Payment Links for payments, and launching an AI voice BOT virtual assistant for the existing loan module. Notable achievements consisted of a 94% DIY resolution rate, reduced agent transfers, optimised headcount by using less agents and achieving a 90% CSAT for voice interactions.



Aligned to BFL’s customer experience objective, a key achievement was the successful unification of our app and web platforms into a single digital stack, ensuring a consistent user journey. This integrated ecosystem saw the strategic deployment of Generative AI, which enhanced content creation by refreshing 31,000 banners (of which 36% via AI) and powered a highly successful chat feature with 1.46 million monthly users, leading to over 70% reduction in service requests.



To improve the customer experience, BFL has now made the Statement of Account (SOA) and Repayment Schedules (RPS) in 20 vernacular languages.

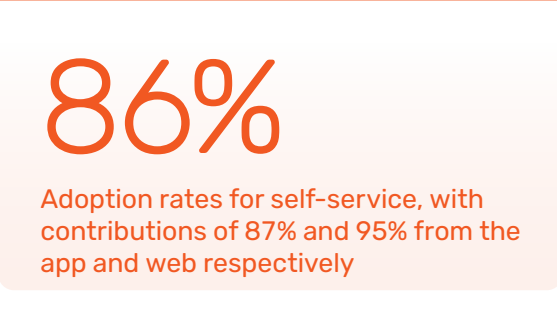


## Gen AI Chat

‘Chat with us’ feature live for all products on digital channels at BFL. ‘Chat First’ has gone live on RAR for 47 use cases as of March 2025.



Successful completion of the App = Web strategy has enabled uniformity in information and Self-service journeys at BFL.



During FY2025, BFL has seen a decline in branch walk-ins owing to increasing digital presence. There has been a rise in digital payment transaction from 81% in FY2024 to 83% in urban areas. However, in FY2025, rural areas witnessed a slight drop in digital payments from 73% in FY2024 to 71% in FY2025.



Our subsidiary – BFinsec has launched a mobile app ‘BFSLTRADE’, along with a SAMADHAN platform, designed to offer customer services via self-help Q&As and ticket-based query resolution.





With Customer Experience Annual Operating Plan (AOP) for digital platforms, we at BFL are focusing on building the digital platform to enhance customer experience by resolving 3 major aspects:

**Discoverability** refers to how easily users can find and access information and journeys.

**Usability** is how easy and pleasant it is to use the platform in terms of completing a journey.

**Availability** refers to the required journey to be available when they need it.

Business Transformation

BFL’s strategy remains to be an ‘omnipresent’ financial services company seamlessly integrating 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 puts customers first, shaping products and processes around their needs. This approach has transformed BFL into a customer-centric digital enterprise.



During FY2025, BFL significantly advanced on all these domains.

Other Initiatives

- ✦ BFL has in place a dedicated team (Complaint Root Cause Resolution Unit- CRCR) to ensure continuous study and solutioning of customer complaints with the prime objective of reducing customer issues.
- ✦ BFL also has a dedicated team which monitors customer queries and grievances on various social media channels and provides quick resolution.
- ✦ BFL has launched Co-pilot on the Play Store and iOS platforms, offering Chat GPT-based assisted responses, improving efficiency and consistency in feedback management.

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. BFL 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, processes, and employee training while ensuring strict compliance and governance. By leveraging technology, it follows a non-intrusive approach, adhering to regulations and internal policies, code of conduct, and fair practice code. Customers can make overdue payments via digital channels, branch walk-ins, retailer points, or doorstep services, offering convenience and flexibility.

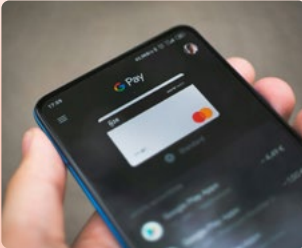
BFL's debt management starts early, with advance intimations sent 5–6 days before an instalment is due. This ensures customers maintain sufficient funds, preventing unintentional defaults and safeguarding their credit history.

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:




The importance of timely payment



Available payment channels



Avoidance of penal charges



Payment confirmation

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

BFL has a dedicated structure aligned with business verticals for servicing customers:

- ✦ with current month outstanding
- ✦ in early delinquency
- ✦ 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 30 different digital payment options such as Bharat Bill Payment Service (BBPS), Bajaj Finserv 3in1 App, Unified Payment Interface (UPI), Universal Payment Page (UPP), CC Avenue, Wallets, Google Pay and other payments banks, etc. These digital channels, along with branch walk-ins, account for approximately 51% of debt management volume.

In November 2022, BFL got its DRA training accreditation from Indian Institute of Banking and Finance (IIBF). BFL has invested in online DRA training infrastructure for agents. After completion of online training, agents appear for a DRA certification test conducted by IIBF. As on 31 March 2025, more than 34,000 participants are DRA certified. We have over 110 facilitators, including more than 70 CAIIB-certified professionals whose profiles have been approved by the Indian Institute of Banking & Finance for delivering DRA training for BFL.



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 branches (including top locations and sensitive markets) to address debt-related queries of walk-in customers. BFL 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, where more than 34,000 DRAs have been certified till date. There is a plan to add additional 20,000 trained and 15,000 DRA certified agents in FY2026.
- ✦ Set up 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 BFL.
  - ✦ Seeking 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 171 videos in 10 vernacular languages which form part of the training module on its debt management services mobility app. These provide clear understanding to agents on the dos and don'ts while interacting with a customer.
  - ✦ During the year, BFL further strengthened its DMS function by adding over 6,200 resources to ensure increased geographical reach for better recoveries.

In FY2025, BFL introduced a new initiative for a certain segment of delinquent customers in which, for the initial two to three days, physical interaction with these customers is reduced instead, reliance is placed on automated payment notification to nudge these customers towards honouring their payments.

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 six years, BFL has offered financing to over 26 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.



Financial Literacy Programme: Empowering Informed Decisions

BFL prioritises financial literacy through its Microfinance and other business verticals to empower customers and promote long-term financial well-being. Through targeted educational initiatives, it addresses key gaps in everyday transactions, EMI payments, loan documentation, and digital self-service platforms. The Microfinance business plays a vital role in fostering financial inclusion in underserved rural communities.

As part of this commitment, in FY2025, BFL launched its Financial Literacy Programme in rural areas of Rajasthan, Uttar Pradesh, and Bihar. The programme was thoughtfully designed to build awareness on key financial topics, such as importance of financial planning, digital payments, fraud prevention, and insurance.

4,300+

Individuals positively impacted with essential financial knowledge through the Financial Literacy Programme

Protecting Privacy of Customers' Personal Data

As a responsible corporate, BFL is 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.
- ✦ 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.
- ✦ **Our information security processes are periodically reviewed and audited by external audit firms. BFL and BHFL have 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.
- ✦ In addition to traditional credit bureau data, BFL is 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 2025, BFL's customer franchise extended across 101.82 million people, and it disbursed 43.42 million new loans during the year. BFL Group received 5,917 customer complaints in FY2025, amongst which 7 complaints were pending for resolution as on 31 March 2025. As an ethical organisation, BFL has developed a robust customer services governance practice.

## Some of the BFL's key initiatives are:

- 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 onboarding, 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.
- **Effective April 2024, 'Grahak Sampark' initiative that enables the leadership team from Head Office to connect virtually with customers to hear their experience while interacting with BFL. In FY2025, 17 meetings were done, covering 69 branches wherein 219 customers participated.**
- Additionally, BFL introduced all service documents, including SOA, Foreclosure Letters, NOCs, and NDCs, in 20 vernacular languages, along with loan journey communications like loan approval status and e-agreement notifications.
- Customer Fairness and Consent: OTP-based consent for cross-selling products like insurance has been implemented across all Product Programme Groups (PPGs). This policy applies to PPGs that bundle insurance or other cross-selling products with parent loans.
- BFL and BHFL have 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 is in place wherein multiple online and offline customer touchpoints are set up for easy and transparent grievance resolution with 95% 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.
- BFL 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, Debt management services 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 BFL's end under the '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 FY2025, BFL has received over 1.65 crore responses and achieved a CSAT score of 97%.

# 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.

To ensure quick response and resolution to customer complaints and escalation received from regulators, BFL has established localised presence at Chennai, Kolkata, Chandigarh, Hyderabad and Lucknow.

**All the 24 RBI ombudsman centres are internally mapped to internal nodal officers, who ensure smooth and timely resolution of escalations with these offices.**

# Internal Ombudsman (IO)

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 and the Internal Ombudsman (IO) scheme within the organisation to deal with unresolved or partly resolved concerns and complaints of its customers. During the year, no decision of the Internal Ombudsman was overruled by the Company.

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.





“

Our colleagues are at the heart of everything we do at Bajaj Finance. They serve our customers at every point in their financial journey and demonstrate excellence even in complex business settings. We are pleased that many of them have built long careers with us, reflected in our attrition rates – among the lowest in the industry. We strive to create an environment that is fair and transparent, one that empowers them with opportunity and encourages them to grow.”



**Jennifer Fernandes**

Deputy Chief Human Resources Officer

# 06

## Human Capital Management

### Committed to Employee Growth

At the very core of BFL Group's corporate ethos lies an unwavering commitment to cultivating our most invaluable asset – Human Capital. Our employees occupy a central role in the pursuit of our objective, driving sustained growth amidst an ever-evolving business landscape. BFL Group's dedication to its employees is reflected in the creation of an environment that fosters holistic employee development, while simultaneously nurturing a workplace culture that embodies our core values.

#### UN SDGs Aligned





# Advancing Employee Development

BFL Group firmly believes in the essential growth of its employees as a means to achieve its broader goals. We invest significantly in the development of all stakeholders, with particular emphasis on our employees. By providing an environment that encourages both personal and professional advancement, we empower our workforce to reach their fullest potential.

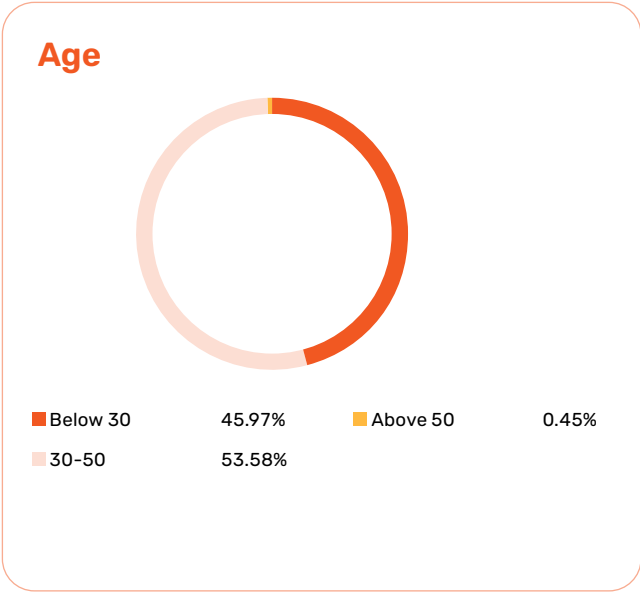
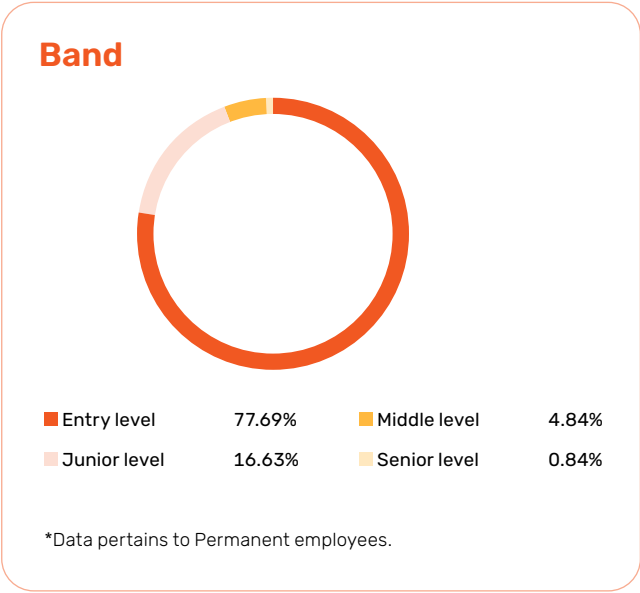
BFL Group's operations are built upon a robust Employee Value Proposition (EVP), a strategic framework that seamlessly integrates employee satisfaction, development, and recognition with the Group's overarching business models and objectives. This EVP is far more than a mere statement; it is a guiding structure that influences the Group's policies and initiatives.

Guided by the conviction that "happy customers begin with happy employees", BFL Group is resolutely dedicated

to attracting, engaging, and retaining exceptional talent, acknowledging the pivotal role they play in driving superior business performance. Our focus remains steadfast on cultivating a thriving, safe, and inclusive workplace, where every employee is valued and supported.

