The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs (as defined hereinafter) and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

BAJAJ FINANCE LIMITED

Tel: (020) 20 7157 6403 | **Fax:** (020) 7157 6364| **Website**: www.bajajfinserv.in/corporate-bajaj-finance
Registered Office: 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India
Email: investor.service@bajajfinserv.in; **CIN:** L65910MH1987PLC042961

Our Company was originally incorporated as Bajaj Auto Finance Private Limited pursuant to a certificate of incorporation dated March 25, 1987 issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**") as a private limited company under the provisions of the Companies Act, 1956. Our Company became a deemed public limited company by virtue of Section 43A of the Companies Act, 1956 and thereafter got converted into a public limited company with effect from September 24, 1988. The name of our Company was changed to Bajaj Finance Limited on September 6, 2010. For further details with respect to the change of the name of our Company, see "***Organisational Structure***" on page 274.

Issue of up to [●] equity shares of face value of ₹1 each (the "**Equity Shares**") at a price of ₹[●] per Equity Share (the "**Issue Price**"), including a premium of ₹[●] per Equity Share, aggregating up to approximately ₹[●] million (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 28.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED.

Our Company's Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the Equity Shares on BSE and NSE as on November 9, 2026 was ₹1,065.00 and ₹1,064.85 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each dated November 11, 2026. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QUALIFIED INSTITUTIONAL BUYERS ("QIBs") IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION TO OFFER OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 58 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (*as defined hereinafter*), has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sale of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "***Issue Procedure***" on page 288. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than the Eligible QIBs to whom this Preliminary Placement Document is specifically addressed, and persons retained by such Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are both (i) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) (a "**U.S. QIB**"), and (ii) "qualified purchasers" (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and the related rules) (the "**Investment Company Act**") and (b) to persons who are not "U.S. persons" (as defined under Regulation S of the U.S. Securities Act ("**Regulation S**")) in "offshore transactions" as defined in, and in reliance upon, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. For further information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 301.and 307, respectively.

The information on our websites, any website directly or indirectly linked to our websites or on the respective websites of the Book Running Lead Managers (*as defined hereinafter*) or of their respective associates or affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated, November 11, 2026.

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited	**J.P. Morgan India Private Limited**	**Morgan Stanley India Company Private Limited**	**IIFL Capital Services Limited**	**JM Financial Limited**	**Axis Capital Limited**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries and its Associates ("**Group**") and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Group and the Equity Shares are in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, the information contained in this Preliminary Placement Document has been provided as of the date of this Preliminary Placement Document and neither our Group nor Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Morgan Stanley India Company Private Limited, IIFL Capital Services Limited, JM Financial Limited and Axis Capital Limited (the "**Book Running Lead Managers**") have any obligation to update such information to a later date. Further, the information has been provided by our Company and from other sources identified herein. The Book Running Lead Managers have made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal, or otherwise). Accordingly, neither the Book Running Lead Managers, nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Group and the Issue of the Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on any of the Book Running Lead Managers or on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Group and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) to persons who are not "U.S. persons" (as defined in Regulation S ("U.S. Persons")) in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States to persons who are both (a) U.S. QIBs and (b) "qualified purchasers" (as defined in Section 2(a)(51) of the Investment Company Act ("QPs")).

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For further details, see "***Selling Restrictions***" on page 301 and "***Transfer Restrictions***" on page 307.

In making an investment decision, the prospective investors must rely on their own examination of our Group and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investor should not construe the

contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Group nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an eligible QIB and is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42, Section 62 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Our Company does not undertake to update this Preliminary Placement Document to reflect subsequent events after the date of this Preliminary Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date hereof.

This Preliminary Placement Document contains summaries of certain terms of documents, which are qualified in their entirety by the terms and conditions of such documents.

The information on the websites of our Group, including our Company i.e., www.bajajfinserv.in/corporate-bajaj-finance, any website directly and indirectly linked to the website of our Group or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute or form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 301 and 307, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue;

2. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company which is not set forth in this Preliminary Placement Document;

3. That you are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter), and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

4. If you are a person resident outside India and a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and that you are investing under Schedule II of the FEMA Rules. Further, you confirm that you are not an FVCI under the SEBI FVCI Regulations. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

5. You will provide the information as required under the Companies Act, 2013 and the PAS Rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number, occupation, nationality, category and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue, including any documents or undertakings as may be required and requested by the Company to make necessary filings with the MCA, the RBI and other statutory and regulatory authorities, as may be required under applicable law, in relation to the Issue;

6. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the recognised Stock Exchanges (please note that there are additional requirements that apply if you are within the United States, for more information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 301 and 307, respectively);

7. You are aware that this Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC or the SEBI, under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified or affirmed by SEBI, the RBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. The Preliminary Placement Document has been filed (and the Placement Document shall be filed) with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

8. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

9. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Managers. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you and are not in any way acting in any fiduciary capacity;

10. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for

future operations (including development plans and objectives relating to our business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

11. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

12. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 288, 301 and 307, respectively;

13. You have been provided a serially numbered copy of the Preliminary Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" beginning on page 58;

14. In making your investment decision, you have (i) relied on your own examination of our Group, and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Group, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Group or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

15. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the purchase, ownership and disposal of the Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

16. You are a sophisticated investor and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

17. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

18. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person 'related to any of the Promoters', in a manner set out in paragraph 19 below, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent any Promoter or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

19. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who

does not hold any Equity Shares and who has acquired the said rights solely in the capacity of a lender shall not be deemed to be a person related to our Promoters);

20. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

21. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

22. The Bid made by you would not ultimately result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI Takeover Regulations**");

23. The number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

24. You are aware that in relation to the Issue, (i) in-principle approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

25. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

26. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

27. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that the Issue is subject to our Company making necessary filings with the RoC as may be required under the Companies Act, 2013;

28. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

29. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by our Company;

30. You are aware and understand that the Book Running Lead Managers have entered into a Placement Agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their best efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

31. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor

relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

32. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

33. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

34. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue (the "**Company Presentation**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentation included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such Company Presentation, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information that was not publicly available;

35. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and unless so registered, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. For more information, see "***Selling Restrictions***" beginning on page 301;

36. If you are within the United States, you are both a U.S. QIB and a QP, who is or are acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB and QP, for investment purposes only, and not with a view to, or for offer or sale in connection with, a distribution (within the meaning of any United States securities laws) thereof in whole or in part;

37. Further, you acknowledge that in terms of the SEBI FPI Regulations and FEMA Rules, Eligible FPIs may invest in such number of Equity Shares such that (i) the total holding of the Eligible FPI, including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) in our Company shall be less than 10% of the post-Issue total paid-up equity share capital of our Company on a fully diluted basis, and (ii) the aggregate limit for total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company by FPIs permitted under the FEMA Rules, shall not exceed the sectoral cap applicable to our Company, as laid down in Schedule I of the FEMA Rules. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI (as defined hereinafter), subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations.

38. If you are outside the United States, you are not a U.S. Person and are purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance upon, Regulation S and in compliance with laws of all jurisdictions applicable to you;

39. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S). You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 301 and 307, respectively;

40. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, read with Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

41. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

42. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

43. You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

44. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others can rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable; and

45. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs including the affiliates of the Book Running Lead Managers, who are registered as category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. Such P-Notes can be issued post compliance with all applicable laws, including the KYC norms and such other conditions as specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless the conditions specified under Regulation 21 of SEBI FPI Regulations are complied with. P-Notes have not been, and are not being offered, or sold pursuant to the Preliminary Placement Document or this Placement Document. Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) is not permitted to be 10.00% or above of our post-Issue paid-up Equity Share capital on a fully diluted basis. The SEBI has, vide a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI investments and P-Notes position held in the underlying company. Further, the Eligible FPIs are permitted to invest in the Equity Shares of our Company, subject to the restrictions and limits on the Foreign Portfolio Investment as specified in the section "***Issue Procedure***" beginning on page 288.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes. Subsequently, vide Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the FDI Policy and NDI Rules has been further amended to, inter alia, define the expression "beneficial ownership of an investment" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold, directly or indirectly, individually or cumulatively, independently or collectively, with any other citizen or entity of a land bordering country, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. In the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Further, investments into India from an investor entity: (a) having any direct or indirect ownership by a citizen or an entity of a land bordering country; and (b) not requiring prior Government approval, shall be subject to certain reporting by the Company. The amendments under Press Note No. 2 (2026 Series) have been brought into effect from the date of publication of FEMA (Non debt Instruments) Rules, 2026 in the official gazette, being, May 2, 2026.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations. Also see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 301 and 307, respectively.

DISCLAIMER CLAUSE

Disclaimer clause of the Stock Exchanges

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Promoter, our management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription / acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

Disclaimer clause of the RBI

The Company is having a valid certificate of registration dated March 5, 1998 issued by the RBI under Section 45 IA of the RBI Act. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for the repayment of deposits / discharge of liabilities by the Company.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company' or the 'Issuer' are to Bajaj Finance Limited and references to 'we', 'us' or 'our' are to Bajaj Finance Limited with our Subsidiaries and Associates on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All numbers in this Preliminary Placement Document have been presented in million or whole numbers unless stated otherwise. In this Preliminary Placement Document, references to "lakh(s)" represent "100,000", "million" represents "10 lakhs" or "1,000,000", "crore(s)" represents "10,000,000" or "10 million" or "100 lakhs", "billion" represents "1,000,000,000" or "1,000 million" or "100 crore" and "trillion" represents "1,000,000,000,000" or "1,000,000 million" or "100,000 crore" .

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

Our Company reports its financial statements in Indian Rupees. Our Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act,2013 (the Act) along with other relevant provision of the Act, and the applicable extant RBI and NHB regulations. Our Financial Statements are prepared in crore for the quarter and half year ended September 30, 2026, for the quarter and half year ended September 30, 2025 and for the Fiscals 2026, 2025 and 2024 and have been presented as such in this Preliminary Placement Document. However, such figures have been presented in millions in the other parts of this Preliminary Placement Document, unless stated otherwise or the context requires. Further, certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the first decimal. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

In this Preliminary Placement Document, we have included the following:

The audited consolidated financial statements for the Financial Year 2024 have been audited by our Previous Joint Statutory Auditors ("**Audited Consolidated Financial Statements for the Financial Year 2024**") on which they have issued an audit report dated April 25, 2024. Our audited consolidated financial statements for the Financial Year 2025 ("**Audited Consolidated Financial Statements for the Financial Year 2025**") and audited consolidated financial statements for the Financial Year 2026 ("**Audited Consolidated Financial Statements for the Financial Year 2026**") have been audited by our Joint Statutory Auditors, on which they have issued audit reports dated April 29, 2025 and April 29, 2026 respectively (the Audited Consolidated Financial Statements for the Financial Year 2024, Audited Consolidated Financial Statements for the Financial Year 2025 and Audited Consolidated Financial Statements for the Financial Year 2026, together the "**Audited Consolidated Financial Statements**"). The unaudited consolidated financial results for the quarter and half year ended September 30,2026, ("**Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026**") and the unaudited consolidated financial results for the quarter and half year ended September 30, 2025, ("**Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025**") have been subject to limited review by our Joint Statutory Auditors and they have issued a review reports dated October 19, 2026 and November 10, 2025 respectively, based on their review conducted in accordance with the Standard on Review Engagement (SRE) 2410 issued by the ICAI, (the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025 and Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026, together, the "**Unaudited Consolidated Financial Results**").

The Audited Consolidated Financial Statements should be read along with their respective audit reports, and the Unaudited Consolidated Financial Results should be read along with the review report issued thereon.

The Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 have been prepared on an accrual and going concern basis in accordance with Indian Accounting Standards 'Interim Financial Reporting' ('Ind AS 34) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 and should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended March 31, 2026 (last audited annual financial statements). In preparing these Unaudited Consolidated Financial Results, the comparative figures included in Unaudited Consolidated Balance Sheet, Unaudited Consolidated Statement of Profit and Loss and Unaudited Consolidated Statement of Cash Flows, have been compiled/extracted from the Statement of Unaudited Consolidated Financial Results as at and for the quarter and half year ended September 30, 2025, prepared as per the requirements of Regulation 33 and 52 of the SEBI Listing Regulations, which had been approved by the Board of Directors of the Company on November 10, 2025, and on which our Joint Statutory Auditors had issued an unmodified review report dated November 10, 2025. Certain comparative figures included in the Unaudited Consolidated Financial Results have been reclassified to make them comparable to the classification in the corresponding Consolidated Financial Statements as at and for the quarter and half year ended September 30, 2025. The comparative figures have not been adjusted to reflect adjusting events after November 10, 2025 as these are intended to be read in conjunction with the comparative figures in the said Unaudited Consolidated Balance Sheet, Unaudited Consolidated Statement of Profit and Loss and Unaudited Consolidated Statement of Cash Flows.