## People at BFL Group

As of 31 March 2025, BFL Group proudly employs a diverse and dynamic workforce of 64,092 permanent employees. **The addition of 10,310 employees in FY2025** is a testament to the Company's continued growth and its enduring commitment to enriching our human capital. In line with this growth, our corporate office has maintained a **healthy female employee ratio of 22% in FY2025**. In addition to above, in FY2025 BFL has onboarded 44,650 fixed term contract employees.



# Cultivating a Purposeful Culture

Culture profoundly influences behaviour and interactions within any organisation. At BFL Group, we purposefully cultivate a culture that aligns with our strategic objectives.

**To support this vision, BFL has defined four leadership mindsets and behaviours, forming the 'One BFL Leadership DNA', which steers BFL towards its desired future in alignment with BFS Group's mission.**

These principles are embedded within our Code of Ethics and Personal Conduct, adopted across the organisation.

#### 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

BFL's ethos is guided by **14 cultural anchors**, integral to our policies and practices. These anchors nurture employee engagement, growth, and well-being, driving excellence and continuous development. They define how we conduct ourselves, collaborate, and make decisions, applying to every employee, at every level, and in every role.

## Our Cultural Anchors - The BFL Way

### Way we conduct ourselves

Act with Integrity

Work Hard

Execute with Rigor

Own It

### Way we work with others

Communicate Openly & Share Transparently

Practice Emotional Intelligence

Stay Humble, Show Respect

Recognise & Reward Success

### Way we make the decisions

Think like an Entrepreneur

Be an Original Thinker

Have High Ambitions

Take a Long-term View

### At the core

Transform Continuously

Excel in Everything





## Driving a Bi-directional Approach to Culture

BFL is adopting a bidirectional approach to instil its culture, ensuring its integration across all levels of the organisation. This begins with a top-down initiative led by our leaders, while simultaneously empowering individuals at the ground level to become champions of culture. We select tenured employees who have consistently demonstrated exemplary behaviour as 'Culture Role Holders' across the hierarchy. These employees embody our Cultural Anchors through their actions and dialogue, thereby bringing our core values to life within the organisation. By recognising those who exemplify these values, we make the invisible visible, underscoring the importance of our foundational principles. These role holders serve as mentors to newcomers, guiding colleagues in embracing 'the BFL way,' and fostering open conversations about culture, ultimately promoting a cohesive and empowered workforce.

## People Strategies in Action

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

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

### 1. Equal Opportunity Employer: Embracing Diversity & Inclusion and Human Rights

The BFL Group is committed to creating a culture of fairness, openness, diversity, and transparency. Employees are encouraged to 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 are paramount within our sustainability framework. With a belief in the inherent dignity and equality of all individuals, BFL Group is dedicated to upholding and promoting diversity, equity, inclusion, and human rights across its operations.

### Employee Charter – Human Rights Statement

BFL Group's 'Employee Charter – Human Rights Statement' outlines its unwavering commitment to human rights. The full policy is available at [Employee Charter – Human Rights](#).

Key features of policy are:

- ✦ **Core Principles:** Equal opportunity, non-discrimination, a safe and healthy workplace, and a harassment free environment.
- ✦ **Employee Rights:** Fair treatment, benefits, and access to perks.
- ✦ **Grievance Mechanism:** Ensuring confidentiality, anonymity, and protection from retaliation.
- ✦ **Disciplinary Practices:** In accordance with the [Disciplinary Action Policy](#).
- ✦ **Employee Responsibilities:** Adherence to all Company policies and processes.

In FY2025, over 56,000 employees across the BFL Group participated in Human Rights training.

### Equal Employment Opportunity and Non-Discrimination

BFL Group's commitment to inclusivity is formally reflected in its [Equal Employment Opportunity and Non-discrimination Policy](#), which is accessible on our website. Key elements include:

- ✦ Ensuring equal employment opportunities and maintaining a fair and respectful environment for all.
- ✦ A strict prohibition of discrimination based on age, sex, colour, caste, disability, marital status, ethnicity, race, religion, sexual orientation, or health conditions such as HIV/AIDS.
- ✦ Compliance with the mandates of 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.

#### Employee Resource Groups (ERGs)

ERGs focused on women, differently abled individuals, and other groups provide a platform for employees to connect, share experiences, and access resources. These groups enhance employees' sense of belonging and empowerment, creating a supportive network that celebrates diversity.

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

At BFL Group, our commitment to upholding fairness and respect is embodied through a [gender-neutral POSH policy](#) that spans the organisation. **This policy ensures a safe, inclusive, and respectful environment for all employees, irrespective of their gender identity.** It fosters a workplace where every individual feels valued, protected from harassment, and empowered to thrive professionally, free from bias or prejudice. The policy includes

comprehensive training, a transparent escalation process, and strict corrective actions for any violations, reinforcing our unwavering commitment to a harmonious work environment.

### Diversity, Equity, and Inclusion (DEI)

At BFL, we are steadfast in our commitment to creating a work environment where every individual feels valued and included. This commitment extends to providing opportunities for Persons with Disabilities (PwD), recognising the unique skills and contributions of all individuals. We believe in transparency and accountability, which is why we rigorously track and report on our Diversity, Equity, and Inclusion (DEI) goals at the leadership level. Our DEI initiatives, including the **Gender Diversity and Inclusion Council**, focus on building a workforce that not only embraces but celebrates diversity.



To further ensure that every member of our workforce feels included, BFL has begun translating all email communications including organisation bulletins into various regional languages. By removing language barriers, BFL ensures that every team member, regardless of their language, remains informed and connected to Company updates and policies. This initiative enhances understanding and unity within BFL, turning our linguistic diversity into a formidable strength that benefits the entire organisation.

#### a. Spectrum Programme

The Spectrum Programme is a cornerstone of BFL's commitment to well-being and diversity. Tailored to diverse employee needs, it provides inclusive benefits for all employees, including expectant mothers, new parents, and individuals with disabilities.

**Parental Support:** From counselling for expectant parents to a generous 26 weeks of maternity leave, we support our employees in balancing work and family life. The policy also offers 14 days of paternity leave, up to six months of work-from-home post-maternity, and preferential transfer options.

**Creche Benefit:** We provide support for young children's care, with more than 1,200 employees having availed the benefit.

One of the most notable steps we have taken is the launch of Women-led Branches, within our gold loans department. Since April 2023, we have appointed 146 women branch managers entrusted with key responsibilities. This initiative marks a significant stride towards gender diversity and workplace inclusion. By creating tailored opportunities for women to assume leadership roles, BFL is cultivating an environment where female leaders can thrive. This not only supports their success but also fosters equity and empowerment.



**Reserved Parking & Travel Allowance for Expecting Mothers:** Designated parking and travel allowances are provided to expecting mothers for added convenience and safety.

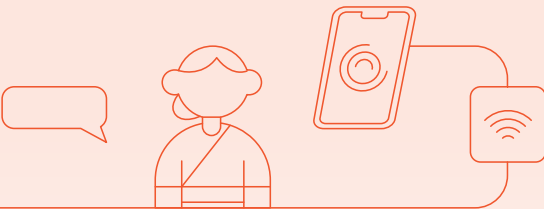
**Flexible Work Schedules & Safety Travel Guidelines for Women:** Women employees benefit from flexible schedules, safety-focused travel guidelines, and easy returns post-maternity, extended work-from-home options, ensuring a seamless work-life balance.

#### b. RISE - Respectful, Inclusive & Safe Work Environment Awareness Series

The RISE initiative epitomises our dedication to human rights, diversity, and inclusion. Through engaging awareness sessions, BFL reinforces workplace norms that prioritise respect, safety, and mental well-being. RISE includes interactive, case-based sessions facilitated by both external experts and certified internal trainers across our head offices and branches. In FY2025, we have conducted 117 RISE sessions attended by over 11,000 employees, ensuring that every corner of the organisation embraces these crucial values.







c. Women Development Programmes

In keeping with BFL's commitment to advancing its DEI and female empowerment agenda, BFL offers several programmes designed to support female employees in navigating their career progression and preparing them for leadership roles.

Name of the Programme	Description and Objective
Leadership Development Programmes exclusively for women employees	Through Women Leadership Development (WLD), we aim to build a pool of future women leaders through various programmes anchored around building capabilities, allyship and ecosystem for women at different levels.
Emerging Women Leadership Programme - ASCENT (BFL)	ASCENT is a 7-month Women Leadership Development programme to develop the leadership capabilities of <b>middle level women employees</b> through peer learning and support from internal and external leaders.
Aspiring Women Development Programme - NAVIGATOR (BFL)	NAVIGATOR is Leadership Development Programme for high performing <b>junior level women employees</b> to help them navigate through their career and beyond. It is a 6-month journey that consists of workshops and group coaching.
Group Women Leadership Development Programme - ILLUMINATE	ILLUMINATE is a BFS Group Learning Programme (GLA) journey-based programme for <b>women leaders at senior level</b> with the objective of enabling participants to achieve role excellence and build readiness for higher level roles in BFS. The 6-7 months journey consists of classroom training, coaching, and mentoring.
Group Women Leadership Development Programme - INFINITY	INFINITY is a BFS Group Learning Programme (GLA) for high performing and tenured <b>middle-level women employees</b> to facilitate accelerated capability building, equip them with tools to take on the challenges faced by emerging women leaders.
Championing Women in Technology	At BFL, we are dedicated to empowering <b>women in technology</b> roles; by encouraging and advancing women in these positions, we not only enhance the diversity of our workforce but also foster innovation, driving new perspectives and creative solutions within the Company.
Karwaan	Karwaan is a quarterly panel discussion platform where BFL leaders and external industry experts come together to share insights on leadership, allyship, and career growth. Its objective is to infuse fresh perspectives, learnings from real-world experiences, and uncovering actionable strategies to tackle today's corporate challenges. It is an opportunity for <b>female employees to engage with industry leaders</b> , ask questions, and spark meaningful conversations that inspire growth.

Impact of the Programme
In FY2025, 125 emerging leaders with 82 managers as allies, 8 internal women trainers and 66 leaders as mentors.
The programme has accelerated career trajectories, for 42 high-potential women, preparing them for senior leadership roles.
This programme has seen participation from 148 women supported by 6 internal women leaders as trainers and 56 Leaders as mentors.
10 senior women leaders from BFL participated in this journey in FY2025, with 10 BFL leaders as mentors along with 2 leaders as trainers.
9 aspiring women leaders from BFL participated in the programme over the last 2 years.
More than 450 women are now contributing to our technology-driven initiatives.
Karwaan has seen an engagement of over 210 female employees.





2. Employee Well-being, Support and Engagement

BFL gives equal importance to its business growth and employees’ physical and mental wellbeing. Caring for BFL’s employees extends beyond professional space. BFL believes in empowering its employees with financial as well as emotional growth. This holistic approach to well-being has translated into improved retention rates and heightened employee engagement. Our flagship wellness programmes

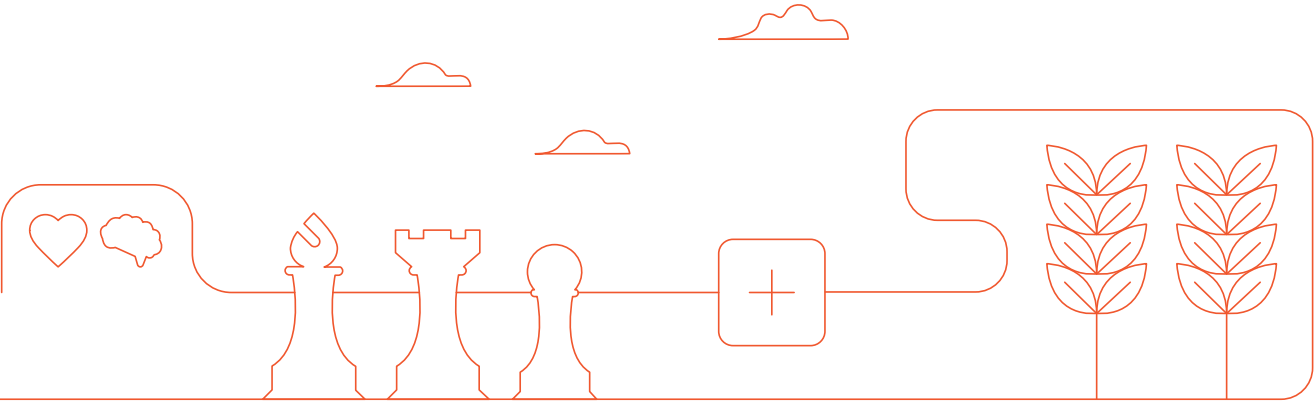
provide comprehensive support encompassing physical, mental, and emotional health, alongside financial assistance. Through these initiatives, we create a compassionate work environment that prioritises employee well-being.

Employee Well-being

a. Pure Life Initiative

This programme offers a platform that promotes mental and physical wellness for all employees.

Key elements include:



Annual Health Check-up

An initiative designed to detect potential health issues early, fostering overall well-being and reducing long-term healthcare costs. In FY2025, approximately 24,000 employees were covered under this programme.



Counselling Support

Our confidential 1-to-1 counselling programme offers confidential support for employees navigating personal or work challenges.

800+

Sessions were availed by over 500 employees, which provided emotional support for personal and work-related challenges

Physical and Mental Wellness

Emotional Well-being Month and various physical initiatives have encouraged employees to prioritise their health. Mental health sessions, such as ‘Mansik Swasthya’ - a webinar covering stress management, mindfulness, and emotional resilience, has reached more than 18,000 employees to date.



Manager Workshop Series

Targeting emotional well-being and team management.

5,400+

Managers that participated in emotional well-being and team management workshops for equipping themselves with tools to support their teams effectively

Curated Health Programmes

Following our Annual Health Check initiative, we’ve introduced a 12-month wellness programme for employees at moderate to high health risk. It includes 12 personalised diet and 6 doctor consultations, weight management, and lifestyle support. With gamified challenges and discounts on gyms, labs, and pharmacies, the programme promotes healthier habits and reflects our commitment to employee well-being.

6,800+

Employees benefitted from this programme

Indoor Games Tournament & Step Up Contest

Indoor games offer a break, reducing stress and enhancing mental well-being. Over 4,500 employees participated in indoor games tournament across various locations. Similarly, the 45-day stepathon - walking challenge engaged more than 6,200 employees, promoting physical activity and friendly competition.



Emotional Well-being

Periodic webinars and articles along with floor sessions are conducted to enable employees to meet their emotional needs. An emotional well-being assessment survey was conducted at the organisation level to observe emotional risk of employees. The outcomes led to curated programmes and help for employees where required.

6,400+

Employees who participated in the emotional well-being assessment survey at the organisation level

Wellness through Yoga

BFL conducted a 14-day Virtual Yoga Challenge to foster employee well-being by improving physical and mental health. To mark International Yoga Day, we also hosted an insightful webinar on the importance and benefits of yoga, which drew an impressive attendance of over 1,000 employees.





b. Environment, Health, and Safety

In the current environment, society is increasingly focused on Environment, Health, and Safety (EHS) standards. BFL Group is committed to deploying the best EHS practices year after year, with a focus on building and enhancing a strong EHS culture.



**BFL Group, aligning with its parent Company Bajaj Finserv, implemented an EHS manual outlining policies and procedures to promote best practices across the Group. Our primary objective with this manual is to foster a safer work environment by managing safety risks and supporting teams in implementing and improving EHS practices.**

As part of this commitment, the **BFL Head Corporate Office has obtained ISO 14001:2015 and ISO 45001:2018 certifications** for its Integrated Environmental and Occupational Health & Safety Management System. Based on the PDCA (Plan, Do, Check, Act) cycle, this system enhances EHS performance by setting objectives, monitoring key performance indicators, and supporting projects like waste-to-wealth, water conservation, energy efficiency, and cost reduction.

The Integrated Management System is regularly assessed by internal and third-party auditors to ensure continuous improvement.

Employee Support

- ✦ **Supporting Families and Spouses:** BFL’s inclusivity extends beyond the individual, embracing the families of our employees. We offer opportunities for qualified spouses to work on special projects as consultants, providing them with the flexibility to pursue their professional ambitions while balancing family responsibilities. We also support the full-time employment of spouses, ensuring they have a fulfilling career within the Company.
- ✦ **Work-Life Integration:** BFL initiatives such as ‘Gift a Leave’ promote a culture of mutual support and enable employees to balance personal and professional responsibilities effectively.
- ✦ **Financial Assistance Initiatives:** At BFL Group, we understand that life’s unexpected financial challenges can disrupt personal and professional balance. That’s why we have designed a range of financial assistance options to support our employees during times of distress.
  - ✦ The **Fortnightly Salary Benefit**, which was availed by over 3,000 employees in FY2025, offers flexible payroll timing, allowing employees to access their salaries more frequently as per their needs, enhancing financial ease and peace of mind.
  - ✦ For emergencies, our **Money on Call initiative**, provides funds within 24 hours. This quick and efficient service proved invaluable in FY2025, assisting over 10,000 employees who required immediate financial support.
  - ✦ Our **Advance Salary Programme** allows employees to receive up to three months’ gross salary in advance. This offering, which originated during the COVID-19 pandemic, continues to be a lifeline for employees, supporting over 70 families in FY2025.
  - ✦ The **iCare Programme** is a testament to our commitment to employee well-being. This participatory financial assistance initiative enables employees to contribute toward their peers’ financial needs in times of crisis, with respective Company matching 50% of their contributions. In FY2025, over 60,000 employees have registered under this programme and more than 400 employees received financial support of over ₹ 15 crore. In the unfortunate event of an employee’s death, the programme extends comprehensive support, offering lump-sum payments, and even employment opportunities for the immediate family members, underscoring BFL’s dedication to its employees.

Employee Engagement

At BFL, fostering a lasting connection with our employees is integral to our culture. With a workforce dispersed across numerous locations, we recognise the importance of a solid engagement model to keep the spirit of togetherness alive. In FY2025, we launched several engagement drives, engaging employees in social initiatives designed to make a meaningful impact within an institutionalised framework.

Daan Utsav

One such initiative is Daan Utsav, a corporate social responsibility programme that empowers employees to give back to society. With four themes – ‘Nanhe Kadam’ (Child Welfare), ‘Anna Daan’ (Food for the Needy), ‘Gift for the Elderly’, and ‘Women Empowerment’ – Daan Utsav expanded in FY2025, reaching 425 branches and benefiting 374 NGOs. The number of items donated skyrocketed, with 130,789 items distributed, reflecting a staggering 221% increase compared to the previous year. This initiative exemplifies our commitment to social responsibility, with an overwhelming 97% increase in branch participation and 95% growth in the number of unique NGOs supported.



Celebrations

We believe that celebrations are a powerful means to strengthen employee relationships and nurture a sense of belonging. Through our Celebrations Framework, we extend festive cheer beyond the workplace, involving employees’ families in the celebration of cultural and regional festivals. In FY2025, we celebrated regional festivals across over 2,100 locations, with more than 43,000 employees and over 11,000 families participating. By decentralising celebrations, we embraced and celebrated the rich cultural diversity of our workforce, fostering inclusivity and connection.



BOL - Building Open Listening Framework

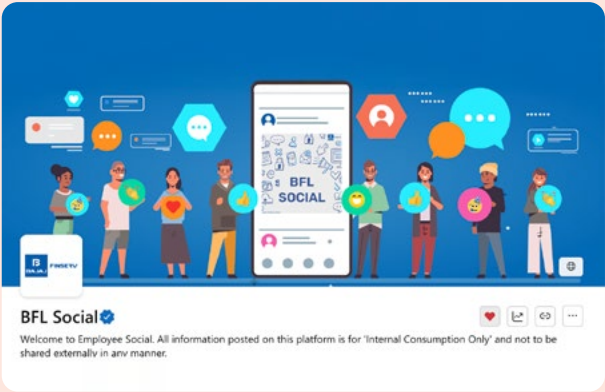
Our BOL framework is centred around fostering open communication and trust within the organisation. It has become a vital channel for feedback, engaging around 450 senior leaders and over 8,000 employees. With more than 4,000 feedback forms collected, BOL has helped us understand employee concerns and ensure their voices are heard, reinforcing the culture of trust and empowerment across BFL.





BFL Social

The launch of BFL Social on Viva Engage marked a transformative step in how we, as an organisation, foster communication, collaboration and celebration across our diverse workforce. Designed as an engagement platform, it is a dynamic hub, where over 52,000 employees engage, share ideas and recognise each other’s contributions. From its inception, BFL Social was intended to do more than just connect employees digitally; it was imagined as a space that brings BFL’s vibrant culture to life. BFL Social has created a sense of community that strengthens our bonds and aligns us with our shared goals. By blending work with play, BFL Social nurtures a workplace where collaboration is energised, and enthusiasm is a daily experience.



Confluence, Regional Town Halls, and Own My Branch Framework

Our **Confluence platform**—hosted quarterly by the Managing Director and CHRAO—provides an open, transparent channel where employees can gain insights into the Company’s goals, strategies and financial health. With an average of 11,000 employees joining from over 5,300 locations, Confluence serves as a key platform for communication, allowing employees to remain aligned with the Company’s vision.

In addition, **Regional Town Halls** are held on a monthly and quarterly basis, ensuring that employees from every corner of the organisation can engage with leadership in an informal setting. These sessions strengthen the sense of belonging and inclusivity, encouraging all employees, including those off the rolls, to participate in Company dialogues.

The **Own My Branch (OMB)** Framework serves as a bridge between senior management and employees in branches across India, ensuring that leadership insights and Company strategies reach the branch level. With over 4,100 locations covered—a 41% increase from the previous year—OMB has significantly improved communication and engagement. This initiative has seen over 1,000 leaders interact with nearly 48,000 employees, enhancing alignment between leadership and the workforce.



Ruminate – Leadership Forum

Ruminate is BFL’s flagship leadership discussion forum, offering leaders a platform to exchange views, explore BFL-centric case studies, and build meaningful connections outside work. It provides a direct channel to share insights with the Managing Director (MD), fostering mutual understanding and alignment with our core values. This initiative helps business leaders collectively embrace shared expectations and nurture a culture of alignment.

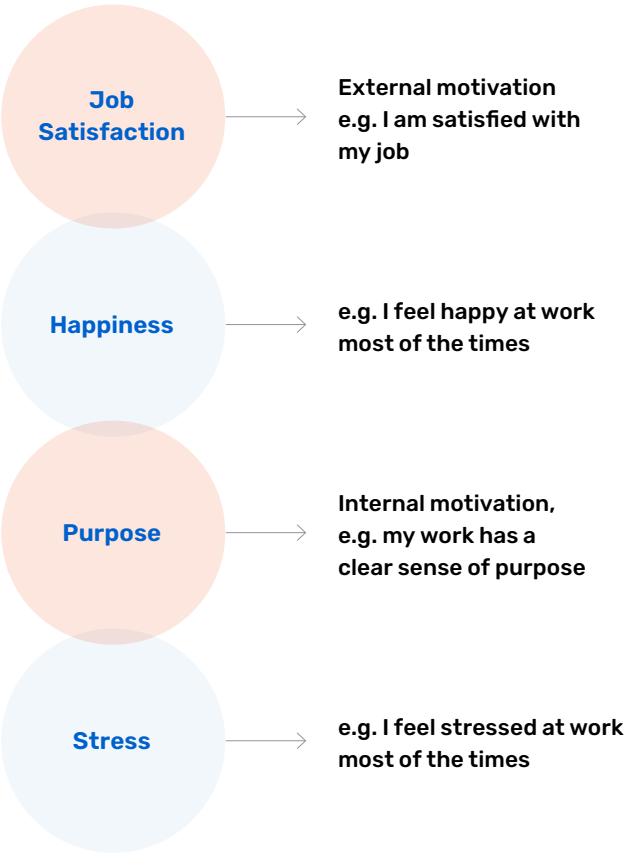
Employee Satisfaction Survey

Employee satisfaction is central to human capital management at BFL Group. In FY2025, two major surveys were conducted at BFL:

- ★ **One Finserv Employee Engagement Survey 2025 (in collaboration with Mercer):** Over 42,000 employees participated, resulting in an 87% overall engagement score.
- ★ **Great Place to Work:** This survey gathers employee perspectives on the organisation’s ability to foster a high-trust, high-performance culture.



Following aspects are covered in our employee engagement/satisfaction surveys:



BFL’s multifaceted approach to employee support, engagement, recognition, and development continues to set a high standard for what it means to foster a thriving, inclusive and high-performing workforce. By offering comprehensive financial assistance, celebrating cultural diversity, promoting open communication, and prioritising personal and professional growth, BFL remains dedicated to empowering its employees at every step of their journey.



### 3. Talent Development and Retention



#### Training and Development

At BFL, we are committed to continuously developing our employees through tailored training programmes that evolve with their career stages. From functional knowledge for new hires, to leadership development for senior staff, we offer a comprehensive suite of programmes designed to foster growth at every level.

We also mandate compliance training on ESG, Whistleblower Policy, Health & Safety, Information Security, Data Privacy, POSH, KYC, AML and Human Rights. In FY2025, over 62,000 of employees completed compliance training.

In FY2025, BFL Group invested over ₹ 33 crore in learning and development, which translates to approximately ₹ 5,600 average per permanent employee. Over 60,000 employees participated in at least one skill development programme. We logged over 26 lakh training hours, which translates to approximately 44 hours average per permanent employee, to enrich the professional development journey for our employees.