The accounting policies applied by the Company for preparation of these Unaudited Consolidated Financial Results are consistent with those adopted for preparation of last annual financial statements.

Unless the context otherwise requires, or except as specifically indicated, all financial data in this Preliminary Placement Document has been derived from the Audited Consolidated Financial Statements of each of the respective financial years/ period, i.e., March 31, 2024, March 31, 2025 and March 31, 2026, the quarter and half year ended September 30, 2025 and the quarter and half year ended September 30, 2026. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act, the SEBI Listing Regulations and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI Listing Regulations, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see, "***Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows***" on page 92.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "***Industry Overview***" beginning on page 142.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "*Analysis of NBFC Sector in India*", dated November 2026, ("**CRISIL Report**"), which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL pursuant to an engagement letter dated October 7, 2026, in connection with the Issue. References to various segments in the "***Industry Overview***" section on page 142 and information derived from therein are references to industry segments and in accordance with the presentation, analysis and categorization in the CRISIL Report.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – We have referred to the data derived from the CRISIL Report commissioned from CRISIL Intelligence (formerly CRISIL Market Intelligence & Analytics)***" on page 89. Thus, neither our Company nor the Book Running Lead Managers can assure you of the correctness, accuracy and completeness of such data. Accordingly, investment decisions should not be based solely on such information.

The CRISIL Report contains the following disclaimer:

Crisil Intelligence, a division of Crisil Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. Crisil Intelligence operates independently of Crisil's other divisions and subsidiaries, including, Crisil Ratings Limited. Crisil Intelligence's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies.

For the preparation of this report, Crisil Intelligence has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. The Company shall be responsible for ensuring compliances and consequences of non-compliances for use of the Report or any part thereof outside India in relation to the Offer

AVAILABLE INFORMATION

Our Company has agreed that, for so long as any Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Company will, during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, promptly furnish or cause to be furnished to the BRLMs and, upon request of any holder or beneficial owner of such restricted securities or any prospective purchaser of such restricted securities designated by such holder or beneficial owner, to such holder, beneficial owner or prospective purchaser, the information required to be delivered to holders, beneficial owners and prospective purchasers of the Equity Shares being issued by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'pursue', 'shall', 'seek to', 'should', 'will', 'will continue', 'would', or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements and appear in a number of places throughout this Preliminary Placement Document. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include:

1. If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows;

2. We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our financial condition, results of operations and cash flows;

3. If we are unable to control the level of GNPAs/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatory-mandated provisioning requirements, our financial condition and results of operations could be adversely affected. If we are unable to recover, control and/or reduce our NPAs/Stage 3 Assets our financial condition and results of operations could be adversely affected;

4. Any decrease in demand for our loan products could adversely affect our business, financial condition and results of operations; and

5. Our Mortgages lending vertical represents a significant portion of our AUM, and is exposed to the Indian real estate sector. Any significant downturn or adverse developments in that sector could lead to an increase in impairment losses and adversely affect our business, financial condition, results of operations and cash flows.

Additional factors that could cause actual results, performances or achievements of our Company to differ materially include, but are not limited to, those discussed in "***Risk Factors***", "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Industry Overview***" and "***Our Business***" beginning on pages 58, 112, 142 and 241, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements included herein are as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. All the Directors, Key Managerial Personnel and the Senior Management of our Company named herein are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India vis-à-vis the civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgements under the civil liability provisions of the federal securities laws of the United States.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, respectively. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained are opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign decree rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards, even if such an award is enforceable as a decree or judgment. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code.

Each of the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to the execution of such a judgment in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all or that conditions of such approvals would be acceptable.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and the U.S. dollar will affect the U.S. dollar equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into U.S. dollar of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. dollar (in ₹ per USD) based on the reference rates released on the website of www.fbil.org.in or www.rbi.org.in, as applicable. No representation is made that the Indian Rupee amounts actually represent such amounts in U.S. dollar or could have been or could be converted into USD at the rates indicated, any other rates, or at all.

(₹ per US$)

	Period end [(1)]	Average [(2)]	High[(3)]	Low [(4)]
Fiscal*				
2026	94.65	88.31	94.65	83.86
2025	85.58	84.57	87.59	83.07
2024	83.37	82.79	83.40	81.65
Month ended*				
October 31, 2026	95.25	95.74	96.77	94.70
September 30, 2026	95.98	95.46	96.03	94.45
August 31, 2026	95.45	95.47	95.75	95.12
July 31, 2026	95.37	95.82	96.54	94.73
June 30, 2026	94.60	94.97	95.78	94.28
May 31, 2026	95.38	95.60	96.84	94.44

(Source: www.rbi.org.in and www.fbil.org.in, as applicable)

Notes:

[(1)] The price for the period end refers to the price as on the last trading day of the respective financial year or quarterly or monthly periods.

[(2)] Represents the average of the official closing rate for each working day of the relevant period.

[(3)] Maximum of the official closing rate for each working day of the relevant period.

[(4)] Minimum of the official closing rate for each working day of the relevant period.

** In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The RBI/FBIL reference rates are rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "**Taxation**", "**Industry Overview**", "**Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Legal Proceedings**" beginning on pages 319, 142, 346, 112 and 328, respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Bajaj Finance Limited, a public limited company incorporated on March 25, 1987 under the Companies Act, 1956 and having its registered office at 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries and Associates on a consolidated basis

Company Related Terms

Term	Description
"Articles" or "Articles of Association"	Articles of association of our Company, as amended from time to time
Asset Liability Committee	Asset liability committee of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Associates	Snapwork Technologies Private Limited and Pennant Technologies Private Limited
Audit Committee	Audit committee of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Audited Consolidated Financial Statements	The Audited Consolidated Financial Statements for the Financial Year 2024, Audited Consolidated Financial Statements for the Financial Year 2025 and Audited Consolidated Financial Statements for the Financial Year 2026
Audited Consolidated Financial Statements for the Financial Year 2024	Our audited consolidated financial statements for the Financial Year 2024 prepared in accordance with the Ind AS and Companies Act, 2013
Audited Consolidated Financial Statements for the Financial Year 2025	Our audited consolidated financial statements for the Financial Year 2025 prepared in accordance with the Ind AS and Companies Act, 2013
Audited Consolidated Financial Statements for the Financial Year 2026	Our audited consolidated financial statements for the Financial Year 2026 prepared in accordance with the Ind AS and Companies Act, 2013
Bajaj Auto	Bajaj Auto Limited
"BFinsec" or "BFSL" or "Bajaj Broking"	Bajaj Financial Securities Limited
"BHFL" or "Bajaj Housing"	Bajaj Housing Finance Limited
"Board of Directors" or "Board"	The board of directors of our Company or any duly constituted committee thereof
Chief Compliance Officer	Chief compliance officer of our Company, namely, Neelesh Sarda
"Chief Financial Officer" or "CFO" and "Chief Operating Officer" or "COO"	Chief financial officer and Chief Operating Officer of our Company, namely, Sandeep Jain
Chief Risk Officer	Chief risk officer of our Company, namely, Fakhari Sarjan
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, namely, R Vijay
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281

Term	Description
Directors	The directors of our Company as disclosed in "***Board of Directors and Senior Management***" on page 275
ESOP Scheme 2009	The Employee Stock Option Scheme, 2009 of our Company
Executive Director	An executive non-independent director in terms of Companies Act, 2013 as disclosed in "***Board of Directors and Senior Management***" on page 275
Equity Share(s)	Equity shares having a face value of ₹1 each of our Company
Financial Information	The Audited Consolidated Financial Statements and Unaudited Consolidated Financial Results
Independent Director	An independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations as disclosed in "***Board of Directors and Senior Management***" on page 275
IT Strategy Committee	IT strategy committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Joint Statutory Auditors	The current joint statutory auditors of our Company, namely, M/s Price Waterhouse LLP, Chartered Accountants and M/s Kirtane & Pandit LLP
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "***Board of Directors and Senior Management***" on page 279
"Memorandum" or "Memorandum of Association"	Memorandum of association of our Company, as amended
"Nomination and Remuneration Committee" or "NRC Committee"	Nomination and remuneration committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Non-Executive Chairman	Non-executive chairman of the Board of our Company, namely, Sanjivnayan Bajaj
Non-Executive Director	A non-executive non-independent director in terms of Companies Act, 2013 as disclosed in "***Board of Directors and Senior Management***" on page 275
Previous Joint Statutory Auditors	The previous joint statutory auditors of our Company, namely, Deloitte Haskins & Sells LLP and G.M. Kapadia & Co.
Promoter	Bajaj Finserv Limited
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
PTPL	Pennant Technologies Private Limited
Registered Office	4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India
Review Committee	Review committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Risk Management Committee	Risk management committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
Senior Management	Members of the senior management of our Company as disclosed in "***Board of Directors and Senior Management***" on page 279
Shareholder(s)	Shareholders of our Company
Stakeholders' Relationship Committee	Stakeholders' relationship committee of the Board of our Company as disclosed in "***Board of Directors and Senior Management***" on page 281
STPL	Snapwork Technologies Private Limited
Subsidiaries	Bajaj Housing Finance Limited, our listed subsidiary and Bajaj Financial Securities Limited, being our Company's wholly-owned subsidiary
QIP 2026 Allotment Committee	An allotment committee of our Company, duly constituted by the Board of our Company for the purposes of this Issue
QIP 2026 Executive Committee	An executive committee of our Company, duly constituted by the Board of our Company for the purposes of this Issue
QIP 2026 Special Committee	A special committee of the Board of our Company, duly constituted for the purposes of this Issue
Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025	Our unaudited consolidated financial results for the quarter and half year ended September 30, 2025
Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026	Our unaudited consolidated financial results for the quarter and half year ended September 30, 2026
Unaudited Consolidated Financial Results	The Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 and Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025

Term	Description
Vice Chairman and Managing Director	Vice Chairman and Managing Director of our Company, namely, Rajeev Jain

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted" or "Allot"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are issued pursuant to the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	Indication of a Bidder's interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe to the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and payable by the Bidder in the Issue on submission of the Application Form
Bidder(s)	Any prospective investor, being an Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or "BRLMs"	Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited, Morgan Stanley India Company Private Limited, IIFL Capital Services Limited, JM Financial Limited and Axis Capital Limited
BSE	BSE Limited
"CAN" or "Confirmation of Allocation Note"	Note, advice or intimation to Successful Bidders confirming the Allocation of Equity Shares to such Successful Bidders after discovery of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●], 2026
"CRISIL" or "CRISIL Intelligence"	CRISIL Intelligence *(formerly CRISIL Market Intelligence & Analytics)*, appointed by our Company pursuant to an engagement letter dated October 7, 2026
CRISIL Report	Report titled "*Analysis of NBFC Sector in India*", dated November, 2026, issued by CRISIL and commissioned by our Company exclusively in connection with the Issue
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in this Issue, participating through Schedule II of the FEMA Rules
Eligible QIBs	QIBs which are eligible to participate in the Issue and which are (a) not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations or (b) restricted from participating in the Issue under the applicable laws. FVCIs are not permitted to participate in the Issue. In addition, Eligible QIBs, outside the United States acquiring the Equity Shares in "offshore transactions" in reliance on Regulation S under the U.S. Securities Act are eligible to participate in the Issue
Escrow Account	Special non-interest bearing, no-lien, current bank accounts without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Bid Amount shall be deposited by Eligible QIBs and refunds, if any, shall be remitted to unsuccessful Bidders
Escrow Agent	Axis Bank Limited
Escrow Agreement	Agreement dated November 11, 2026 entered into by and amongst our Company, the Escrow Agent and the Book Running Lead Managers for collection of the Bid amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹992.25 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders accorded through their special resolution dated November 2, 2026 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Fraudulent Borrower(s)	A person or an issuer categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Gross Proceeds	The proceeds from the Issue aggregating to ₹[●] million
Issue	Issue and Allotment of the Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], 2026, the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Bid Amount
Issue Opening Date	November 11, 2026, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Bid Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Bid Amount
Issue Price	A price per Equity Share of ₹[●]
Issue Size	Aggregate size of the Issue, up to ₹[●] million
Monitoring Agency	CRISIL Ratings Limited, being a credit rating agency registered with SEBI.
Monitoring Agency Agreement	Agreement dated November 6, 2026 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency in accordance with Regulation 173A of the SEBI ICDR Regulations, for monitoring the Gross Proceeds
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
NSE	National Stock Exchange of India Limited
Placement Agreement	Placement agreement dated November 11, 2026, by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Preliminary Placement Document	This preliminary placement document along with Application Form, dated November 11, 2026, issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
"QIB" or "Qualified Institutional Buyer"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"QIP" or "Qualified Institutions Placement"	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the PAS Rules
Refund Amount	Aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	November 11, 2026, which is the date of the meeting in which the QIP 2026 Special Committee decided to open the Issue
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount and who will be Allocated Equity Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Business and Industry Related Terms

Term	Description
2W and 3W Finance	Has the meaning given to such term in "***Business – Our Loan Products – Retail Urban Lending – 2W and 3W Finance***" on page 254
AI	Artificial Intelligence
ALCO	Asset liability management committee
ALM	Asset liability management
AML	Anti-money laundering
ARCL	AMC Repo Clearing Limited
ASSC	Authorized sales & support centres
AUM	Assets under management
Average Borrowings	Average Borrowings is equal to the total of opening and closing balances outstanding of borrowings for the period/year divided by two.