#### Leadership Development Programmes

- PROPEL:** At BFL, we prioritise the development and recognition of leadership capabilities and emerging talent. Our Programme for Result-Oriented People in Executive Leadership (PROPEL) prepares individuals for the pivotal transition to Business Head roles, requiring enhanced capabilities and a strategic mindset.
- Executive Coaching:** As each leadership position is nuanced with their own set of challenges and opportunities, development at senior levels is often customised to the need and aspiration of the leader. Leadership coaching, facilitated by external coaches, are designed for Senior Management Teams of BFL, providing each leader with a tailored individual development plan. Over ten months, leaders engage in strategic sessions to foster self-awareness and impactful leadership.



- Manager Development Programmes:** Empower BFL leaders through structured training initiatives, resulting in improved productivity, increased employee engagement, and reduced attrition. There are multiple training programmes such as Manager Mentor (Transition) for employees moving from an Individual Contributor role to a First Line Manager role, Rise to Lead (IC as FLM) for Sales Managers, Manager Effectiveness Programme (MEP) for Ops managers, Manager Capability Development for managing freshers, etc. These programmes equip leaders to align team efforts with the organisation's goals.

#### Talent Management Programmes

- 30 Under 30:** The 30 Under 30 programme is designed to identify and nurture the top 30 young talents under the age of 30 across our Group companies. This initiative aims to strengthen our young talent pool by focusing on developing the capabilities and skills required for the future. The programme spans 36 months, beginning each year in April, during which selected employees gain experience across various domains and capabilities within Group companies while simultaneously undergoing a structured development journey.



- Group Young Leaders Programme (GYLP)** is a 21-month programme begins each year in June, allowing associates to complete multiple stints and gain experience across diverse projects and roles within Group companies. These associates are recruited from top B-schools across the country.
- Group Finance Associate Programme (GFAP)** aims to create a pool of young talent in the finance domain by offering multiple challenging projects and exposure to various roles over an 18-month period, starting in May each year.
- Group Young Leadership Internship Programme (GYLIP)** aims to provide management graduates from select business schools across the country with a two-month opportunity to gain hands-on experience and develop essential skills by working on critical projects and building professional networks. Additionally, it seeks to enhance brand awareness and attract top talent from premier B-schools.
- Certified Trainers Programme:** This initiative is designed to develop a qualified internal pool of certified trainers, equipped with multi-functional and multilingual expertise. The programme enhances project speed-to-market and bolsters people development. To date, over 2,150 BFL employees have participated in this programme to become internally certified trainers.

#### Other Talent Development Initiatives

- BFL's 'Develop vs. Hire' philosophy** emphasises nurturing talent from within, creating a pipeline of leaders ready to take on new challenges. Partnerships with platforms like Coursera, Go1, Percipio and Harvard further enrich the learning experience, with over 6,500 employees engaging with over 15,000 learning resources in FY2025. Our Distance Learning Programme also saw high engagement, with 109 participants.
- Regional Training Centres (RTCs)** have been established across India to provide BFL employees in remote areas access to critical learning opportunities. With 10 RTCs and a capacity to train over 700 employees, these centres are making learning more accessible to BFL's diverse workforce. In FY2025, over 34,000 employees benefited from these programmes.
- On-the-Job-Training (OJT):** To facilitate structured onboarding and training of fresh joiners, BFL 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.
- Campus Recruitment Programme - BYTE**



To support BFL's ambitious digital transformation journey, the demand for technical talent has never been greater. In response, we introduced the Bajaj Young Technical Engineers (BYTE) programme, a dedicated campus recruitment initiative aimed at attracting and nurturing top-tier tech talent from the ground up. In FY2025, this forward-thinking programme welcomed 101 new engineers to BFL Group, strengthening our technical workforce and laying the foundation for future innovations.

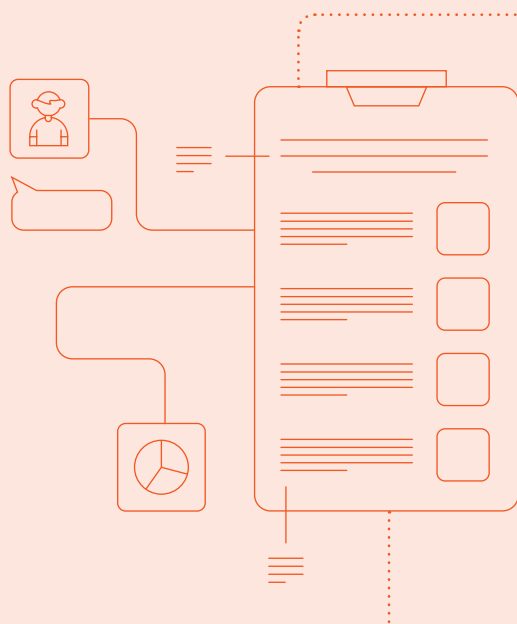


## Career Enrichment and Development

### ✦ Auto Promotion and Internal Job Posting:

BFL's employee development initiatives are designed to fuel continuous growth, helping employees at every stage of their career. Through the Auto Promotion Policy and Internal Job Posting (IJP) initiatives, employees are empowered to explore new roles and advance within the organisation. In FY2025, over 19,000 employees were promoted under the Auto Promotion Policy, and more than 5,300 moved through the IJP, broadening their horizons and acquiring multidisciplinary skills. The Persons with Disabilities (PwD) hiring initiative, across functions underscores our commitment to diversity and inclusion.

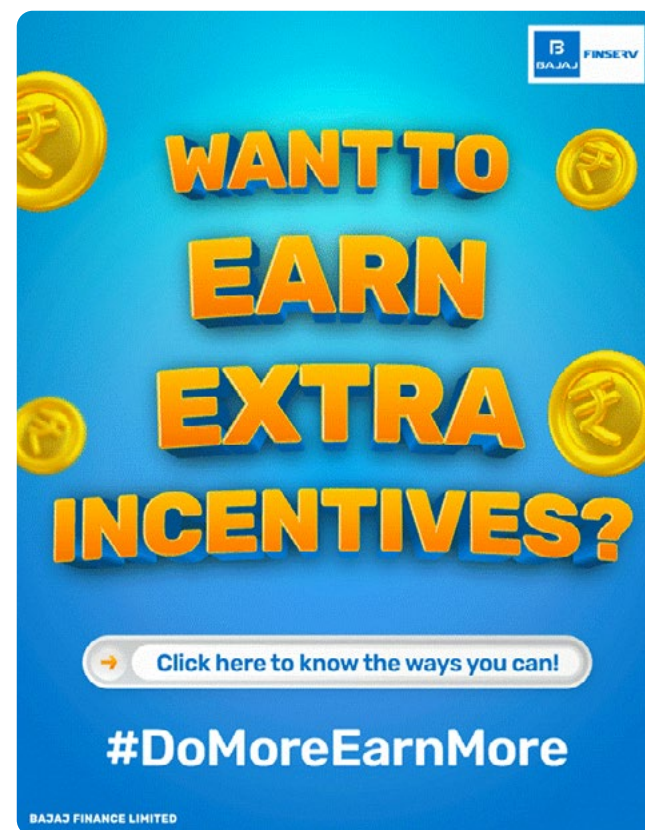
- ✦ **Annual Appraisals:** Through Annual Appraisal framework, BFL ensures that employees receive constructive feedback, aligning their performance with the Company's objectives while nurturing personal growth. The Company follows a comprehensive performance and career development review of all eligible 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.



## 'Do More, Earn More'

At BFL, we place a high value on recognising and nurturing talent. Our approach to remuneration and recognition reflects our commitment to encouraging exceptional performance. With a compensation structure that includes fixed pay, performance-based incentives, and long-term incentives such as stock options, we motivate employees to surpass their own limits and align their personal success with that of the organisation.

**Our 'Do More, Earn More' philosophy directly links effort to reward, fostering a sense of ownership and achievement across the organisation.**



## Rewards and Recognition

Through our Recognition and Rewards programmes, we celebrate both extraordinary accomplishments and daily contributions. The Central R&R Platform unifies all forms of recognition, including monetary rewards, offering a seamless process for celebrating excellence.

# 10,000+

Number of employees recognised and rewarded in FY2025 for exemplary performances and for taking initiatives

## 4. Ethics and Compliance

At BFL Group, ethical conduct is paramount, and we are dedicated to maintaining the highest standards of compliance with all relevant laws.



### Compliance

- ✦ BFL Group ensures adherence to the Minimum Wages Act, 1948 and The Payment of Bonus Act, 1965, guaranteeing that all employees are compensated fairly and in line with legal requirements. Furthermore, the Company fully complies with all applicable labour laws, upholding its commitment to fair and ethical business practices.
- ✦ While BFL Group does not have an employee trade union or engage in collective bargaining agreements, we respect the lawful right of all employees to freedom of association.
- ✦ In line with our zero-tolerance approach to unethical behaviour, BFL Group has implemented rigorous ethics and compliance awareness programmes. These initiatives aim to instil a strong understanding of ethical business conduct and encourage adherence to the Company's Code of Ethics and Personal Conduct (CoEPC), Mind Your Behaviour, Disciplinary Action Policy, and [Whistleblower Policy](#). Through this proactive approach, we emphasise the importance of acting with integrity, ensuring that violations are met with strict disciplinary action, ranging from penalties to the termination of services.
- ✦ BFL Group also remains committed to fostering a work environment where all employees can thrive without fear of gender discrimination or harassment. With zero tolerance for non-compliance in these areas, we prioritise the safety and well-being of every individual within the organisation.

### Complaints and Grievances

- ✦ In FY2025, BFL Group did not receive any complaints related to child, forced, or involuntary labour, reinforcing our commitment to ethical practices and fair treatment of all employees.
- ✦ While 10 complaints related to sexual harassment were received at BFL Group, 9 complaints have been meticulously investigated and appropriately actioned, and 1 complaint is under investigation, in line with our zero-tolerance policy on harassment.
- ✦ To prevent and address POSH cases, the Company conducted mandatory training for all employees via digital campaigns, classroom sessions, RISE and OMB, enriched with real-life case studies to enhance awareness.
- ✦ BFL's grievance mechanisms, including the Code of Ethics and Personal Conduct (CoEPC), Whistleblower, and Mind Your Behaviour frameworks, empower employees and value-chain partners to report concerns confidentially and anonymously, without fear of retaliation. During FY2025, BFL Group did not receive any complaints related to CoEPC adherence, which shows our commitment to a respectful and accountable work culture.



“

As a data-oriented company, we have used technology at scale to build a sustainable business model and deliver inclusive growth. As Bajaj Finance pivots into a FINAI company, one of the important objectives of this strategy is to enhance governance and AI-powered cybersecurity to safeguard our customers, enabling them to engage with confidence on our digital platforms.”



**Anurag Chottani**

Chief Operating Officer & Chief Technology Officer

# 07

## Information Security, Cyber Security and Fraud Controls

In today's tech-driven world, safeguarding information is crucial. BFL Group prioritises strong measures in information security, cyber security, and fraud controls to prevent disruptions and protect customer data and business operations.

**UN SDGs Aligned**





# 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.

## Information Security

BFL Group has adopted an information security framework to establish, implement, monitor and constantly improve our information security posture:

**BFL is compliant with**

- ✦ **ISO 27001:2013** Information Security Management System
- ✦ **ISO 22301:2012** Business Continuity Management System
- ✦ **RBI’s Master Direction – Information Technology Framework for the NBFC Sector**
- ✦ **Payment Card Industry Data Security Standard v4.0.1** for Wallet Environment

**BHFL is compliant with**

- ✦ **ISO 27001:2022** Information Security Management System
- ✦ NHB’s Policy circular ‘**Information Technology Framework for HFC Sector**’

**BFSL is compliant with**

- ✦ **SEBI’s Cyber Security and Resilience Framework**

To protect systems and data against the threats in ‘work environment’, BFL Group wherever applicable has also implemented Data Loss Prevention (DLP) solutions such as:

Endpoint, Email and Network DLP

Global protect (VPN) access on Business Applications

Mobile Device Management (MDM) for corporate mobile apps, etc.

Conditional access to Office 365

Big-IP (F5) VPN solution for secure remote access on Business Applications

Dedicated solution for Server security – Trend Micro Deep security

All data protection controls are regularly enhanced and evaluated at least annually. BFL Group has established IT, cybersecurity and data privacy policies in accordance with regulatory requirements.

## Cyber Security

BFL Group has institutionalised a cyber security policy to safeguard 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. Key operational measures as applicable for monitoring and responding to data breaches and cyber-attacks at BFL Group includes:

- ✦ **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, BFL administrates a **vulnerability management process** that actively scans for security threats. A dedicated vulnerability management team tracks vulnerability closures, and an external auditor audits the IT infrastructure and information security management system annually. Additionally, simulated hacker attacks are conducted through Red Team exercises by an external agency.