Term	Description
Average Equity	Average Equity is equal to the total of opening and closing balances of Total Equity for the period/year divided by two.
Average equity attributable to owners	Average equity attributable to owners of the Company is equal to the total of opening and closing balances of equity attributable to the owners of the Company for the period/year divided by two.
Average Loans	Average Loans is equal to the total of opening and closing balances outstanding of loans for the period/year divided by two.
BACL	Bajaj Auto Credit Limited
BBPS	Bharat Bill Payment System
BFDL	Bajaj Finserv Direct Limited
BRD	Business Requirement Document
BRE	Business Rules Engine
CAM	Credit Approval Memo
CARE	Credit Analysis and Research Limited
CCCO	Customer Centric & Compliance Office
CCIL	The Clearing Corporation of India Limited
CDP	Customer Data Platform
CESTAT	Customs, Excise and Service Tax Appellate Tribunal, Western Zonal Bench, Mumbai
CET1	Common Equity Tier 1
CFP	Contingency Funding Plan
Commercial Lending	Has the meaning given to such term in "***Business – Our Loan Products – Commercial Lending***" on page 260
Coverage ratio on Stage 1 and 2 loans	Coverage ratio on Stage 1 and 2 loans is equal to Impairment loss allowance on Stage 1 loans and Stage 2 loans divided by Gross Stage 1 and 2 Loans
CPV	Customer Point Verification
CRAR	Capital to risk (weighted) asset ratio
CRE-RH	Commercial real estate – residential housing
CRISIL Intelligence	CRISIL Intelligence, a division of CRISIL Limited
CRM	Customer relationship management
CTF	Combating-Terrorism Financing
CV	Commercial vehicle
Developer Financing	Has the meaning given to such term in "***Business – Bajaj Housing Finance Limited – Developer Financing***" on page 264
Distribution Agreements	Distribution agreements entered into with insurance companies, asset care product providers and other Partners for the distribution of third-party products
DPDP Act	Digital Personal Data Protection Act, 2023
DPDP Rules	Digital Personal Data Protection Rules, 2025
DRA	Direct Recovery Agent
Draft RBI Amendment	The draft Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026
DSAs	Direct Selling Agents
ECB / ECBs	External Commercial Borrowings
ECL	Expected credit losses
EIS	Excess Interest Spread
EMI	Equated monthly instalment
EMI Cards	Equated Monthly Installment Cards
ETB	Existing-to-Bank (customers)
EVs	Electric Vehicles
FASTag	An automated toll collection system operated by the National Highways Authority of India
FATCA	Foreign Account Tax Compliance Act
FFI	Foreign financial institution
FIG	Financial Institutions Group
Finance cost as a percentage of Average Borrowings	Finance cost as percentage of Average Borrowings is equal to finance costs divided by Average Borrowings for the period/year

Term	Description
FPC	Fair Practice Code
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
Geographic Presence	Our geographical spread across branches and authorised sales and support centres
GNPA Ratio	GNPA Ratio is equal to Stage 3 – Term Loans (Gross) divided by total of Gross Stage 1 and 2 Loans and Stage 3 – Term Loans (Gross).
GNPA(s)/Stage 3 Assets	Gross non-performing asset
Gold Loans	Has the meaning given to such term in "***Business – Our Loan Products – Retail Urban Lending - Gold Loans***" on page 255
GRC	Governance, Risk and Compliance
HFC	Housing finance company
HNI	High Net Worth Individual
Home Loans	Has the meaning given to such term in "***Business – Bajaj Housing Finance Limited – Home Loans***" on page 263
HQLA	High quality liquid assets
IAMAI	Internet and Mobile Association of India
IBC	Insolvency and Bankruptcy Code, 2016
ICE	Internal Combustion Engine
IGA	Intergovernmental agreement entered into between the United States and India in connection with FATCA
IIBF	Indian Institute of Banking and Finance
Impairment on financial instruments as a percentage of Average Loans	Impairment on financial instruments as a percentage of Average Loans is equal to impairment on financial instruments divided by Average Loans for the period/year
India Ratings	India Ratings and Research Private Limited
Interest coverage ratio	Interest coverage ratio is equal to profit after tax for the period/year adjusted for finance costs and depreciation and amortisation expenses and divided by finance cost.
Investment Company Act	The U.S. Investment Company Act of 1940, as amended
IPOs	Initial Public Offerings
IRDAI	Insurance Regulatory and Development Authority of India
IRS	Interest Rate Swaps
IT	Information technology
IVR	Interactive Voice Response
KRI	Key Risk Indicator
KYC	Know your customer
LAP	Loans against property
LCR	Liquidity coverage ratio
Leverage Ratio	Leverage ratio is equal to total assets divided by total equity.
LGD	Loss Given Default
License Agreement	The trademarks license agreement dated June 15, 2021 between our Company and Bajaj Finserv Limited
Liquidity Buffer	Surplus cash and liquid investments
LRD *or* Lease Rental Discounting	Has the meaning given to such term in "***Business – Bajaj Housing Finance Limited - Lease Rental Discounting***" on page 264
MFI Lending Business	Has the meaning given to such term in "***Business – Our Loan Products – Retail Rural Lending - MFI Lending Business***" on page 259
ML	Machine Learning
MRM	Model Risk Management
MSME(s)	Micro, Small and Medium Enterprise
MTF	Margin trade financing
NBFC	Non-banking financial company
NBFC-ICC	NBFC – investment and credit company
NBFC-UL / NBFC-ULs	NBFC-Upper layer
NCDs	Non-Convertible Debentures

Term	Description
NCMC	National Common Mobility Card
Net Interest Income	Net interest income is equal to interest income less finance costs
Net Interest Income as a percentage of Average Loans (Net Interest Margin)	Net Interest Income as a percentage of Average Loans (Net Interest Margin) is equal to Net Interest Income divided by Average Loans for the period/year
Net Total Income	Net Total Income is equal to Net Interest Income plus Non-Interest Income
Net Total Income as a percentage of Average Loans	Net Total Income as percentage of Average Loans is equal to Net Total Income divided by Average Loans for the period/year
NHB	National Housing Bank
NNPA	Net non-performing asset
NNPA Ratio	NNPA Ratio is equal to Net Stage 3 loans divided by total of Gross Stage 1 and 2 Loans and Net Stage 3 loans.
Non-GAAP Financial Measures	Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (each, a "Non-GAAP Financial Measure")
Non-Interest Income	Non-Interest Income is equal to the total of fees and commission income, net gain on fair value changes, sale of services, income on derecognised (assigned) loans, other operating income and other income
NPS	National Pension Scheme
OCR	Optical character recognition
OEM / OEMs	Original equipment manufacturers
OFS	Offers for Sale
ONDC	Open Network for Digital Commerce
Operating Expenses	Operating expenses is equal to the total of employee benefits expense, fees and commission expense, depreciation and amortisation expenses and other expenses
Operating expenses as a percentage of Net Total Income (Opex to NTI)	Operating Expenses as a percentage of Net Total Income is equal to operating expenses divided by net total income.
ORM	Operational Risk Management
ORMC	Operational Risk Management Committee
Partners	Third parties with whom our Company has entered into distribution agreements for the distribution of third-party products
PLCS	Personal Loan Cross-Sell
POP	Point of Presence
POS	Point of Sale
PPI	Prepaid Payment Instrument
Pre-provisioning Operating Profit	Pre-provisioning operating profit is equal to Net Total Income less Operating expenses
Provision Coverage Ratio / PCR	Provision Coverage Ratio / PCR is equal to Impairment loss allowance on Stage 3 loans divided by Stage 3 – Term Loans (Gross)
PSL	Priority Sector Lending
PTCs	Pass Through Certificates
PTPL	Pennant Technologies Private Limited
QC	Quality check
RBI	Reserve Bank of India
RCSA	Risk and Control Self-Assessment
Return on Average Assets (ROAA)	Return on Average Assets is equal to profit after tax divided by Average Loans for the period/year
Return on Average Equity (ROAE)	Return on Average Equity for the half year ended September 30, 2026 and September 30, 2025 and for the year ended March 31, 2026 and March 31, 2025, represents profit after tax attributable to owners of the Company divided by Average equity attributable to owners of the Company for the period/year. Return on Average Equity for the year ended March 31, 2024 is equal to profit after tax divided by Average equity of the Company for the period/year.
Rural Consumer Finance	Has the meaning given to such term in "***Business – Our Loan Products – Retail Rural Lending - Rural Consumer Finance***" on page 259
Rural Personal Loans	Has the meaning given to such term in "***Business – Our Loan Products – Retail Urban Lending - Personal Loans***" on page 255

Term	Description
SBU	Strategic Business Unit
SEBI	Securities and Exchange Board of India
SME	Small and medium enterprises
SMS	Short Message Service
Stage 1 loans	Stage 1 loans includes financial assets that have not had a significant increase in credit risk since initial recognition
Stage 2 loans	Stage 2 loans includes financial assets that have a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. However, unless identified at an earlier stage, any overdue of more than 1 day past due and up to 90 days past due was considered as an indication of significant increase in credit risk for our Company and for BFSL, while for BHFL any overdue of more than 30 days past due was considered to be a stage 2 loans
Stage 3 loans	Stage 3 loans includes financial assets that have objective evidence of impairment. Unless recognised earlier, stage 3 loans include dues from customers whose principal and /or interest are past due for more than 90 days or whose loans have been restructured where repayment terms are renegotiated as compared to original contracted terms
STP	Straight-Through Process
STPL	Snapwork Technologies Private Limited
STT	Securities transaction tax
Subsidiaries	Bajaj Housing Finance Limited and Bajaj Financial Securities Limited, together
TICC	Technology Innovation & Collaboration Centre
Tractor Finance	Has the meaning given to such term in "***Business – Our Loan Products – Retail Rural Lending - Tractor Finance***" on page 259
TReDS	Trade receivable electronic discounting system
TrueFan AI	Hogwarts E-learning Universe Private Limited
UHNI	Ultra High Net Worth Individual
UPI	Unified Payment Interface
Urban Consumer Finance	Has the meaning given to such term in "***Business – Our Loan Products – Retail Urban Lending - Urban Consumer Finance***" on page 254
Urban Personal Loans	Has the meaning given to such term in "***Business – Our Loan Products – Retail Urban Lending - Personal Loans***" on page 255
Vehicle Finance	Captive two-wheeler and three-wheeler finance of vehicles manufactured by Bajaj Auto Limited, open market two-wheeler and three-wheeler finance, new and used car loans, commercial vehicle and tractor finance, and newer offerings including industrial equipment finance, vehicle leasing for corporates and solar financing

Conventional and General Terms/ Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by ICAI, notified by the MCA, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014
AY	Assessment year
BSE	BSE Limited
BNS, 2023	Bhartiya Nyaya Sanhita, 2023
BNSS, 2023	Bhartiya Nagrik Suraksha Sanhita, 2023
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CII	Confederation of Indian Industry
CIN	Corporate identification number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder

Term	Description
CrPC	The Code of Criminal Procedure, 1973
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996 or the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
"Depository Participant" or "DP"	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
ECB	External commercial borrowing
ECS	Electronic clearing service
EEA	European Economic Area
EGM	Extraordinary general meeting
FDI	Foreign direct investment
FDI Policy	Consolidated FDI policy issued by the DPIIT, Government of India, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FIR	First information report
"Fiscal Year" or "financial year" or "FY" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes person who has been registered under the SEBI FPI Regulations
FPI Operational Guidelines	SEBI circular dated May 30, 2024 which issued the operational guidelines for FPIs
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax
HFCs	Housing finance companies
HR	Human resources
HUF	Hindu undivided family
IAS Rules	Companies (Indian Accounting Standards) Rules, 2015
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
IFRS	International Financial Reporting Standards of the International Accounting Standards Board
"Indian Accounting Standards" or "Ind AS"	Indian accounting standards converged with IFRS, as per the roadmap issued by the Ministry of Corporate Affairs, Government of India, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
"INR" or "Rupees" or "₹" or "Indian Rupees" or "Rs."	Indian Rupees
IPC	Indian Penal Code, 1860
IT	Information technology
"Income Tax Act" or "IT Act"	The Income Tax Act, 1961
"IT Act 2025"	The Income Tax Act, 2025, along with the relevant rules made thereunder
MAT	Minimum alternate tax
MCA	Ministry of Corporate Affairs
MoU	Memorandum of understanding
"N/A" or "NA" or "N.A."	Not applicable
NBV	Net book value

Term	Description
NEAT	National Exchange for Automated Trading
NRE	Non-resident (external)
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
PFIC	Has the meaning given to that term in "***Certain United States Federal Income Tax Considerations***" on page 324
QPs	Qualified purchasers as defined in Section 2(a)(51) of the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RBI Cybersecurity Directions	Reserve Bank of India (Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026
RBI Outsourcing Directions	Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Maharashtra at Pune
Rule 144A	Rule 144A under the U. S. Securities Act
S& P CNX NIFTY	Index of 50 stocks traded on the NSE representing the largest and most liquid listed securities
S&P	Standard & Poor's Rating Services
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations"	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Regulations" or "SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI PMS Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
Stock Exchanges	The BSE and the NSE
STT	Securities transaction tax
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
U.K. or United Kingdom	United Kingdom of Great Britain and Northern Ireland
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Holder	Has the meaning given to that term in "***Certain United States Federal Income Tax Considerations***" on page 324
Investment Company Act	The U.S. Investment Company Act of 1940, as amended, and the related rules
U.S. QIBs	Qualified institutional buyers as defined in Rule 144A
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
"US$" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
"USA" or "U.S." or "United States"	The United States of America
VCF	Venture capital fund

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including in "***Risk Factors***", "***Objects of the Issue and Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" beginning on pages 58, 101, 300, 288 and 317, respectively.

Issuer	Bajaj Finance Limited
Face Value	₹1 per Equity Share
Issue Price	₹[●] per Equity Share
Floor Price	₹992.25 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders accorded through a special resolution dated November 2, 2026, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to approximately ₹[●] million, at a premium of ₹[●] each. A minimum of 10% of the Issue Size i.e., at least [●] Equity Shares, shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares should be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such minimum portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	October 1, 2026
Date of shareholders' resolution authorizing the Issue	November 2, 2026
Eligible investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on pages 288, 301 and 307, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by our Company in consultation with the BRLMs.
Dividend	See "***Description of the Equity Shares***" and "***Dividends***" on pages 317 and 111, respectively.
Indian taxation	See "***Taxation***" on page 319.
Equity Shares issued, subscribed, and outstanding immediately prior to the Issue	6,225,954,304 Equity Shares[#^] of face value of ₹1 each. For further details, see "***Capital Structure***" on page 105. # *Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.* ^ *The Board has passed a resolution on October 19, 2026 approving the issuance of 4,900,737 Equity Shares, to be allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009. For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*
Equity Shares issued, subscribed, paid-up and outstanding immediately after the Issue	[●] Equity Shares[#^] # *Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.* ^ *The Board has passed a resolution on October 19, 2026 approving the issuance of 4,900,737 Equity Shares, to be allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009. For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*

Issue Procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 and Section 62 of the Companies Act, 2013, other provisions of the Companies Act, read with rules made thereunder and Chapter VI of the SEBI ICDR Regulations. For further details, see "***Issue Procedure***" beginning on page 288.	
Listing and trading	Our Company has obtained in-principle approvals each dated November 11, 2026, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges for listing of the Equity Shares issued pursuant to the Issue. Our Company will make listing application to each of the Stock Exchanges after the Allotment and will make trading application after the credit of Equity Shares to the beneficiary account of the Allottees with Depository Participants. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.	
Lock-up	For details of the lock-up, see "***Placement – Lock-in***" on page 300 for a description of restrictions on our Company in relation to the Equity Shares	
Transferability restrictions	The Equity Shares to be issued and Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see "***Issue Procedure***", "***Transfer Restrictions***", and "***Selling Restrictions***" on pages 288, 301 and 307.	
Objects of the Issue and Use of Issue Proceeds	The Gross Proceeds from the Issue will be aggregating to approximately ₹[●] million. Subject to compliance with applicable laws, the Net Proceeds from the Issue, after deducting fees, commissions and the estimated expenses of the Issue of approximately ₹[●] million, shall be approximately ₹[●] million, which is proposed to be utilised for (i) repayment of deposits, loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue; and (ii) General corporate purposes. See "***Objects of the Issue and Use of Proceeds***" beginning on page 101 for additional information regarding the use of Net Proceeds from the Issue.	
Risk factors	See "***Risk Factors***" beginning on page 58 for a discussion of risks you should consider before investing in the Equity Shares.	
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●], 2026.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The holders of Equity Shares (who hold Equity Shares as on the applicable record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "***Dividends***" and "***Description of the Equity Shares***" on pages 111 and 317, respectively.	
Voting Rights	See "***Description of the Equity Shares – Voting rights***" on page 317.	
Security codes for the Equity Shares	ISIN	INE296A01032
	BSE code and symbol	500034, BAJFINANCE
	NSE symbol	BAJFINANCE

SELECTED FINANCIAL INFORMATION

*The following tables set out selected financial information extracted from our Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013 and the requirements of SEBI Listing Regulations, as applicable, and presented in "**Financial Information**" beginning on page 346. See "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**", beginning on pages 112 and 346, respectively, for further details.*

SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (BALANCE SHEET) AS AT SEPTEMBER 30, 2026 AND SEPTEMBER 30, 2025

(₹ in million)

Particulars	As at September 30, 2026 (Unaudited)	As at September 30, 2025 (Unaudited)
ASSETS		
Financial Assets		
Cash and cash equivalents	18,151.1	16,814.0
Bank balances other than cash and cash equivalent	137,628.9	103,193.2
Derivative financial instruments	28,316.7	8,007.2
Trade receivables	21,459.0	16,312.6
Loans	5,741,744.4	4,525,269.8
Investments	317,440.3	337,509.1
Other financial assets	56,057.3	34,455.5
Sub-total - Financial Assets	**6,320,797.7**	**5,041,561.4**
Non-Financial Assets		
Current tax assets (net)	2,658.5	2,730.7
Deferred tax assets (net)	19,289.3	13,289.1
Property, plant and equipment	32,793.1	26,653.7
Capital work-in-progress	757.4	333.9
Intangible assets under development	1,724.0	1,052.7
Goodwill	32.7	32.7
Other intangible assets	9,668.8	9,778.3
Other non-financial assets	6,703.7	4,175.1
Sub-total - Non-Financial Assets	**73,627.5**	**58,046.2**
Total Assets	**6,394,425.2**	**5,099,607.6**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Derivative financial instruments	4,670.0	297.6
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	28.5	26.0
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,455.9	20,516.2
Other Payables		
Total outstanding dues of micro enterprises and small enterprises	21.7	32.6
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,337.0	8,951.7
Debt securities	2,448,309.5	1,874,478.4
Borrowings (other than debt securities)	1,866,723.9	1,371,740.3
Deposits	697,537.0	697,658.1
Subordinated liabilities / Subordinated debts	7,248.2	30,132.5
Other financial liabilities	40,199.4	20,328.8
Sub-total - Financial Liabilities	**5,102,531.1**	**4,024,162.2**
Non-Financial Liabilities		
Current tax liabilities (net)	11,232.6	9,481.7
Provisions	9,612.7	5,783.9
Other non-financial liabilities	7,396.2	4,196.1
Sub-total - Non-Financial Liabilities	**28,241.5**	**19,461.7**
Equity		
Equity share capital	6,223.9	6,215.1
Other equity	1,225,573.6	1,025,919.6
Equity attributable to owners of the Company	**1,231,797.5**	**1,032,134.7**
Non-controlling interest	31,855.1	23,849.0
Sub-total equity	**1,263,652.6**	1,055,983.7
Total Liabilities and Equity	**6,394,425.2**	**5,099,607.6**

SUMMARY OF CONSOLIDATED BALANCE SHEET

(*₹ in million*)

Particulars	As at		
	March 31, 2026	March 31, 2025	March 31, 2024
ASSETS			
Financial Assets			
Cash and cash equivalents	18,969.0	36,424.6	40,345.1
Bank balances other than cash and cash equivalent	138,584.2	99,010.8	65,895.0
Derivative financial instruments	23,918.6	2,505.6	278.4
Trade receivables	19,080.8	19,131.1	17,334.9

Particulars	As at		
	March 31, 2026	March 31, 2025	March 31, 2024
Loans	4,989,435.4	4,078,441.4	3,262,933.2
Investments	305,778.0	344,408.4	308,806.5
Other financial assets	43,004.1	24,449.9	14,318.8
Total - Financial Assets	**5,538,770.1**	**4,604,371.8**	**3,709,911.9**
Non-Financial Assets			
Current tax assets (net)	2,295.9	4,807.7	2,909.2
Deferred tax assets (net)	15,600.7	11,412.0	10,174.3
Property, plant and equipment	28,510.6	26,888.9	23,583.2
Capital work-in-progress	618.3	267.4	253.5
Intangible assets under development	575.8	145.5	181.1
Goodwill	32.7	32.7	32.7
Other intangible assets	10,922.3	10,880.1	8,883.1
Other non-financial assets	2,197.2	2,462.2	1,487.2
Total - Non-Financial Assets	**60,753.5**	**56,896.5**	**47,504.3**
Total Assets	**5,599,523.6**	**4,661,268.3**	**3,757,416.2**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	615.8	371.3	21.20
Payables			
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	9.1	18.0	7.3
Total outstanding dues of creditors other than micro enterprises and small enterprises	21,036.2	18,762.4	20,633.1
- Other Payables			
Total outstanding dues of micro enterprises and small enterprises	3.3	4.2	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,734.7	9,304.9	7,645.8
Debt securities	1,931,319.0	1,546,397.3	1,179,995.4
Borrowings (other than debt securities)	1,706,425.3	1,321,022.5	1,116,174.7
Deposits	685,327.5	714,031.3	601,509.2
Subordinated liabilities / Subordinated debts	28,053.1	31,035.4	35,779.0
Other financial liabilities	27,961.6	19,482.0	18,443.9
Total - Financial Liabilities	**4,412,485.6**	**3,660,429.3**	**2,980,209.6**
Non-Financial Liabilities			
Current tax liabilities (net)	2,602.4	1,006.3	1,086.4
Provisions	7,489.4	5,142.8	4,218.9
Other non-financial liabilities	7,090.8	5,321.0	4,947.8
Total - Non-Financial Liabilities	**17,182.6**	**11,470.1**	**10,253.1**
Equity			
Equity share capital	6,217.9	1,241.7	1,236.0
Other equity	1,133,772.3	965,687.0	765,717.5
Equity attributable to owners of the Company	**1,139,990.2**	**966,928.7**	**766,953.5**
Non-controlling interest	29,865.2	22,440.2	-
Total equity	**1,169,855.4**	**989,368.9**	**766,953.5**
Total Liabilities and Equity	**5,599,523.6**	**4,661,268.3**	**3,757,416.2**

SUMMARY OF UNAUDITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEARS ENDED SEPTEMBER 30, 2026 AND SEPTEMBER 30, 2025

(*₹ in million*)