BFL conducts **penetration testing** on all critical networks and systems, as well as external applications, to identify exploitable vulnerabilities. These tests are initiated following events such as new releases, updates, or enhancements and include both network/host and application penetration testing.

## Advancing Cyber Resilience

Safeguarding BFL’s systems and protecting customer data remain paramount. Its commitment to cyber security is unwavering as it continuously elevates its defences to counter evolving threats and ensure trust in its operations.

**In FY2025, BFL advanced its security posture through strategic initiatives designed to fortify its infrastructure and enhance resilience.**

Key projects included the implementation of Database Activity Monitoring to provide real-time visibility into data access and usage, ensuring the integrity of sensitive information. BFL deployed Network Behaviour Anomaly Detection to identify and mitigate potential threats by analysing deviations in network traffic patterns. To secure endpoints, Company adopted Application Whitelisting, allowing only authorised applications to run, thus reducing the risk of malware and unauthorised access. Company’s network security was further strengthened with the deployment of Network Access Control (NAC) integrated with posture management, ensuring only compliant devices gain access to its ecosystem.

**The Company also replaced its legacy internet proxy with an advanced Zero Trust Proxy Solution, enforcing strict access controls and continuous verification to minimise vulnerabilities.**

BFL continued to enhance security around its consumer mobile app by implementing app-based controls which helped in detecting and blocking attacks on the app. Furthermore, BFL deployed a cloud-based platform to quickly detect, investigate, and respond to cyber threats, effectively managing the vast volume of telemetry data collected from its technology and security platforms.

**These initiatives reflect BFL’s proactive approach to cyber security, prioritising customer data protection and operational integrity.** By leveraging cutting-edge technologies and industry best practices, the Company is taking its security framework to the next level.

Looking ahead to FY2026, BFL will continue to enhance its security posture by advancing proactive threat-hunting measures and implementing a Zero Trust framework, grounded in the ‘Trust and Always Verify’ doctrine across devices, applications, data networks, and identities.





## Data Privacy

Driven by a strong commitment to protecting personal data privacy, BFL Group has developed a comprehensive Data Privacy Policy that includes:

- ✦ 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 to the Data Privacy team.

Additionally, following mechanisms are in place to ensure effective implementation of the BFL Group'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. We are committed to transparency in safeguarding personal information. Our publicly hosted [Data Privacy Policy](#) defines the type of data collected, its intended purpose, retention guidelines, and the secure processing of information within BFL's ecosystem.

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 conduct regular internal security audits, vulnerability assessments and penetration testing of systems and practices affecting user data, in compliance with ISO 27001 standards. We also perform periodic application security assessment, including pre-production review and six-monthly evaluations alongside structured exercise during business enhancements. APIs. Bots. etc.

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

BFL Group's 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 business continuity strategy and framework compliant with regulatory requirements. The Business Continuity Plan (BCP) identifies potential disruptive events and assesses their probability and impact through business impact analysis, aiming to minimise disruptions to critical business operations. The BCP includes Disaster Recovery (DR) procedures for quick recovery from emergencies, covering planning and implementation for IT services. **Annual BCP drills ensure effectiveness relative to current business processes and infrastructure, with Board oversight for BFL and BHFL.**

## Incident Management

BFL Group has 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 addressed as per their 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.

BFL Group's [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,

they 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 at BFL are regularly reviewed by the IT Strategy Committee, which includes Board members and senior executives. BFL's subsidiaries have their own IT Committees that also review IT security initiatives. These committees meet quarterly, and their members, along with the Executive Management team, possess relevant experience in IT strategy and processes.

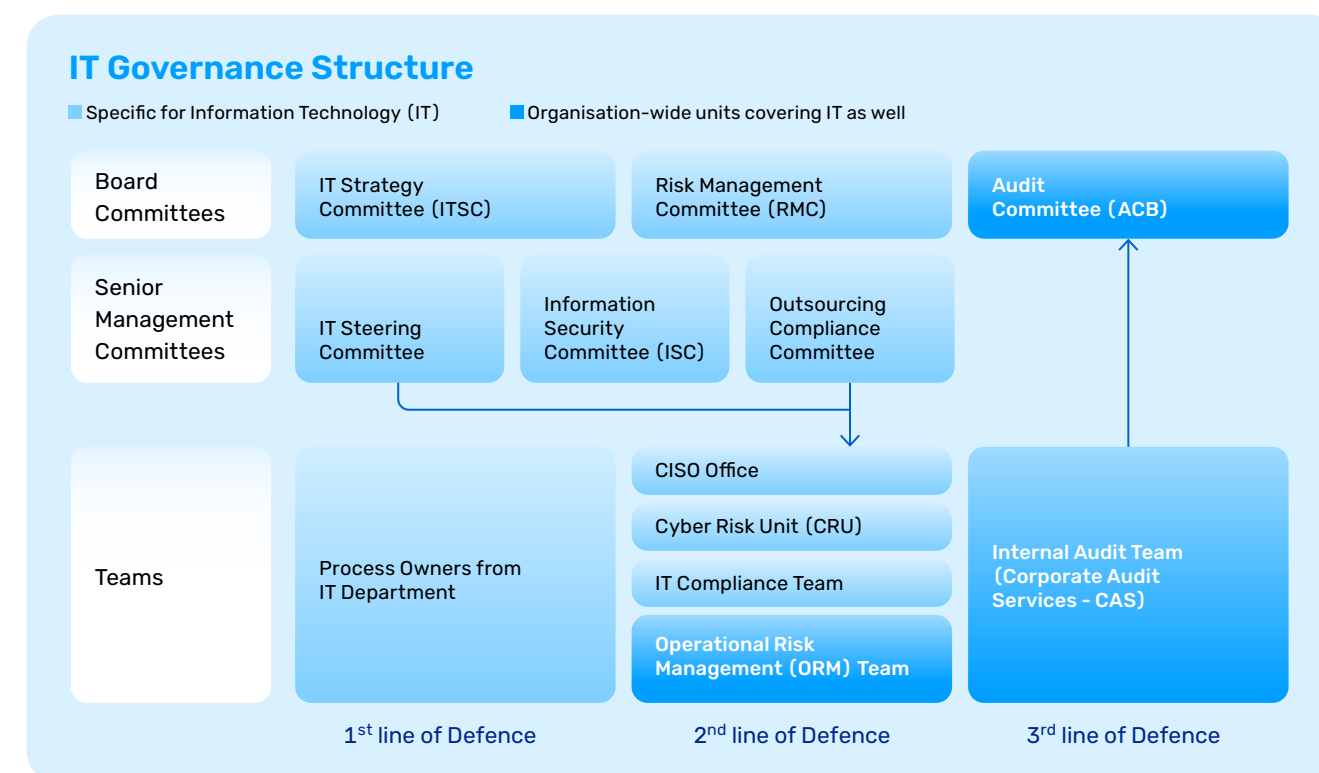
### Composition of BFL's IT Strategy Committee

- ✦ Chairman, Non-Executive, Independent Director
- ✦ Non-Executive, Independent Director
- ✦ Executive, Vice-Chairman (w.e.f. 1 April 2025)
- ✦ Executive, Managing Director (w.e.f. 1 April 2025)

BFL's IT Strategy Committee's Terms of Reference can be found on [ITSCM - Terms Of Reference](#)

Additionally, the overall IT Governance structure of BFL is designed as below to ensure appropriate segregation of roles and responsibilities between the 3 lines of defence.

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



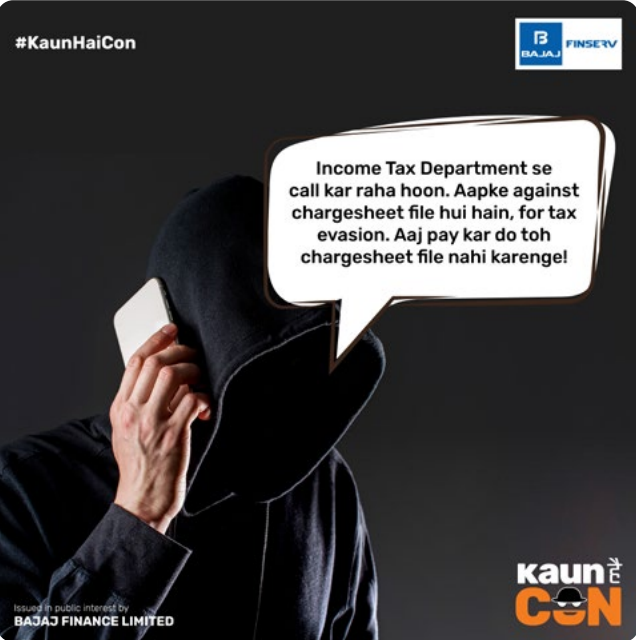


Dedicated IT Compliance

The IT compliance department of BFL has been strengthened by a team of subject matter experts possessing extensive expertise in IT outsourcing, IT infrastructure and application stacks. This team works in synergy with business, support, and operations units to ensure effective management and monitoring of compliance risks and provides insightful guidance on regulatory requirements. Team will continue to focus on compliance measures across vendor assessment, improved secure coding guidelines and creating extensive Software Bill of Materials (SBOM).

Award

BHFL was awarded under the Enterprise Applications category for BFSI Technology Awards 2024 by Express Computers, The Indian Express Group.



Awareness and Training

During the year, over 62,000 employees were imparted training on fraud prevention, cyber security, and data privacy by BFL Group.

Fraud Risk Management

To check any fraudulent activities across our business operations, we closely assess various fraud risks to which we are exposed. BFL has in place a robust framework/policy on fraud risk management in adherence to the Reserve Bank of India's Master Directions 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 to the Risk Management Committee of the Board with the root cause and corrective/preventive actions taken. This framework ensures compliance with regulatory requirements and upholds the principles of natural justice. Our Fraud Risk Strategy is built on four key pillars:

Prediction & Prevention

Our prediction & prevention strategy is structured around:

Fraud Framework

BFL has in place a Board-approved Master policy for dealing with frauds. The Company continues to report frauds to RBI as per extant guidelines and has started following 'Principles of Natural Justice', providing an opportunity of being heard to the perpetrators through show cause notice and reasoned order. The Company has formed a special committee of Board for Monitoring and Follow-up of Frauds, to evaluate the reported frauds and all other processes of fraud risk management.

Fraud Awareness

BFL's 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.

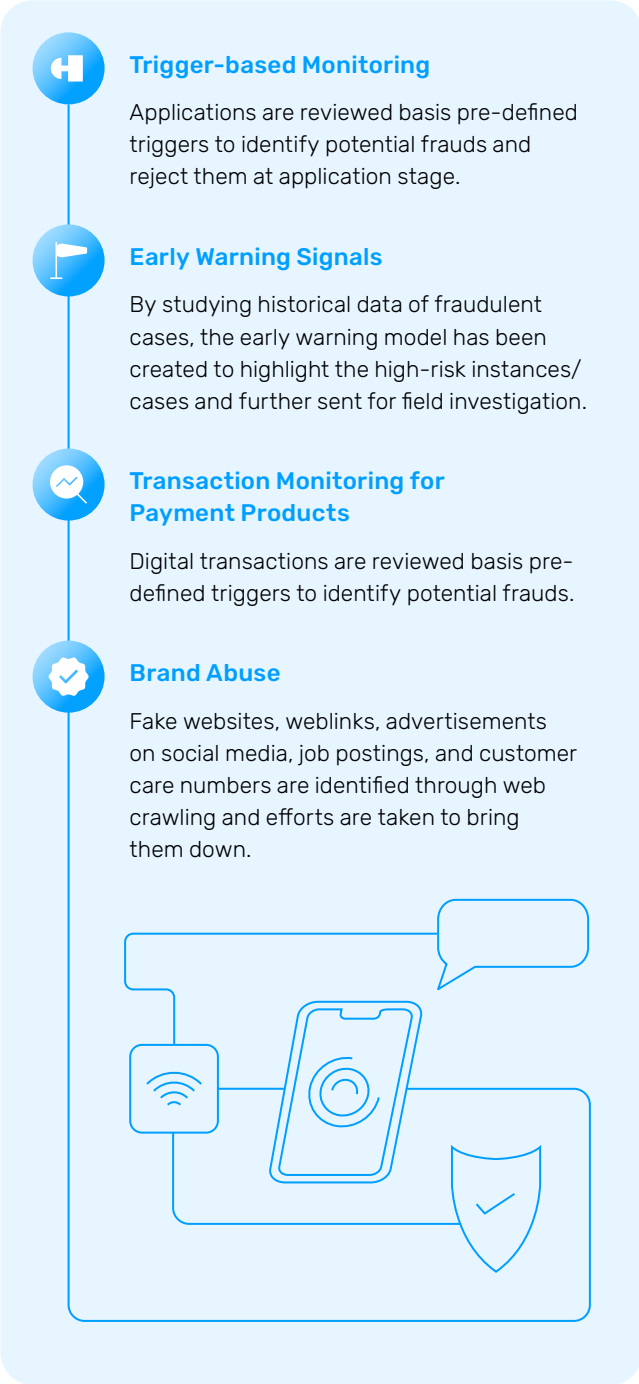
Periodic customer notification on the latest fraud trends is done through App notifications and through social media campaigns.