Particulars	For the half year ended	
	September 30, 2026 (Unaudited)	**September 30, 2025 (Unaudited)**
INCOME		
REVENUE FROM OPERATIONS		
Interest income	424,491.2	349,406.2
Fees and commission income	47,447.2	35,639.5
Net gain on fair value changes	1,597.7	3,200.7
Sale of services	92.5	130.3
Income on derecognised (assigned) loans	973.8	2,849.7
Other operating income	2,515.8	5,801.4
Total Revenue from operations	**477,118.2**	**397,027.8**
Other income	304.2	57.2
Total income	**477,422.4**	**397,085.0**
EXPENSES		
Finance costs	165,438.2	139,289.6
Fees and commission expense	20,627.7	16,032.1
Impairment on financial instruments	41,595.3	43,889.6
Employee benefits expense	53,354.4	42,570.2
Depreciation and amortisation expenses	6,086.2	5,095.5
Other expenses	23,547.0	20,491.3
Total expenses	**310,648.8**	**267,368.3**
Share of profit/(loss) from associates	88.4	40.4
Profit before tax	**166,862.0**	**129,757.1**
Tax expense		
Current tax		
Current Year	46,319.8	34,088.4
Earlier Years	(4.2)	(2.4)
Deferred tax (credit)/charge	(3,925.3)	(1,459.4)
Total tax expense	**42,390.3**	**32,626.6**
Profit after tax	**124,471.7**	**97,130.5**
Other comprehensive Income		
(a) Items that will not be reclassified to profit or loss		
-Remeasurement gains/(losses) on defined benefit plans	73.6	(577.6)
-Tax impact on above	(18.5)	145.4
-Net remeasurement gains/(losses) on defined benefit plans - Share of associates	(0.9)	(0.5)
-Net other adjustments - Share of associates	-	(1.5)
-Changes in fair value of fair value through OCI (FVOCI) equity instruments	389.0	12.5
-Tax impact on above	(55.7)	(1.8)
(b) Items that will be reclassified to profit or loss		
-Changes in fair value of FVOCI debt securities	(381.0)	(977.2)
-Tax impact on above	95.9	246.0
-Cash flow hedge reserve	1,614.6	(48.5)
-Tax impact on above	(406.4)	12.2
-Cost of hedging reserve	(43.1)	99.7
-Tax impact on above	159.7	25.2
Total other comprehensive income, net of tax	1,427.2	(1,066.1)
Total comprehensive income for the period	**125,898.9**	**96,064.4**
Earnings per share (not annualised):		
(Face value per share ₹1)		
Basic (₹)	19.7	15.4
Diluted (₹)	19.6	15.4

SUMMARY OF CONSOLIDATED PROFIT AND LOSS STATEMENT

(*₹ in million*)

Particulars	For the year ended		
	March 31, 2026	**March 31, 2025**	**March 31, 2024**
REVENUE FROM OPERATIONS			
Interest income	727,760.1	611,635.5	483,066.0
Fees and commission income	77,543.9	59,828.4	52,671.7
Net gain on fair value changes	4,712.4	5,390.3	3,082.9
Sale of services	157.1	271.3	499.7
Income on derecognised (assigned) loans	4,654.6	5,520.4	133.3
Other operating income	4,995.7	14,189.2	10,241.3
Total Revenue from operations	**819,823.8**	**696,835.1**	**549,694.9**
Other income	71.2	412.7	130.2
Total income	**819,895.0**	**697,247.8**	**549,825.1**
EXPENSES			
Finance costs	286,659.5	247,707.9	187,246.9
Fees and commission expense	36,581.0	25,976.6	19,315.0
Impairment on financial instruments	94,818.5	79,660.3	46,307.0
Employee benefits expense	89,785.3	75,083.4	63,960.1
Depreciation and amortisation expenses	10,089.8	8,809.9	6,833.2
Other expenses	41,306.8	39,391.5	33,143.6
Total expenses	**559,240.9**	**476,629.6**	**356,805.8**
Share of profit/(loss) from associates	164.6	178.1	76.4
Profit before exceptional items and tax	**260,818.7**	**220,796.3**	**193,095.7**
Exceptional Items	(2,652.2)	-	-
Profit before tax	**258,166.5**	**220,796.3**	**193,095.7**
Tax expense			
Current tax			
Current Year	68,740.8	56,648.6	49,577.2
Earlier Years	0.8	(2,751.2)	-
Deferred tax (credit)/charge	(3,898.7)	(895.9)	(993.2)
Total tax expense	**64,842.9**	**53,001.5**	**48,584.0**
Profit after tax	**193,323.6**	**167,794.8**	**144,511.7**
Other comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
-Remeasurement gains/(losses) on defined benefit plans	353.8	(248.5)	(616.5)
-Tax impact on above	(89.1)	62.5	155.2
-Net remeasurement gains/(losses) on defined benefit plans - Share of associates	(1.5)	(3.2)	(1.0)
-Net other adjustments - Share of associate	-	(1.0)	0.1
-Changes in fair value of fair value through OCI (FVOCI) equity instruments	(207.1)	(954.9)	1,516.2
-Tax impact on above	29.5	252.2	(298.2)
(b) Items that will be reclassified to profit or loss			
-Changes in fair value of FVOCI debt securities	(4,087.4)	1,407.9	394.5
-Tax impact on above	1,028.8	(354.5)	(99.3)
-Net other adjustments - Share of associates	(0.2)	-	-
-Cash flow hedge reserve	2,863.0	(1,171.4)	(208.0)
-Tax impact on above	(720.6)	294.8	52.4
-Cost of hedging reserve	148.4	59.9	-
-Tax impact on above	77.2	(14.4)	-
Total other comprehensive income, net of tax	**(605.2)**	**(670.6)**	**895.4**
Total comprehensive income for the year	**192,718.4**	**167,124.2**	**145,407.1**
Earnings per share:			
(Face value per share ₹1 for year ended March 31, 2026 and ₹2 for year ended March 31, 2025 and March 31, 2024)			
Basic (₹)	30.6	268.9	236.9
Diluted (₹)	30.5	268.2	236.0

SUMMARY OF UNAUDITED CONSOLIDATED CASH FLOWS FOR THE HALF YEARS ENDED SEPTEMBER 30, 2026 AND SEPTEMBER 30, 2025

(*₹ in million*)

Sr	Particulars	For the half year ended	
		September 30, 2026 (Unaudited)	**September 30, 2025 (Unaudited)**
A	Net cash used in operating activities	(646,753.0)	(295,851.5)
B	Net cash generated from/(used in) investing activities	14,452.1	(25,299.3)
C	Net cash generated from financing activities	631,483.0	301,540.2
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(817.9)	(19,610.6)
E	Cash and cash equivalents at the beginning of the period	18,969.0	36,424.6
F	Cash and cash equivalents at the end of the period (D+E)	**18,151.1**	**16,814.0**

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(*₹ in million*)

Sr	Particulars	For the year ended		
		March 31, 2026	**March 31, 2025**	**March 31, 2024**
A	Net cash used in operating activities	(657,898.0)	(681,544.7)	(727,601.4)
B	Net cash used in investing activities	(33,886.3)	(27,650.2)	(71,711.8)
C	Net cash generated from financing activities	674,328.7	705,274.4	824,150.8
D	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(17,455.6)	(3,920.5)	24,837.6
E	Cash and cash equivalents at the beginning of the year	36,424.6	40,345.1	15,507.5
F	Cash and cash equivalents at the end of the year (D+E)	**18,969.0**	**36,424.6**	**40,345.1**

Reservations, Qualifications and Adverse Remarks

There have been no reservations, qualifications or adverse remarks, included by the statutory auditors of our Company in their respective audit reports on our consolidated financial statements for the five immediately preceding Fiscals.

SELECTED STATISTICAL INFORMATION

*Please read "**Presentation of Financial and Other Information - Financial data and other information**" on page 11 before reading this section. This section should be read together with "**Business**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", and "**Financial Information**" on pages 241, 112, and 346, respectively. Unless otherwise specified, the statistical information presented in this section is on a consolidated basis. Certain non-Ind AS (and non-generally accepted accounting principles) financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. We compute and disclose such financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such financial measures and other statistical and operational information when reporting their financial results. Such financial measures and such other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. Such measures should be read together with the nearest Ind AS measure.*

Assets under Management

The table below presents the assets under management ("**AUM**") of our Company (on a consolidated basis) as at September 30, 2026, March 31, 2026, 2025 and 2024.

Particulars	As at September 30,		As at March 31,					
	2026		2026		2025		2024	
	₹ in million	*% of total AUM*	*₹ in million*	*% of total AUM*	*₹ in million*	*% of total AUM*	*₹ in million*	*% of total AUM*
Captive 2W & 3W Finance	23,871.3	0.4%	42,884.5	0.8%	106,912.6	2.6%	156,700.8	4.7%
Open Market 2W & 3W Finance	89,909.3	1.5%	83,245.6	1.6%	66,276.7	1.6%	40,716.0	1.2%
Urban Consumer Finance	480,980.8	8.2%	374,300.8	7.3%	291,093.6	7.0%	234,481.1	7.1%
Urban Personal Loans	1,152,373.5	19.7%	1,044,854.0	20.5%	876,964.4	21.0%	660,925.0	20.0%
Rural Consumer Finance	143,924.8	2.5%	105,594.0	2.1%	79,438.7	1.9%	62,095.9	1.9%
Rural Personal Loans	292,436.4	5.0%	252,337.3	4.9%	202,089.1	4.9%	175,004.0	5.3%
MFI Business	26,802.8	0.5%	21,977.6	0.4%	12,578.8	0.3%	1,061.2	0.0%
Gold Loans	241,946.8	4.1%	178,308.8	3.5%	83,068.1	2.0%	45,990.3	1.4%
MSME Lending	530,838.0	9.1%	515,698.6	10.1%	486,976.3	11.7%	384,458.0	11.6%
CV & Tractor Finance	50,438.6	0.9%	38,807.8	0.8%	16,471.1	0.4%	255.5	0.0%
Car Loans	169,190.3	2.9%	150,113.3	2.9%	118,763.4	2.9%	70,869.4	2.1%
Commercial Lending	352,707.9	6.0%	338,385.8	6.6%	277,599.7	6.7%	220,059.4	6.7%
Loan against Securities	419,493.1	7.2%	332,467.2	6.5%	253,774.3	6.1%	220,382.3	6.7%
Mortgages	1,871,325.6	32.0%	1,620,774.7	31.8%	1,294,607.4	31.1%	1,033,155.9	31.2%
Total	**5,846,239.2**	**100.0%**	**5,099,750.0**	**100.0%**	**4,166,614.1**	**100.0%**	**3,306,154.8**	**100.0%**

The table below presents the assets under management ("**AUM**") of BHFL as at September 30, 2026, March 31, 2026, 2025 and 2024.

Particulars	As at September 30		As at March 31,					
	2026		2026		2025		2024	
	₹ in million	*% of total AUM*	*₹ in million*	*% of total AUM*	*₹ in million*	*% of total AUM*	*₹ in million*	*% of total AUM*
Home Loans	852,239.4	53.9%	760,553.2	54.1%	644,472.5	56.2%	528,196.0	57.8%
Loan against property	163,819.0	10.4%	151,913.3	10.8%	122,620.7	10.7%	95,679.3	10.5%
Lease rental discounting	379,877.7	24.0%	315,308.1	22.4%	219,128.9	19.1%	176,368.0	19.3%
Developer Finance	169,040.6	10.7%	162,257.5	11.5%	143,462.4	12.5%	95,993.3	10.5%
Other loans	17,068.9	1.1%	17,030.2	1.2%	17,152.7	1.5%	17,467.4	1.9%
Total	**1,582,045.6**	**100.0%**	**1,407,062.0**	**100.0%**	**1,146,837.0**	**100.0%**	**913,704.0**	**100.0%**

Loans

The table below presents loans of our Company (on a consolidated basis) as at September 30, 2026, March 31, 2026, 2025 and 2024.

Particulars	As at September 30 (Consolidated),		As at March 31, (Consolidated)					
	2026		2026		2025		2024	
	(₹ in million)	*% of total loans*	*(₹ in million)*	*% of total loans*	*(₹ in million)*	*% of total loans*	*(₹ in million)*	*% of total loans*
Secured by tangible assets	3,687,720.6	64.2%	3,108,564.2	62.3%	2,467,954.3	60.5%	1,999,561.0	61.3%
Unsecured	2,054,023.8	35.8%	1,880,871.2	37.7%	1,610,487.1	39.5%	1,263,372.2	38.7%
Total Loans	**5,741,744.4**	**100.0%**	**4,989,435.4**	**100.0%**	**4,078,441.4**	**100.0%**	**3,262,933.2**	**100.0%**

Deposits

The table below sets forth details of deposits of our Company (on a consolidated basis) as at September 30, 2026, March 31, 2026, 2025 and 2024.

Particulars	As at September 30 (Consolidated),		As at March 31, (Consolidated)					
	2026		2026		2025		2024	
	(₹ in million)	*% of total deposits*	*(₹ in million)*	*% of total deposits*	*(₹ in million)*	*% of total deposits*	*(₹ in million)*	*% of total deposits*
At amortised cost								
Public deposits	387,191.2	55.5%	393,797.3	57.5%	417,922.2	58.5%	380,126.2	63.2%
From others	310,345.8	44.5%	291,530.2	42.5%	296,109.1	41.5%	221,383.0	36.8%
Total deposits	**697,537.0**	**100.0%**	**685,327.5**	**100.0%**	**714,031.3**	**100.0%**	**601,509.2**	**100.0%**

Details of Assignment Transactions

The table below presents our assignment transactions of our Company (on a standalone basis) undertaken during the half year ended September 30, 2026 and 2025, and Fiscal 2026, 2025 and 2024.

Particulars	For the half year ended September 30,		For the years ended March 31,		
	2026	2025	2026	2025	2024
			(₹ in million)		
Amount of loans transferred	Nil	20,721.4	34,871.6	40,825.0	Nil
Amount of loans acquired	90,753.3	38,841.7	118,138.4	61,287.0	67,581.5

The table below presents our assignment transactions of BHFL, on a standalone basis undertaken during the half year ended September 30, 2026 and 2025, and Fiscal 2026, 2025 and 2024.

Particulars	For the half year ended September 30,		For the years ended March 31,		
	2026	2025	2026	2025	2024
			(₹ in million)		
Amount of loans transferred	40,564.6	3,261.0	56,666.2	55,871.8	70,919.2
Amount of loans acquired	26,603.6	14,271.7	27,679.4	44,506.1	29,567.0

Profitability Analysis

The following tables set forth our profitability analysis of our Company (on a consolidated basis) for the half years ended September 30, 2026 and 2025.

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Interest income	424,491.2	349,406.2
Finance costs	165,438.2	139,289.6
Net Interest Income	**259,053.0**	**210,116.6**
Non-interest income	52,931.2	47,678.8
Net total income	**311,984.2**	**257,795.4**
Operating Expenses	103,615.3	84,189.1
Pre-provisioning operating profit	**208,368.9**	**173,606.3**
Impairment on financial instruments	41,595.3	43,889.6
Share of profit/(loss) from associates	88.4	40.4
Profit before tax	**166,862.0**	**129,757.1**
Total tax expense	42,390.3	32,626.6
Profit after tax	**124,471.7**	**97,130.5**
Profit after tax for the period attributable to:		
Owners of the Company	122,519.5	95,749.7
Non-controlling interest	1,952.2	1,380.8
Average Loans	5,365,589.9	4,301,855.6
Average Borrowings	4,685,471.8	3,793,247.9
Net total income as a percentage of Average Loans	5.8%	6.0%
Finance costs as a percentage of Average Borrowings	3.5%	3.7%
Net Interest Income as a percentage of Average Loans (Net Interest Margin)	4.8%	4.9%
Operating Expenses as a percentage of Average Loans	1.9%	2.0%
Operating Expenses as a percentage of Net Total Income	33.2%	32.7%
Impairment on financial instruments as a percentage of Average Loans	0.8%	1.0%
Total tax expense as a percentage of profit before tax	25.4%	25.1%

The following tables set forth our profitability analysis of our Company (on a consolidated basis) for Fiscals 2026, 2025 and 2024.

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Interest income	727,760.1	611,635.5	483,066.0
Finance costs	286,659.5	247,707.9	187,246.9
Net Interest Income	**441,100.6**	**363,927.6**	**295,819.1**
Non-interest income	92,134.9	85,612.3	66,759.1
Net total income	**533,235.5**	**449,539.9**	**362,578.2**
Operating Expenses	177,762.9	149,261.4	123,251.9
Pre-provisioning operating profit	**355,472.6**	**300,278.5**	**239,326.3**
Impairment on financial instruments	94,818.5	79,660.3	46,307.0
Share of profit/(loss) from associate	164.6	178.1	76.4
Profit before exceptional items and tax	**260,818.7**	**220,796.3**	**193,095.7**
Exceptional Items	(2,652.2)	—	—
Profit before tax	**258,166.5**	**220,796.3**	**193,095.7**
Total tax expense	64,842.9	53,001.5	48,584.0
Profit after tax	**193,323.6**	**167,794.8**	**144,511.7**
Profit after tax for the period attributable to:			
Owners of the Company	190,173.9	166,378.2	144,511.7
Non-controlling interest	3,149.7	1,416.6	—
Average Loans	4,533,938.4	3,670,687.3	2,842,811.3
Average Borrowings	3,981,805.7	3,272,972.4	2,550,181.6
Net Total Income as a percentage of Average Loans	11.8%	12.2%	12.8%
Finance costs as a percentage of Average Borrowings	7.2%	7.6%	7.3%
Net Interest Income as a percentage of Average Loans (Net Interest Margin)	9.7%	9.9%	10.4%
Operating Expenses as a percentage of Average Loans	3.9%	4.1%	4.3%
Operating Expenses as a percentage of Net Total Income	33.3%	33.2%	34.0%
Impairment on financial instruments as a percentage of Average Loans	2.1%	2.2%	1.6%
Total tax expense as a percentage of profit before tax	25.1%	24.0%	25.2%

BHFL

The following tables set forth BHFL's profitability analysis on a standalone basis for the half years ended September 30, 2026 and 2025.

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Interest income	59,078.1	51,070.3
Finance costs	38,851.4	32,639.2
Net Interest Income	**20,226.7**	**18,431.1**
Non-interest income	4,063.3	2,664.2
Net total income	**24,290.0**	**21,095.3**
Operating Expenses	4,696.5	4,291.8
Pre-provisioning operating profit	**19,593.5**	**16,803.5**
Impairment on financial instruments	508.8	907.5
Profit before tax	**19,084.7**	**15,896.0**
Total tax expense	4,362.2	3,633.4
Profit after tax	**14,722.5**	**12,262.6**
Average Loans	1,318,034.9	1,062,861.8
Average Borrowings	1,109,812.9	880,666.0
Net Total Income as a percentage of Average Loans	1.8%	2.0%
Finance costs as a percentage of Average Borrowings	3.5%	3.7%
Net Interest Income as a percentage of Average Loans (Net Interest Margin)	1.5%	1.7%
Operating Expenses as a percentage of Average Loans	0.4%	0.4%
Operating Expenses as a percentage of Net Total Income	19.3%	20.3%
Impairment on financial instruments as a percentage of Average Loans	0.0%	0.1%
Total tax expense as a percentage of profit before tax	22.9%	22.9%

The following tables set forth BHFL's profitability analysis on a standalone basis for Fiscals 2026, 2025 and 2024.

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Interest income	105,116.1	89,861.5	72,023.6
Finance costs	67,593.9	59,792.6	46,926.1
Net Interest Income	**37,522.2**	**30,068.9**	**25,097.5**
Non-interest income	6,386.8	5,898.1	4,153.5

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Net total income	**43,909.0**	**35,967.0**	**29,251.0**
Operating Expenses	8,670.6	7,463.9	7,029.0
Pre-provisioning operating profit	**35,238.4**	**28,503.1**	**22,222.0**
Impairment on financial instruments	1,906.8	800.8	608.8
Profit before exceptional items and tax	**33,331.6**	**27,702.3**	**21,613.2**
Exceptional Items	131.4	-	-
Profit before tax	**33,200.2**	**27,702.3**	**21,613.2**
Total tax expense	7,596.8	6,073.3	4,301.0
Profit after tax	**25,603.4**	**21,629.0**	**17,312.2**
Average Loans	1,116,289.6	894,068.1	707,073.2
Average Borrowings	928,879.6	756,006.2	614,373.6
Net Total Income as a percentage of Average Loans	3.9%	4.0%	4.1%
Finance costs as a percentage of Average Borrowings	7.3%	7.9%	7.6%
Net Interest Income as a percentage of Average Loans (Net Interest Margin)	3.4%	3.4%	3.5%
Operating Expenses as a percentage of Average Loans	0.8%	0.8%	1.0%
Operating Expenses as a percentage of Net Total Income	19.7%	20.8%	24.0%
Impairment on financial instruments as a percentage of Average Loans	0.2%	0.1%	0.1%
Total tax expense as a percentage of profit before tax	22.9%	21.9%	19.9%

Notes for Profitability Analysis:

1. Net Interest Income refers to interest income less finance costs.
2. Non-Interest Income is the total of fees and commission income, net gain on fair value changes, sale of services, income on derecognised (assigned) loans, other operating income and other income.
3. Net Total Income refers to Net Interest Income plus Non-Interest Income.
4. Operating expenses is the total of fees and commission expense, employee benefits expense, depreciation and amortisation expenses and other expenses.
5. Pre-provisioning operating profit refers Net Total Income less Operating expenses.
6. Average Loans is the average of opening and closing balances outstanding of loan for the period/year.
7. Borrowings is the total of debt securities, borrowings (other than debt securities), deposits and subordinated liabilities/Subordinated debts.
8. Average Borrowings is the average of opening and closing balances outstanding of borrowings for the period/year.
9. The Net Total Income as percentage of Average Loans is the ratio of Net Total Income to Average Loans for the period/year.
10. Finance cost as percentage of Average Borrowings is the ratio of finance costs to Average Borrowings for the period/year.
11. Net Interest Income as a percentage of Average Loans (Net Interest Margin) refers to Net Interest Income on Average Loans for the period/year.
12. Operating Expenses as a percentage of Average Loans refers to Operating Expenses on Average Loans for loans for the period/year.
13. Operating Expenses as a percentage of Net Total Income refers to Operating Expenses on Net Total Income.
14. Impairment on financial instruments as a percentage of Average Loans refers to impairment on financial instruments on Average Loans for the period/year.
15. Total tax expense as a percentage of profit before tax refers to total tax expense on profit before tax for the period/year.

Asset-Liability Gap

The tables below presents our Company's and BHFL's asset and liability gap as at September 30, 2026 on a standalone basis.

Our Company

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 Years	Over 5 Years	Total
	(₹ in million, except percentages)										
Cash, Cash equivalents and investments	164,713.1	309.8	97,077.8	7,186.4	26,210.0	44,420.3	18,307.6	9,613.1	0.0	148,778.3	516,616.4
Advances	162,081.3	44,813.5	98,818.8	245,499.6	222,790.2	575,255.6	752,060.4	1,518,544.5	431,359.6	331,354.4	4,382,577.7
Other inflows	164,812.1	439.5	10,584.6	6,222.0	1,000.9	12,006.8	22,066.2	44,694.4	2,947.0	91,856.4	356,630.0
Total Inflows (A)	**491,606.5**	**45,562.8**	**206,481.1**	**258,908.0**	**250,001.1**	**631,682.7**	**792,434.1**	**1,572,851.9**	**434,306.6**	**571,989.1**	**5,255,824.1**
Cumulative Total Inflows (B)	**491,606.5**	**537,169.4**	**743,650.5**	**1,002,558.5**	**1,252,559.6**	**1,884,242.4**	**2,676,676.5**	**4,249,528.4**	**4,683,835.1**	**5,255,824.1**	
Borrowings	179,089.1	22,914.7	91,607.6	119,106.5	176,935.6	316,389.5	717,433.6	1,261,854.9	441,407.1	452,880.3	3,779,619.0
Capital and Reserve and Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,109,088.0	1,109,088.0
Other outflows	54,443.8	22,512.9	63,069.0	51,927.9	13,589.8	16,218.3	23,066.1	36,857.8	44,650.0	40,781.5	367,117.2
Total Outflows (C)	**233,532.9**	**45,427.6**	**154,676.7**	**171,034.4**	**190,525.3**	**332,607.8**	**740,499.8**	**1,298,712.7**	**486,057.1**	**1,602,749.8**	**5,255,824.1**
Cumulative Total Outflows (D)	**233,532.9**	**278,960.5**	**433,637.2**	**604,671.7**	**795,197.0**	**1,127,804.8**	**1,868,304.6**	**3,167,017.2**	**3,653,074.3**	**5,255,824.1**	
Mismatch (E = A-C)	258,073.6	135.2	51,804.5	87,873.6	59,475.8	299,074.9	51,934.4	274,139.3	(51,750.5)	(1,030,760.7)	
Cumulative Mismatch (F = B-D)	**258,073.6**	**258,208.8**	**310,013.3**	**397,886.9**	**457,362.6**	**756,437.6**	**808,371.9**	**1,082,511.2**	**1,030,760.7**	—	
Cumulative mismatch as a % (F/D)	**110.5%**	**92.6%**	**71.5%**	**65.8%**	**57.5%**	**67.1%**	**43.3%**	**34.2%**	**28.2%**	—	