Fraud Prevention

Through prevention and deterrence actions, the risk containment and fraud control unit are responsible for preventing frauds perpetrated by customers, sourcing channels and internal employees either alone or in connivance with others. BFL ensures that relevant fraud checks are performed well before any disbursement of loan through inbuilt advanced fraud controls analytics in its loan origination system. The fraud check rules are periodically updated based on new learnings.

Detection

BFL's detection strategy is structured around:



Response

BFL has enabled all its employees and agencies to flag any suspicious activity or transaction on the core lending system which then goes through extensive checks by the fraud control unit. BFL's robust underwriting process and vigilance on portfolio quality have ensured that risk at an overall level is within the defined corridor thresholds. Our response strategy is structured around:

Investigation

Review is done on customer disputes, detection alerts to conclude the case as fraud or non-fraud. Staff accountability is reviewed in all cases and if identified, action taken as per disciplinary action committee.

Whistleblower Complaints

These are thoroughly investigated, and appropriate actions are taken in accordance with the Disciplinary Action Committee.

Deterrence

Any outsourced agent found to be involved in loan processing is subject to prompt action.

FIRs and Police Complaints

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

Collaboration

Our collaboration strategy is structured around:

Collaboration with the Sales Team

To implement fraud mitigation measures, ensuring appropriate action is taken against non-compliant distributors and employees.

Industry Collaboration

Working closely with the banking ecosystem to identify emerging trends.





“

We continuously engage with all stakeholders who are impacted by our businesses. We value their feedback and do what it takes to be a responsible corporate citizen. We are committed to the highest standards of compliance, adherence to regulations and laws, in letter and spirit, fair dealings with customers, and consistent communication with investors.”



**Sandeep Jain**

Chief Financial Officer & Chief Operating Officer

# 08

## Stakeholders' Engagement

As a responsible corporate, we at BFL Group are committed to effectively addressing the 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 fair, equitable and consistent manner, taking corrective measures where warranted.

### UN SDGs Aligned





## Engaging with Stakeholders Responsibly

Identifying and prioritising stakeholders is essential for achieving BFL's sustainability objectives and establishing trust with them. We have identified seven critical stakeholder groups that are considered the most important to our business. The key stakeholders of BFL include shareholders and investors, lenders and depositors, value chain partners, customers, employees, society, as well as the government and regulators.

BFL holds periodic and event-based interactions with all its stakeholders to understand the impact of BFL's policies, decisions, products, and services and associated operations on the stakeholders for enhancing the sustainable and responsible business practices.

## 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 Board-approved '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, 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 customers and shareholders, 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

BFL's commitment to protecting the interests of its shareholders and investors is evident in the fact that it maintains some of the highest standards of business information disclosure amongst financial services companies in India. BFL communicates with its shareholders, investors, lenders and deposit holders through quarterly investor presentations, earnings call, stock exchange announcements, investor conferences and non-deal roadshows.

BFL has a well-crafted Stakeholders Relationship Committee in place to review the grievances of debenture and deposit holders, in addition to the shareholders of the Company.

## Value Chain Partners

BFL strongly believes in the mutual and inclusive growth of its value chain partners, including retailers, direct selling agents, direct marketing agents, recovery agents, etc. We encourage them to comply with the highest standards of ethics through Code of Conduct (CoC) which is Board-approved and Suppliers' Code of Conduct for our value-chain partners. The Suppliers' Code of Conduct outlines the essential standards of behaviour and ethical principles that we expect from suppliers/value-chain partners, based on mutual respect and understanding. BFL 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.

BFL Group has incorporated ESG clauses and provisions related to the Suppliers' Code of Conduct into agreements with value chain partners, reinforcing our commitment to ethical business practices, human rights, and environmental protection. BFL has provided training to its collection agents. The summary of the training is as follows:

In November 2022, BFL got its DRA training accreditation from Indian Institute of Banking and Finance (IIBF). BFL has invested in online DRA training infrastructure for agents. After completion of online training, agents appear for a DRA certification test conducted by IIBF. As on 31 March 2025, more than 34,000 participants are DRA certified. We have over 110 facilitators, including more than 70 CAIIB-certified professionals whose profiles have been approved by the IIBF for delivering DRA training for BFL.

BFL conducts an annual meet 'Samvaad - Dialogues to Success' to strengthen relationship with its business partners and address their concerns. We felicitate and recognise outstanding performance of our partners at such forums. Samvaad in FY2025 was organised in-person for 10 days, over 1,200 retailers participating.





## Government and Regulators

BFL proactively shares its views on formulating new industry standards or regulatory developments pertaining to the NBFC sector. In doing so, BFL strives to balance the interest of various stakeholders. BFL engages regularly with Government agencies and regulators and remains steadfastly committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc. as and when required. During such interactions, BFL also discusses 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 offer 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 compliance practices to meet evolving regulatory expectations. Details of such engagements are as follows:

**Regular connect with RBI dealing officers across centres for smooth and timely disposal of escalations. In line with this BFL has participated in 54 nodal officer meetings.**

**18 courtesy meeting with various RBI Ombudsman offices.**

In coordination with RBI, during the year BFL organised 7 offline awareness and education programmes for customers/general public/students on fraud awareness, financial education, and internal grievance redressal mechanism.

**1,000+**

Beneficiaries benefitted from the awareness programmes

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.

## Campaigns and Social Media Outreach at BFL



For customers and stakeholders, we created a comprehensive digital engagement approach through multiple campaigns centred around fraud, customer protection and financial awareness throughout FY2025. Our strategy focused on three essential verticals that are fraud prevention and awareness with cybersecurity and digital safety and financial literacy. The different categories tackle separate financial challenges which together aim to create stronger financial literacy and protection for our customers.

During FY2025, we crafted over 25 digital campaigns which included more than 1,400 social media posts. The campaigns included scam recognition methods together with payment discipline principles and various additional topics that stakeholders would benefit from. These campaigns generated over 1.3 crore impressions together with more than 1.4 crore video views and over 3.6 lakh engagements.

The following section explains our campaign strategy on each vertical in more detail with highlights of some key campaigns:

## Fraud Awareness and Prevention

Safeguarding our customers' financial well-being is a core part of our business ethics. As fraud tactics evolve in the digital age, our commitment to customer protection has only grown stronger. In FY2025, we expanded our fraud awareness ecosystem, recognising that informed customers are the first line of defence.

We enhanced our multi-channel education strategy, focusing on agile digital engagement to reach customers via social media for rapid alerts. Instead of generic warnings, we use real-life scenarios to turn theory into practical skills, boosting customer resilience.

### Campaign Highlights

Some of our digital fraud awareness campaigns are as follows:

#### Fake Loan Ka Danger Zone

Alerts customers to scammers impersonating Bajaj Finance employees who offer fictitious personal or business loans.

#### Bano Cyber Smart

It takes a comprehensive approach to cybercrime education, covering essential topics including phishing attack recognition, identity theft prevention, and safe internet practices.

#### Kaun Hai Con

Aligns with the Reserve Bank of India's 'Raju and 40 Thieves' initiative to address India-specific fraud patterns.



### Snapshot

**5**

No. of campaigns

**550+**

No. of posts

**10,500,000+**

Impressions

**10,000,000+**

Video views

**300,000+**

Engagements



Cyber security and Digital Protection

Over the past year, we launched several initiatives to address digital threats faced by customers and the broader financial community. Throughout the year, we rolled out targeted campaigns focusing on specific areas of online and digital security. Key highlights include:

Campaign Highlights

- ★ **Loan Ka The End** tackles a persistent gap in consumer understanding—the importance of obtaining proper No-Dues Certificates when closing loans.
- ★ **Just Ask For A Receipt** shows how to tackle cash misappropriation risks. This campaign demonstrates through everyday situations how to maintain proper records which protects consumers and their transactions.
- ★ **No Mukti Only Nuksaan** is a direct response to increasing risk of the fraudulent **Karza Mukti** schemes that happen through WhatsApp groups and social media platforms which targets financially vulnerable borrowers.
- ★ **Charges For What** demystifies financial terminology that frequently confuses borrowers. Our campaigns help customers develop proactive habits that prevent unnecessary expenses.
- ★ **Wait Nahi, Update Karo** tackles the common issue of outdated contact information. The campaign illustrates potential consequences of this oversight from missed critical notifications to security breaches wherein unauthorised parties received sensitive account information.
- ★ **Har Koi Bajaj Nahi** is a campaign that has resonated strongly with financial customer base which alerts customers to increasingly sophisticated ways fraudsters impersonate as Bajaj employees.
- ★ **Settle Karna Hai Loan, Pehle Pucho Aap Kaun** addresses the growing problem of unauthorised third-party debt settlement entities.
- ★ **Doori Hai Zaroori From Loan Settlement** clarifies critical distinctions between settlement, closure, and foreclosure options which are terms often deliberately confused by predatory actors.
- ★ **Har Time EMI On Time** centres around making timely payments which should be seen as opportunities rather than obligations.



Snapshot

9  
No. of campaigns

450+  
No. of posts

1,750,000+  
Impressions

1,400,000+  
Video views

29,000+  
Engagements

Financial Literacy: Empowering Informed Decision

We substantially increased our financial education initiatives to address fundamental knowledge gaps which affect everyday financial transactions.

Campaign Highlights

- ★ The **Life Easy With NACH** raises awareness about the National Automated Clearing House (NACH) and its numerous benefits. The campaign shows how the NACH authorisation system removes manual payment tracking and offers strengthened security measures to customers.
- ★ **Time Pe EMI** is a campaign that educates customers about the most frequent cause of penalty charges which stems from payment processing date misunderstandings.
- ★ **Issued In Your Interest** promotes proactive credit profile management as an essential financial wellness practice. The campaign advocates for periodic credit report inspections.
- ★ The **What's The Matter – About Loans** initiative focuses on Key Fact Statements and Terms & Conditions because most customers tend to ignore these essential regulatory documents.
- ★ The **Download the Bajaj Finserv App** campaign is a user guide that shows digital self-service adoption by offering practical navigation directions.
- ★ **What's the Matter – Reassurance** campaign highlights how to use the escalation process for dealing with more intricate service requirements. This approach ensures that customers feel reassured because of quick resolutions. The campaign also demonstrates multiple protection mechanisms for rare situations.



Snapshot

11  
No. of campaigns

350+  
No. of posts

1,280,000+  
Impressions

2,500,000+  
Video views

24,000+  
Engagements





ESG Campaigns

BFL's ESG campaigns aim to generate value across all dimensions of corporate responsibility. Through our targeted programmes in financial accessibility, environmental stewardship, community investment, employee development, and global partnership alignment, we have engaged with the larger community on measurable impacts that advance both societal well-being and business sustainability.

We believe that achieving meaningful results through sustainable practices is a collective responsibility of humankind and cannot be accomplished by an individual

or a single organisation. Keeping this virtue in mind, we initiated awareness campaigns on sustainable practices to encourage all our stakeholders and world at large to contribute toward a greener future.

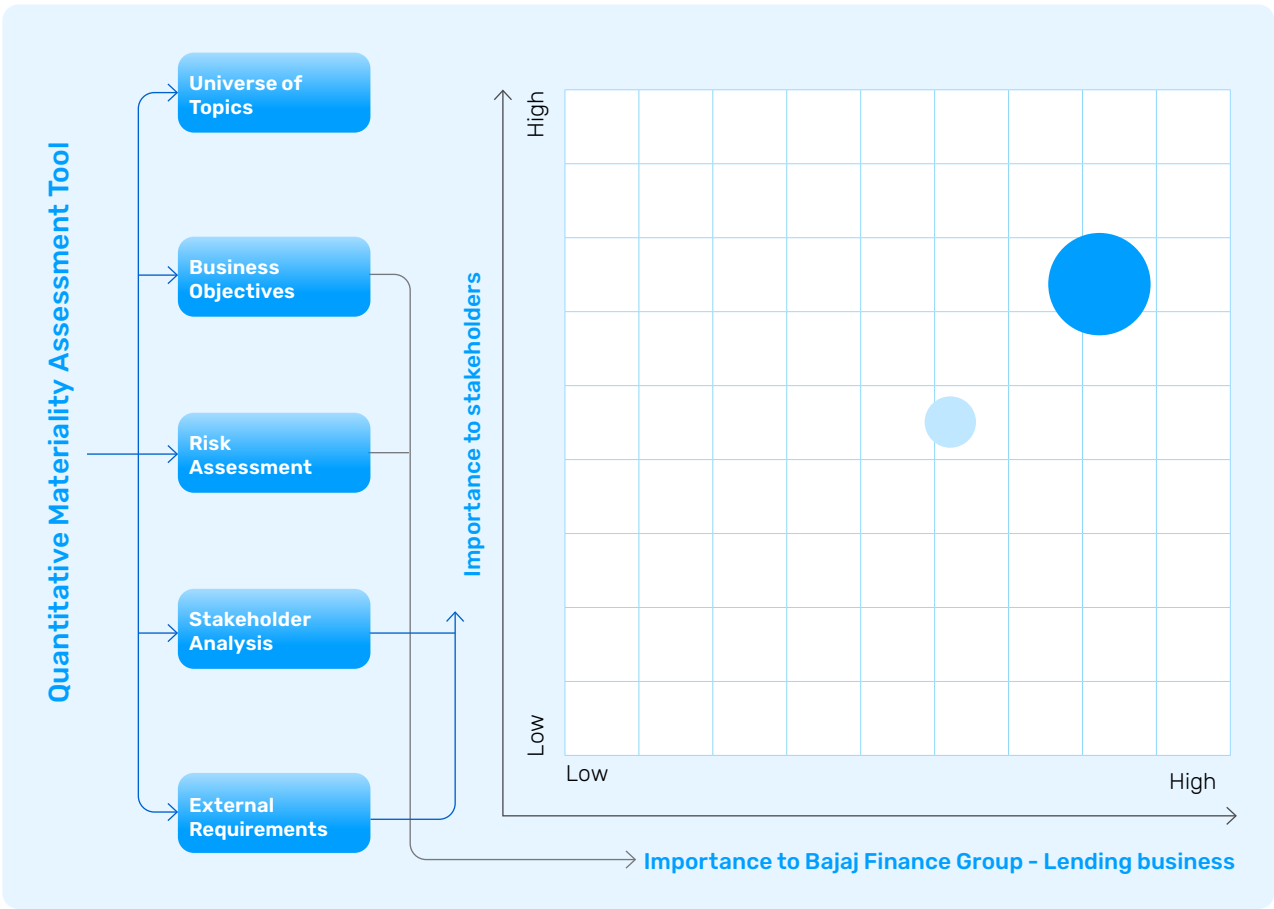
For Customers, please refer to [Customer Obsession](#) section of the Report.

For Society, please refer to [Empowering Society](#) section of the Report.

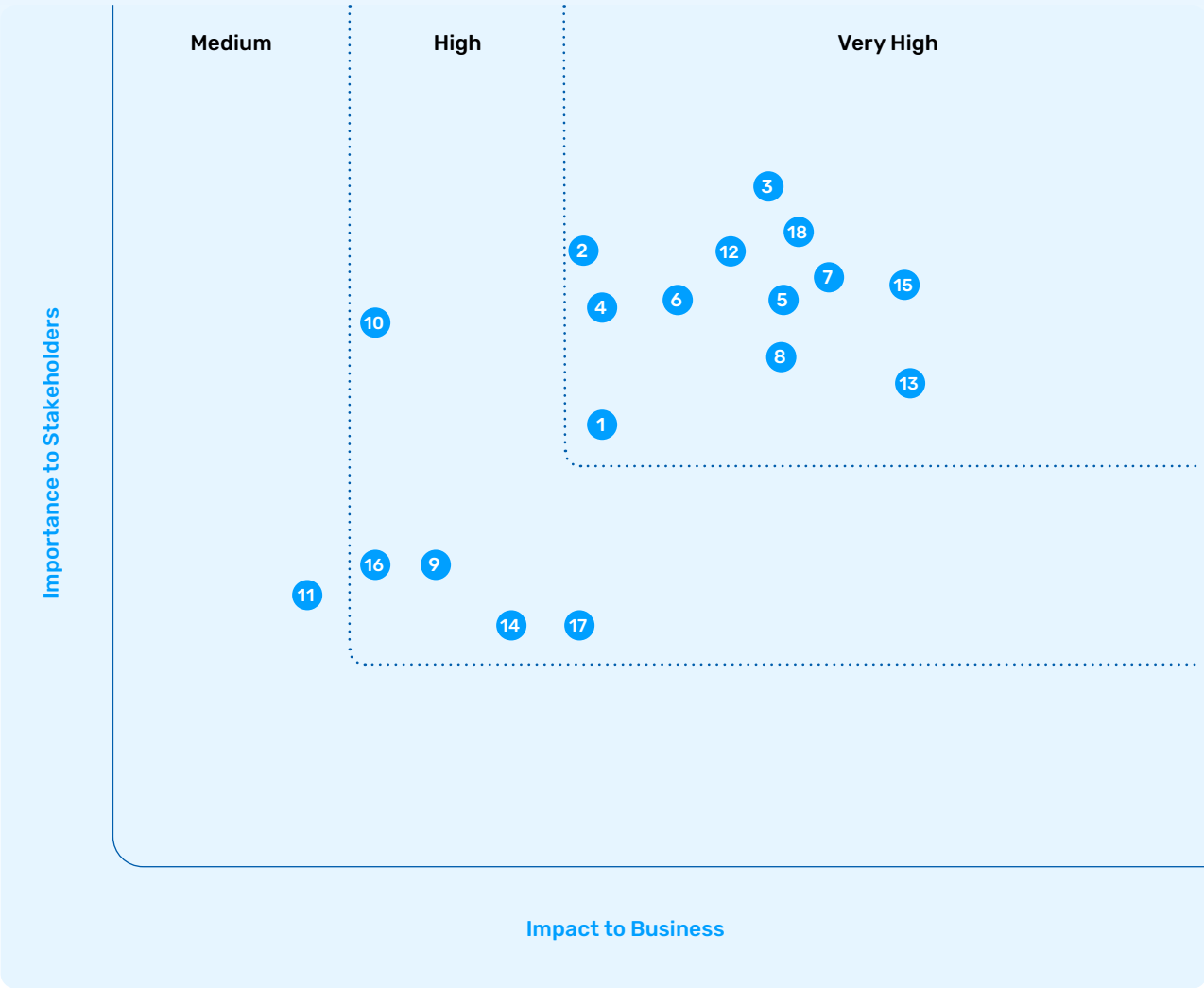
For Employees, please refer to [Human Capital Management](#) section of the Report.

Materiality Assessment

BFL's sustainability interventions focus on issues that are most material to us and our stakeholders. The Materiality Assessment aims to determine environmental, social, and governance issues that require oversight and active engagement from senior management and ESG leadership teams. The Materiality Assessment exercise was conducted through survey-based forms and engagement with senior officers and employees of the BFL Group to identify relevant sustainability issues. This assessment has helped prioritise, from the universe of material issues, topics of highest importance to the Company's business. This 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.



Materiality Matrix



1 Brand and Reputation Management	10 Community Relations and Well-Being
2 Business Ethics and Transparency	11 Climate Strategy and Emission Management
3 Corporate Governance	12 Data Privacy and Security
4 Customer Relationship Management	13 Diversity and Inclusion
5 Innovation and Digitisation	14 Financial Inclusion
6 Marketing and Selling Practices	15 Human Capital Development
7 Risk Management	16 Promoting Employee Health, Safety, and Well-being
8 Regulatory Compliance*	17 Sustainable Finance
9 Human Rights	18 Economic Performance#

\* Regulatory compliance which was part of corporate governance is now being considered separately.  
# Economic Performance is newly considered material topic.



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

#	Material issue identified	Our Performance
1	Enhancing Customer Relationship Management	<div><div></div>For FY2025, BFL has received over 1.65 crore responses and achieved a CSAT score of 97%.</div> <div><div></div>Launched Financial Literacy Programme which positively impacted over 4,300 individuals.</div> <div><div></div>Customer Service Governance Framework – FPC, Reparation Policy, Citizen Charter, Grievance Redressal Mechanism policy in place.</div> <div><div></div>Constituted a Customer Service Committee of the Board.</div>
2	Robust Corporate Governance	<div><div></div>The Board comprises members with diverse experience and skills.</div> <div><div></div>Board-approved ESG Committee.</div> <div><div></div>More than 62,000 of BFL Group employees completed mandatory compliance course training.</div> <div><div></div>Comprehensive risk management framework.</div>
3	Upholding Business Ethics and Transparency	<div><div></div>BFL maintains a zero-tolerance stance towards unethical business practices.</div> <div><div></div>In FY2025, over 62,000 employees were provided with training on CoEPC across BFL Group.</div> <div><div></div>Proactively implemented the new KFS across all critical lending businesses.</div> <div><div></div>Various comprehensive policies upholding business ethics and transparency. Please refer to list of policies in the Annual Report at Page 197.</div>
4	Sustainable Economic Performance	<div><div></div>CRAR of 21.93% versus regulatory stipulation of 15%.</div> <div><div></div>Strong Asset Liability Management (ALM) with cumulative positive gap across all time buckets.</div> <div><div></div>Consolidated gross NPA at 0.96% and net NPA at 0.44% are amongst the lowest in the industry.</div>
5	Data Privacy and Security	<div><div></div>Information Technology Strategy Committee consisting of Board members and Senior management.</div> <div><div></div>Data security and information technology security systems compliant with ISO 27001:2013, 22301:2012.</div> <div><div></div>In FY2025, over 62,000 employees were provided with training on IT and Cyber security across BFL Group.</div> <div><div></div>Customer’s Personally Identifiable Information (PII) is stored in an encrypted format.</div>
6	Strong Brand and Reputation Management	<div><div></div>Customer franchise crossed a 100 MM milestone and stood at 101.82 MM as of 31 March 2025.</div> <div><div></div>An AUM growth of 26% in FY2025 from ₹ 330,615 crore to ₹ 416,661 crore.</div>

#	Material issue identified	Our Performance
7	Embracing Diversity and Inclusion	<div><div></div>Gender Diversity and Inclusion Council.</div> <div><div></div>Several programmes to support female employees in advancing their careers and preparing for leadership roles.</div> <div><div></div>Gender-Neutral Prevention of Sexual Harassment (POSH) Policy.</div> <div><div></div>Spectrum Programme designed to support well-being and diversity.</div> <div><div></div>Healthy female employee ratio of 22% at our corporate offices.</div>
8	Fostering Human Capital Development	<div><div></div>Average per permanent employee hours of training: 44 Hours</div> <div><div></div>Investment in employee training and development: ₹ 33 crore</div> <div><div></div>Over 60,000 employees upskilled through our development programmes.</div> <div><div></div>One Finserv Employee Engagement Survey 2025 (in partnership with Mercer): Over 42,000 voices heard, driving an impressive 87% engagement score.</div>
9	Regulatory Compliance	<div><div></div>BFL has a dedicated Chief Compliance Officer (CCO) and a robust compliance unit.</div>
10	Prudent Risk Management	<div><div></div>Comprehensive Board-approved risk management policy.</div> <div><div></div>RMC met six times in FY2025.</div> <div><div></div>BFL and BHFL has implemented Risk-Based Internal Audit methodology that is linked to the Company’s overall risk management framework.</div> <div><div></div>BFL has robust internal control systems in place.</div>
11	Enhancing Innovation and Digitisation	<div><div></div>Zero Paper initiatives at BFL: Digital KYC 95%; E-Mandate 92%; E-Agreement 98%; physical documents reduced from 23% to 13%.</div> <div><div></div>AI-Enabled Document Processing and Quality Control: AI has been implemented to extract information from documents across processes. This has eliminated manual document verification in the processing of over 3.5 crore documents.</div> <div><div></div>AI-Powered Service Chat on Bajaj Finserv App: Resulted in accelerated query resolution and thus reduced 70% of service requests.</div> <div><div></div>AI-Agents for Service Email Automation: 18% of service emails are now autonomously processed through Service CRM AI-agents.</div> <div><div></div>As a result of digital initiatives in the last three years, BFL has reduced paper consumption by more than 610 crore sheets of paper, saving around 730,000 trees.</div>
12	Marketing & Selling Practices	<div><div></div>A strict Code of Conduct (CoC) for DRA/DSA.</div> <div><div></div>All critical documents such as loan agreements, FPC and branch notices, are provided in the vernacular languages of customer’s choice.</div> <div><div></div>Customer Fairness and Consent: OTP-based consent for cross-selling products.</div>