BHFL

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 Years	Over 5 Years	Total
	(₹ in million, except percentages)										
Cash, Cash equivalents and investments	1,722.9	—	847.8	41.5	66.3	578.6	21,673.6	—	—	—	24,930.7
Advances	15,385.0	5,786.5	16,591.8	30,242.3	29,553.7	84,755.6	151,147.9	415,393.9	242,888.3	406,874.1	1,398,619.1

Particulars	1 to 7 days	8 to 14 days	15 to 30/31 days	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 Years	Over 5 Years	Total
					(₹ in million, except percentages)						
Other inflows	11,503.6	6.9	25,131.8	9,325.3	19,080.2	38,816.1	67,978.4	120,960.3	87,352.4	111,775.9	491,930.8
Total Inflows (A)	**28,611.5**	**5,793.4**	**42,571.4**	**39,609.0**	**48,700.2**	**124,150.4**	**240,799.9**	**536,354.2**	**330,240.7**	**518,650.0**	**1,915,480.7**
Cumulative Total Inflows (B)	**28,611.5**	**34,404.9**	**76,976.3**	**116,585.4**	**165,285.5**	**289,435.9**	**530,235.8**	**1,066,590.0**	**1,396,830.7**	**1,915,480.7**	
Borrowings	7,037.8	—	16,736.4	17,459.4	22,156.3	86,117.2	148,932.1	400,681.2	291,036.5	192,428.9	1,182,585.9
Capital and Reserve and Surplus	—	—	—	—	—	—	—	—	—	240,233.0	240,233.0
Other outflows	9,113.2	3,736.9	20,493.2	19,749.0	17,862.9	45,404.3	84,301.5	148,576.6	86,411.4	57,012.9	492,661.8
Total Outflows (C)	**16,151.0**	**3,736.9**	**37,229.6**	**37,208.4**	**40,019.2**	**131,521.5**	**233,233.6**	**549,257.8**	**377,447.9**	**489,674.8**	**1,915,480.7**
Cumulative Total Outflows (D)	**16,151.0**	**19,887.9**	**57,117.5**	**94,325.9**	**134,345.0**	**265,866.6**	**499,100.2**	**1,048,358.0**	**1,425,805.9**	**1,915,480.7**	
Mismatch (E = A-C)	12,460.5	2,056.5	5,341.9	2,400.7	8,681.0	(7,371.2)	7,566.3	(12,903.6)	(47,207.2)	28,975.2	
Cumulative Mismatch (F = B-D)	**12,460.5**	**14,517.0**	**19,858.8**	**22,259.5**	**30,940.5**	**23,569.3**	**31,135.7**	**18,232.0**	**(28,975.2)**		
Cumulative mismatch as a % (F/D)	**77.1%**	**73.0%**	**34.8%**	**23.6%**	**23.0%**	**8.9%**	**6.2%**	**1.7%**	**(2.0)%**		

Coverage Ratios

The table below presents our coverage ratios as at September 30, 2026, March 31, 2026, 2025 and 2024.

Sr	Particulars	As at September 30, 2026	As at March 31, 2026		2025		2024	
			(₹ in million, except percentages)					
A	Stage 1 - Term Loans (Gross)	5,743,757.1	4,993,588.8		4,054,578.4		3,245,074.3	
B	Stage 2 - Term Loans (Gross)	56,180.9	47,660.2		54,039.2		40,109.4	
C	Gross Stage 1 and 2 Loans (A+B)	5,799,938.0	5,041,249.0		4,108,617.6		3,285,183.7	
D	Impairment loss allowance on Stage 1 loans	60,927.5	50,884.3		31,034.3		22,454.8	
E	Impairment loss allowance on Stage 2 loans	21,793.3	21,550.4		17,486.7		11,898.3	
F	Impairment loss allowance on Stage 1 and 2 loans (D+E)	82,720.7	72,434.7		48,521.0		34,353.1	
G	Net Stage 1 and 2 loans (C-F)	5,717,217.2	4,968,814.3		4,060,096.6		3,250,830.6	
H	Coverage ratio on Stage 1 and 2 loans (F/C)	1.4%	1.4	%	1.2	%	1.0	%
I	Stage 3 – Term Loans (Gross)	61,956.6	51,187.9		39,647.4		28,159.8	
J	Impairment loss allowance on Stage 3 loans	37,429.4	30,566.8		21,302.6		16,057.2	
K	Net Stage 3 loans (I-J)	24,527.2	20,621.1		18,344.8		12,102.6	
L	GNPA Ratio [I/C+I)]	1.1%	1.0	%	1.0	%	0.8	%
M	NNPA Ratio[K/(C+K)]	0.4%	0.4	%	0.4	%	0.4	%
N	PCR (J/I)	60.4%	59.7	%	53.7	%	57.0	%
O	Overall coverage ratio [(F+J)/(C+I)]	2.0%	2.0	%	1.7	%	1.5	%

The table below presents BHFL's coverage ratios as at September 30, 2026, March 31, 2026, 2025 and 2024.

Sr	Particulars	As at September 30, 2026	As at March 31, 2026		2025		2024	
			(₹ in million, except percentages)					
A	Stage 1 – Term loans (Gross)	1,397,823.4	1,236,917.8		994,830.7		793,193.1	
B	Stage 2 – Term loans (Gross)	4,398.5	4,531.0		3206.5		2,900.0	
C	Gross Stage 1 and 2 Loans (A+B)	1,402,221.9	1,241,448.8		998,037.2		796,093.1	
D	Impairment loss allowance on Stage 1 loans	4,044.2	4,007.5		3,336.0		3,191.5	
E	Impairment loss allowance on Stage 2 loans	1,206.7	1,318.9		713.4		675.8	
F	Impairment loss allowance on Stage 1 and 2 loans (D+E)	5,250.9	5,326.4		4,049.4		3,867.3	
G	Net Stage 1 and 2 loans (C-F)	1,396,971.0	1,236,122.4		993,987.8		792,225.8	
H	Coverage ratio on Stage 1 and 2 loans (F/C)	0.4%	0.4	%	0.4	%	0.5	%
I	Stage 3 – Term Loans (Gross)	4,099.9	3,301.7		2,870.0		2,156.1	
J	Impairment loss allowance on Stage 3 loans	2,451.6	1,973.6		1,729.2		1,374.4	
K	Net Stage 3 loans (I-J)	1,648.3	1,328.1		1,140.8		781.7	
L	GNPA Ratio [I/C+I)]	0.3%	0.3	%	0.3	%	0.3	%
M	NNPA Ratio[K/(C+K)]	0.1%	0.1	%	0.1	%	0.1	%
N	PCR (J/I)	59.8%	59.8	%	60.3	%	63.7	%
O	Overall coverage ratio [(F+J)/(C+I)]	0.5%	0.6	%	0.6	%	0.7	%

Notes for Coverage Ratios:

1. Gross Stage 1 and 2 Loans refers to total of Stage 1 - Term Loans (Gross) and Stage 2 - Term Loans (Gross).
2. Impairment loss allowance on Stage 1 and 2 loans refers to total of Impairment loss allowance on Stage 1 loans and Impairment loss allowance on Stage 2 loans.
3. Net Stage 1 and 2 loans refers to Gross Stage 1 and 2 Loans less Impairment loss allowance on Stage 1 loans and Stage 2 loans.
4. Coverage ratio on Stage 1 and 2 loans refers to Impairment loss allowance on Stage 1 loans and Stage 2 loans divided by Gross Stage 1 and 2 Loans.
5. Net Stage 3 loans refers to Stage 3 – Term Loans (Gross) less Impairment loss allowance on Stage 3 loans.
6. GNPA Ratio refers to Stage 3 – Term Loans (Gross) divided by total of Gross Stage 1 and 2 Loans and Stage 3 – Term Loans (Gross).
7. NNPA Ratio refers to Net Stage 3 loans divided by total of Gross Stage 1 and 2 Loans and Net Stage 3 loans.
8. PCR refers to Impairment loss allowance on Stage 3 loans divided by Stage 3 – Term Loans (Gross).
9. Overall coverage ratio refers to total of Impairment loss allowance on Stage 1 and 2 loans and Impairment loss allowance on Stage 3 loans divided by total of Gross Stage 1 and 2 Loans and Stage 3 – Term Loans (Gross).

Credit Quality and Provisioning Coverage

The table below presents our comparative credit quality and provisioning coverage ratios as at September 30, 2026 and March 31, 2026.

Particulars	As at September 30, 2026			GNPA Ratio as at		NNPA Ratio as at	
	Gross Stage 3 Loans	Net Stage 3 Loans	PCR	September 30, 2026	March 31, 2026	September 30, 2026	March 31, 2026
	(₹ in million, except percentages)						
Captive 2W and 3W Finance	5,026.8	2,689.5	46.5 %	18.5 %	14.4 %	10.8 %	8.1%
Open Market 2W and 3W Finance	1,729.4	962.3	44.4 %	1.9 %	1.6 %	1.1 %	0.9%
Urban Consumer Finance	3,087.7	400.4	87.0 %	0.6 %	0.4 %	0.1 %	0.1%
Urban Personal Loans	16,920.9	4,773.8	71.8 %	1.4 %	1.2 %	0.4 %	0.4%
Rural Consumer Finance	779.9	106.0	86.4 %	0.5 %	0.4 %	0.1 %	0.1%
Rural Personal Loans	3,488.3	499.6	85.7 %	1.1 %	0.9 %	0.2 %	0.1%
MFI Business	128.4	21.8	83.0 %	0.5 %	0.6 %	0.1 %	0.1%
Gold Loans	1,691.6	1,607.0	5.0 %	0.7 %	0.3 %	0.7 %	0.3%
MSME lending	16,083.0	6,098.7	62.1 %	3.0 %	2.7 %	1.2 %	1.0%
Commercial Vehicle & Tractor Finance	447.3	250.7	43.9 %	0.9 %	0.8 %	0.5 %	0.4%
Car Loans	2,000.0	1,278.0	36.1 %	1.2 %	1.3 %	0.8 %	0.9%
Commercial Lending	605.3	334.6	44.7 %	0.2 %	0.1 %	0.1 %	0.0%
Loan against Securities	79.4	47.4	40.4 %	0.0 %	0.0 %	0.0 %	0.0%
Mortgages	9,888.6	5,457.4	44.8 %	0.5 %	0.5 %	0.3 %	0.3%
Total	**61,956.6**	**24,527.2**	**60.4 %**	**1.1 %**	**1.0 %**	**0.4 %**	**0.4%**

The table below presents BHFL's comparative credit quality and provisioning coverage ratios as at September 30, 2026 and March 31, 2026 on standalone basis.

Particulars	As at September 30, 2026			GNPA Ratio as at		NNPA Ratio as at	
	Gross Stage 3 loans	Net Stage 3 loans	PCR	September 30, 2026	March 31, 2026	September 30, 2026	March 31, 2026
	(₹ in million, except percentages)						
Home Loans	2943.7	1306.9	55.6%	0.4%	0.4%	0.2	0.1%
Loan against property	711.5	240.8	66.2%	0.6%	0.5	0.2%	0.2%
Lease rental discounting	42.8	22.3	47.8%	0.0%	0.0%	0.0%	0.0%
Developer Finance.....	197.7	45.9	76.8%	0.1%	0.1%	0.0%	0.0%
Others	204.3	32.3	84.2%	1.2%	1.1%	0.2%	0.2%
Total	**4099.9**	**1648.3**	**59.8%**	**0.3%**	**0.3%**	**0.1%**	**0.1%**

Asset-Liability Mismatches

The table below presents our cumulative mismatches on a standalone basis as at the dates indicated.