#	Material issue identified	Our Performance
13	Promoting Sustainable Finance	<ul style="list-style-type: none"><li>Over last three years, we have disbursed over ₹ 23 crore through more than 6,000 loans for financing solar panels.</li><li>Over last three years, we have disbursed over ₹ 1,200 crore through more than 79,000 loans for financing e-vehicles.</li><li>Provided financing access to over 17 million women borrowers amounting more than ₹ 120,000 crore during last 3 years.</li><li>More than ₹ 77,000 crore disbursed in last 3 years for SME Lending thus enabling growth and sustainability of these critical segments.</li></ul>
14	Promoting Employee Health, Safety, and Well-being	<ul style="list-style-type: none"><li>BFL Head Office has obtained ISO 14001:2015 and ISO 45001:2018 certifications for its Integrated Environmental and Occupational Health &amp; Safety Management System.</li><li>Our wellness programmes – Pure Life Initiative:<ul style="list-style-type: none"><li>Annual Health Check-up - In FY2025, ~ 24,000 employees were covered under this programme.</li><li>Counselling Support: 1-to-1 counselling programme, more than 800 sessions were availed by over 500 employees.</li><li>Mental health sessions, such as ‘Mansik Swasthya’ reached more than 18,000 employees to date.</li></ul></li><li>Financial Assistance of more than ₹ 15 crore provided to over 400 employees through iCare.</li></ul>



#	Material issue identified	Our Performance
15	Encouraging Financial inclusion	<ul style="list-style-type: none"><li>BFL is present in 4,263 locations across the country, including 2,681 in rural/ smaller towns and villages.</li><li>BFL has Microfinance and Group based lending operations carried out through its 418 branches to serve underserved communities.</li><li>In FY2025, BFL has launched Affordable Housing Loan business to support homeownership for underserved and low-income communities. BFL has disbursed over ₹ 46 crore to more than 310 families.</li><li>Bajaj Pay is instrumental in fostering financial inclusion by driving the adoption of UPI payments and advancing digital payments infrastructure. As of 31 March 2025, (i) Over 32 million customers have a wallet account with the Company; and (ii) More than 40 million have a UPI handle.</li></ul>
16	Community relations and Well-being	<ul style="list-style-type: none"><li>In FY2025, 213 projects were implemented with a CSR Spend of ₹ 289.80 crore - towards areas of Skilling, Child Education, Child Health, Child Protection, and Inclusion for Persons with Disabilities.</li></ul>
17	Upholding Human Rights	<ul style="list-style-type: none"><li>Employee Charter – Human Rights Statement outlines BFL Group’s unwavering commitment to human rights.</li><li>RISE initiative epitomises our dedication to human rights, diversity, and inclusion. In FY2025, we have conducted 117 RISE sessions attended by over 11,000 employees.</li><li>In FY2025, more than 56,000 employees across the BFL Group participated in human rights training.</li></ul>
18	Climate Strategy and Emissions Management	<ul style="list-style-type: none"><li>Implemented Management approved Climate Risk policy at BFL.</li><li>We have commissioned a total of 7 rooftop solar installations, with a total capacity of over 620 KW.</li><li>20 environment-friendly electric vehicles (EVs) for inter-office shuttle services.</li></ul>

For details on which material topics present a risk or opportunity to our business, the rationale for their identification, our approach to adapt or mitigate these risks, and their financial implications, please refer to Page 153 of the [Annual Report](#) FY2025.





GRI Index

GRI Standard	Disclosure	Location	Page Number(s)	Sections/URL(s)
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report	149, 150	Business Responsibility and Sustainability Report Section A
	2-2 Entities included in the organisation's sustainability reporting	Annual Report	152 356	Business Responsibility and Sustainability Report Section A Independent Auditor's Report on the Consolidated Financial Statements
	2-3 Reporting period, frequency and contact point	Annual Report	149	Business Responsibility and Sustainability Report Section A
	2-5 External assurance	Annual Report	149, 200-208	Business Responsibility and Sustainability Report Section A and Assurance Statements
	2-6 Activities, value chain and other business relationships	Annual Report	149-152	Business Responsibility and Sustainability Report Section A
	2-7 Employees	ESG Report	72	People at BFL
		Annual Report	151	Business Responsibility and Sustainability Report Section A
	2-8 Workers who are not employees	Annual Report	151	Business Responsibility and Sustainability Report Section A
	2-9 Governance structure and composition	ESG Report	16-29	Corporate Governance
		Annual Report	72-100	Report on Corporate Governance
	2-10 Nomination and selection of the highest governance body	Annual Report	87	Report on Corporate Governance
		Policy		<a href="#">Remuneration Policy</a>
	2-11 Chair of the highest governance body	Annual Report	72-93 159, 164	Report on Corporate Governance Business Responsibility and Sustainability Report Section B and Section C Principle 1
		ESG Report	20	Board Committees
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report	174-176	Business Responsibility and Sustainability Report Section C Principle 4
		ESG Report	20	Board Committees
	2-13 Delegation of responsibility for managing impacts	ESG Report	20	Board Committees
		ESG Report	20 104, 105	Board Committees Materiality Assessment
	2-14 Role of the highest governance body in sustainability reporting	Annual Report	159	Business Responsibility and Sustainability Report Section B
		Annual Report	162-164 289-300	Business Responsibility and Sustainability Report Section C Principle 1 Disclosure of transactions with related parties as required by Ind AS 24
	2-15 Conflicts of interest	Policy		<a href="#">Suppliers' Code of Conduct</a>
		Annual Report	82, 83, 128 153, 174-176	Whistle blower policy/Vigil Mechanism Business Responsibility and Sustainability Report Section A and Section C Principle 4
	2-17 Collective knowledge of the highest governance body	Annual Report	78 160	Report on Corporate Governance Business Responsibility and Sustainability Report Section C Principle 1
	2-18 Evaluation of the performance of the highest governance body	Annual Report	125, 126	Report on Corporate Governance
	2-19 Remuneration policies	Policy		<a href="#">Policy for Compensation of Key Managerial Personnel (KMP) and Senior Management</a>
	2-20 Process to determine remuneration	Annual Report	93, 94	a. Report on Corporate Governance - Remuneration of Directors
			119, 120	b. Directors' Report - Remuneration Policies

GRI Standard	Disclosure	Location	Page Number(s)	Sections/URL(s)
	2-21 Annual total compensation ratio	Annual Report	178	Business Responsibility and Sustainability Report Section C Principle 5
	2-22 Statement on sustainable development strategy	ESG Report	04-06 16, 30, 37, 38, 48, 58, 60, 70, 88, 96	Chairman and MD letter Message from our Senior Management
	2-23 Policy commitments	Annual Report	158, 159, 197-199	Business Responsibility and Sustainability Report Section B and Indicative list of policies
	2-24 Embedding policy commitments	Annual Report	158, 159, 197-199	Business Responsibility and Sustainability Report Section B and Indicative list of policies
	2-25 Processes to remediate negative impacts	Annual Report	153, 179, 191, 194	Business Responsibility and Sustainability Report Section A and Section C Principle 5, Principle 8 and Principle 9
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report	153, 179, 191, 194	Business Responsibility and Sustainability Report Section A and Section C Principle 5, Principle 8 and Principle 9
	2-27 Compliance with laws and regulations	Annual Report	161, 162, 187	Business Responsibility and Sustainability Report Section C Principle 1 and Principle 6
	2-28 Membership associations	Annual Report	190	Business Responsibility and Sustainability Report Section C Principle 7
	2-29 Approach to stakeholder engagement	ESG Report	96-104	Stakeholder Engagement
		Annual Report	174-176	Business Responsibility and Sustainability Report Section C Principle 4
	2-30 Collective bargaining agreements	Annual Report	170	Business Responsibility and Sustainability Report Section C Principle 3
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report	104-109	Materiality Assessment
	3-2 List of material topics			
	3-3 Management of material topics	Annual Report	153-157	Business Responsibility and Sustainability Report Section A
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report	32, 70, 370, 371	Consolidated Performance Highlights FY2025, Consolidated Key Financial Indicators: Last 18 years and Consolidated Statement of Profit and Loss
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report	168	Business Responsibility and Sustainability Report Section C Principle 3
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Annual Report	177	Business Responsibility and Sustainability Report Section C Principle 5
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	ESG Report	30-37 48-57	Financial Inclusion Empowering Society
		Annual Report	191-193	Business Responsibility and Sustainability Report Section C Principle 8
	203-2 Significant indirect economic impacts	ESG Report	30-37 48-57	Financial Inclusion Empowering Society
		Annual Report	191-193	Business Responsibility and Sustainability Report Section C Principle 8
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Annual Report	191	Business Responsibility and Sustainability Report Section C Principle 8
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Annual Report	162	Business Responsibility and Sustainability Report Section C Principle 1



GRI Index

GRI Standard	Disclosure	Location	Page Number(s)	Sections/URL(s)
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Annual Report	190	Business Responsibility and Sustainability Report Section C Principle 7
GRI 207: Tax 2019	207-1 Approach to tax	ESG Report	22	Tax Strategy and Governance
	207-3 Stakeholder engagement and management of concerns related to tax	Policy		<a href="#">Tax Governance Policy</a>
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Annual Report	182, 203	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	302-3 Energy intensity	Annual Report	182, 203	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	302-4 Reduction of energy consumption	Annual Report	188	Business Responsibility and Sustainability Report Section C Principle 2 and Principle 6
GRI 303: Water and Effluents 2018	303-5 Water consumption	Annual Report	183, 203	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	ESG Report	43, 44	Greenhouse Gas Emission
		Annual Report	184, 200-208	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Report	43, 44	Greenhouse Gas Emission
		Annual Report	184, 200-208	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report	43, 44	Greenhouse Gas Emission
		Annual Report	188, 200-208	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	305-4 GHG emissions intensity	ESG Report	43, 44	Greenhouse Gas Emission
		Annual Report	184, 188, 200-208	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	305-5 Reduction of GHG emissions	ESG Report	42-46	Greenhouse Gas Emission
		Annual Report	185, 188	Business Responsibility and Sustainability Report Section C Principle 6
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Annual Report	165, 185, 186	Business Responsibility and Sustainability Report Section C Principle 2 and Principle 6
	306-2 Management of significant waste-related impacts	Annual Report	165, 185, 186	Business Responsibility and Sustainability Report Section C Principle 2 and Principle 6
	306-3 Waste generated	Annual Report	185, 186, 203, 204	Business Responsibility and Sustainability Report Section C Principle 6 and Assurance Statements
	306-4 Waste diverted from disposal	Annual Report	165, 166, 185, 186, 203, 204	Business Responsibility and Sustainability Report Section C Principle 2 and Principle 6 and Assurance Statements
	306-5 Waste directed to disposal	Annual Report	166, 185, 186, 203, 204	Business Responsibility and Sustainability Report Section C Principle 2 and Principle 6 and Assurance Statements

GRI Standard	Disclosure	Location	Page Number(s)	Sections/URL(s)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	ESG Report	72	People at BFL
		Annual Report	151, 152	Business Responsibility and Sustainability Report Section A
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report	80	Financial Assistance
		Annual Report	167, 168	Business Responsibility and Sustainability Report Section C Principle 3
	401-3 Parental leave	ESG Report	75	Spectrum Programme
		Annual Report	167, 169	Business Responsibility and Sustainability Report Section C Principle 3
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	ESG Report	80	Environment, Health, and Safety
		Annual Report	171	Business Responsibility and Sustainability Report Section C Principle 3
		Policy		<a href="#">EHS Manual</a>
	403-2 Hazard identification, risk assessment, and incident investigation	Annual Report	171	Business Responsibility and Sustainability Report Section C Principle 3
		Policy		<a href="#">EHS Manual</a>
	403-3 Occupational health services	Annual Report	171	Business Responsibility and Sustainability Report Section C Principle 3
	403-5 Worker training on occupational health and safety	Annual Report	170, 171	Business Responsibility and Sustainability Report Section C Principle 3
	403-6 Promotion of worker health	ESG Report	78-80	Employee Well-being, Support and Engagement
		Annual Report	171	Business Responsibility and Sustainability Report Section C Principle 3
	403-9 Work-related injuries	Annual Report	171, 173	Business Responsibility and Sustainability Report Section C Principle 3
	403-10 Work-related ill health	Annual Report	171, 173	Business Responsibility and Sustainability Report Section C Principle 3
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	ESG Report	84	Training and Development
	404-2 Programmes for upgrading employee skills and transition assistance programmes	ESG Report	76-77 84-86	Women Development Programmes Talent Development and Retention
		Annual Report	170	Business Responsibility and Sustainability Report Section C Principle 3
	404-3 Percentage of employees receiving regular performance and career development reviews	ESG Report	86	Career Enrichment and Development
		Annual Report	170	Business Responsibility and Sustainability Report Section C Principle 3
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	ESG Report	18, 19 72	Board of Directors People at BFL
		Annual Report	151, 152	Business Responsibility and Sustainability Report Section A
	405-2 Ratio of basic salary and remuneration of women to men	Annual Report	178	Business Responsibility and Sustainability Report Section C Principle 5
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Annual Report	179	Business Responsibility and Sustainability Report Section C Principle 5
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	ESG Report	48-57	Empowering Society
		Annual Report	191-193	Business Responsibility and Sustainability Report Section C Principle 8
GRI 415: Public Policy 2016	415-1 Political contributions	ESG Report	23	Transparency
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Report	194, 195	Business Responsibility and Sustainability Report Section C Principle 9





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