Our Company

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(₹ in million, except percentages)		
Cumulative Mismatch limit permissible under RBI up to 30/31 days (%)	(20.0) %	(20.0) %	(20.0) %	(20.0)%
Cumulative Mismatch up to 30/31 days (amount)	310,013.3	146,364.9	205,204.9	206,750.4
Cumulative Mismatch up to 30/31 days (%)	71.5 %	35.6 %	56.1 %	59.1%

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(₹ in million, except percentages)		
Cumulative Mismatch limit permissible as per Board approved limit above 1 month and up to 12 months (%)	(15.0) %	(15.0) %	(15.0) %	(15.0)%
Cumulative Mismatch up to 12 months (amount)	808,371.9	752,350.8	703,668.8	472,512.7
Cumulative Mismatch up to 12 months (%)	43.3 %	48.8 %	56.6 %	43.5%

Other Select Financial Indicators

The tables below present our Leverage Ratio, cost of funds, Fee Income as a percentage of profit before tax and operating expenses as a percentage of Net Total Income for the half years ended September 30, 2026 and 2025, and for Fiscals 2026, 2025 and 2024.

Particulars	For the half year ended September 30,		For the year ended March 31,		
	2026	2025	2026	2025	2024
Leverage Ratio[(1)]	5.1	4.8	4.8	4.7	4.9
Cost of Funds[(2)]	7.4%	7.7%	7.5%	8.0%	7.7%
Fee Income as a percentage of profit before tax[(3)]	29.1%	29.8%	31.9%	29.7%	27.6%
Operating Expenses as a percentage of Net Total Income[(4)]	33.2%	32.7%	33.3%	33.2%	34.0%

Notes:
(1) Leverage ratio is calculated as total assets divided by total equity.
(2) Cost of Funds is the borrowing cost as a percentage of daily weighted average borrowings.
(3) Fee income as a percentage to profit before tax is equal to fees and commission income plus sale of service plus Income on derecognised (assigned) loans divided by profit before tax.
(4) Operating Expenses as a percentage of Net Total Income refers to operating expenses divided by net total income.

Return on Average Assets ("ROAA") and Return on Average Equity ("ROAE")

The tables below present our Return on Average Assets and Return on Average Equity for the half year ended September 30, 2026 and 2025, and for Fiscals 2026, 2025 and 2024.

Particulars	For half year ended September 30,		For the year ended March 31,		
	2026	2025	2026	2025	2024
		(₹ in million, except percentages)			
Average Loans[(2)]	5,365,589.9	4,301,855.6	4,533,938.4	3,670,687.3	2,842,811.3
Average equity attributable to owners of the Company [(1)]	1,185,893.9	999,531.7	1,053,459.5	866,941.1	655,336.7
Profit after tax for the period attributable to owners	122,519.5	95,749.7	190,173.9	166,378.2	144,511.7
Profit after tax	124,471.7	97,130.5	193,323.6	167,794.8	144,511.7
Return on Average Assets (ROAA)[(3)]	2.3%*	2.3%*	4.3%	4.6%	5.1%
Return on Average Equity (ROAE)[(4)]	10.3%*	9.6%*	18.1%	19.2%	22.1%

Notes:
* Not annualised
(1) Average equity attributable to owners of the Company is the average of opening and closing balances of equity attributable to owners of the Company for the period/year.
(2) Average Loans is the average of opening and closing balances outstanding of loan for the period/year.
(3) Return on Average Assets refers to profit after tax on Average Loans for the period/year.
(4) Return on Average Equity for the half year ended September 30, 2026, September 30, 2025 and year ended March 31, 2026 and March 31, 2025 refers to profit after tax for the period attributable to owners on Average equity attributable to owners of the Company for the period/year. Return on Average Equity for the year ended March 31, 2024 refers to profit after tax on Average equity of the Company for the period/year.

The table below presents BHFL's Return on Average Assets and Return on Average Equity for the half year ended September 30, 2026 and 2025, and Fiscals 2026, 2025 and 2024.

Particulars	For the half year ended September 30,		For the year ended March 31,		
	2026	2025	2026	2025	2024
		(₹ in million, except percentages)			
Average Loans[(1)]	1,318,034.9	1,062,861.8	1,116,289.6	894,068.1	707,073.2
Average Equity[(2)]	232,730.5	205,635.5	212,348.0	160,901.5	113,683.5
Profit after tax	14,722.5	12,262.6	25,603.4	21,629.0	17,312.2
Return on Average Assets (ROAA)[(3)]	1.1%*	1.2%*	2.3%	2.4%	2.4%

Particulars	For the half year ended September 30,		For the year ended March 31,		
	2026	2025	2026	2025	2024
	(₹ in million, except percentages)				
Return on Average Equity (ROAE)[4].....	6.3%*	6.0%*	12.1%	13.4%	15.2%

Notes:
* Not annualised
(1) Average Loans is the average of opening and closing balances outstanding of loan for the period/year
(2) Average Equity is the average of opening and closing balances of Total Equity for the period/year .
(3) Return on Average Assets refers to profit after tax on Average Loans for the period/year.
(4) Return on Average Equity refers to profit after tax on Average Equity for the period/year.

Capital to Risk (Weighted) Assets Ratio ("CRAR")

The table below presents our Company's and BHFL's CRAR as at September 30, 2026, March 31, 2026, 2025 and 2024 on a standalone basis.

Our Company

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(₹ in million, except percentages)		
Risk Weighted Assets.....	5,341,574.1	4,633,234.1	3,899,810.9	3,151,498.5
Tier I Capital.....	1,037,818.1	957,512.7	822,338.6	677,961.1
Tier II Capital	48,194.0	40,914.8	32,846.4	31,666.1
CRAR %.....	20.3%	21.6%	21.9%	22.5%
Tier I Capital %(1)	19.4%	20.7%	21.1%	21.5%
Tier II Capital %(2).....	0.9%	0.9%	0.8%	1.0%

Notes:
(1) Tier I Capital % refers to as Tier I capital on Risk Weighted Assets.
(2) Tier II Capital % refers to as Tier II capital on Risk Weighted Assets.

BHFL

The table below presents our subsidiary BHFL's CRAR as at September 30, 2026 and March 31, 2026, 2025 and 2024 on a standalone basis.

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(₹ in million, except percentages)		
Risk Weighted Assets.....	1,125,064.6	999,063.2	701,883.9	573,518.3
Tier I Capital.....	234,393.1	219,946.7	194,561.2	118,572.4
Tier II Capital	4,560.9	4,449.3	3,670.9	3,484.5
CRAR %.....	21.2%	22.5%	28.2%	21.3%
Tier I Capital %(1)	20.8%	22.0%	27.7%	20.7%
Tier II Capital %(2).....	0.4%	0.5%	0.5%	0.6%

Notes:
(1) Tier I Capital % refers to as Tier I capital on risk weighted assets.
(2) Tier II Capital % refers to as Tier II capital on risk weighted assets.

Reconciliations for Non-GAAP Financial Information

Reconciliation of Non-Interest Income

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million)	
Fees and commission income (A).....	47,447.2	35,639.5
Net gain on fair value changes (B)	1,597.7	3,200.7
Sale of services (C).....	92.5	130.3
Income on derecognised (assigned) loans (D)	973.8	2,849.7
Other operating income (E)	2,515.8	5,801.4
Other income (F)	304.2	57.2
Non-Interest Income [G=A+B+C+D+E+F]	**52,931.2**	**47,678.8**

Particulars	For the year ended March 31,		
	2026	2025	2024
		(₹ in million)	
Fees and commission income (A)	77,543.9	59,828.4	52,671.7
Net gain on fair value changes (B)	4,712.4	5,390.3	3,082.9
Sale of services (C)	157.1	271.3	499.7
Income on derecognised (assigned) loans (D)	4,654.6	5,520.4	133.3
Other operating income (E)	4,995.7	14,189.2	10,241.3
Other income (F)	71.2	412.7	130.2
Non-Interest Income [G=A+B+C+D+E+F]	**92,134.9**	**85,612.3**	**66,759.1**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million)	
Fees and commission income (A)	2,303.8	1,265.3
Net gain on fair value changes (B)	467.5	660.8
Sale of services (C)	144.9	166.1
Income on derecognised (assigned) loans (D)	928.0	262.2
Other operating income (E)	213.6	280.9
Other income (F)	5.5	28.9
Non-Interest Income [G=A+B+C+D+E+F]	**4,063.3**	**2,664.2**

Particulars	For the year ended March 31,		
	2026	2025	2024
		(₹ in million)	
Fees and commission income (A)	2,971.1	2,011.8	1,382.3
Net gain on fair value changes (B)	863.3	1,642.6	1,332.0
Sale of services (C)	205.7	328.4	524.8
Income on derecognised (assigned) loans (D)	1,953.5	1,437.3	530.8
Other operating income (E)	362.3	474.5	379.6
Other income (F)	30.9	3.5	4.0
Non-Interest Income [G=A+B+C+D+E+F]	**6,386.8**	**5,898.1**	**4,153.5**

Reconciliation of Operating Expenses

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million)	
Fees and commission expense (A)	20,627.7	16,032.1
Employee benefits expense (B)	53,354.4	42,570.2
Depreciation and amortisation expenses (C)	6,086.2	5,095.5
Other expenses (D)	23,547.0	20,491.3
Operating Expenses [E = A+B+C+D]	**103,615.3**	**84,189.1**

Particulars	For the year ended March 31,		
	2026	2025	2024
		(₹ in million)	
Fees and commission expense (A)	36,581.0	25,976.6	19,315.0
Employee benefits expense (B)	89,785.3	75,083.4	63,960.1
Depreciation and amortisation expenses (C)	10,089.8	8,809.9	6,833.2
Other expenses (D)	41,306.8	39,391.5	33,143.6
Operating Expenses [E=A+B+C+D]	**177,762.9**	**149,261.4**	**123,251.9**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million)	
Fees and commission expense (A)	61.3	66.9
Employee benefits expense (B)	3,180.4	2,717.1
Depreciation and amortisation expenses (C)	262.2	227.9
Other expenses (D)	1,192.6	1,279.9
Operating Expenses [E=A+B+C+D]	**4,696.5**	**4,291.8**

Particulars	For the year ended March 31,		
	2026	2025	2024
		(₹ in million)	
Fees and commission expense (A)	130.9	119.3	117.1
Employee benefits expense (B)	5,592.1	4,836.3	4,656.3
Depreciation and amortisation expenses (C)	473.3	411.5	396.0
Other expenses (D)	2,474.3	2,096.8	1,859.6
Operating Expenses [E=A+B+C+D]	**8,670.6**	**7,463.9**	**7,029.0**

Reconciliation of Average Loans:

Our Company

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Loans as at (A)	4,989,435.4	4,078,441.4
Closing Loans as at (B)	5,741,744.4	4,525,269.8
Average Loans (C) = ((A+B)/2)	**5,365,589.9**	**4,301,855.6**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Loans as at (A)	4,078,441.4	3,262,933.2	2,422,689.3
Closing Loans as at (B)	4,989,435.4	4,078,441.4	3,262,933.2
Average Loans (C) = ((A+B)/2)	**4,533,938.4**	**3,670,687.3**	**2,842,811.3**

BHFL

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Loans as at (A)	1,237,450.5	995,128.6
Closing Loans as at (B)	1,398,619.2	1,130,594.9
Average Loans (C) = ((A+B)/2)	**1,318,034.9**	**1,062,861.8**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Loans as at (A)	995,128.6	793,007.5	621,138.9
Closing Loans as at (B)	1,237,450.5	995,128.6	793,007.5
Average Loans (C) = ((A+B)/2)	**1,116,289.6**	**894,068.1**	**707,073.2**

Reconciliation of Total Borrowings and Average Borrowings:

Our Company

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Borrowings as at		
Debt securities (A)	1,931,319.0	1,546,397.3
Borrowings (other than debt securities) (B)	1,706,425.3	1,321,022.5
Deposits (C)	685,327.5	714,031.3
Subordinated liabilities / Subordinated debts (D)	28,053.1	31,035.4
Total Borrowings (E) = (A+B+C+D)	**4,351,124.9**	**3,612,486.5**
Closing Borrowings as at		
Debt securities (F)	2,448,309.5	1,874,478.4
Borrowings (other than debt securities) (G)	1,866,723.9	1,371,740.3
Deposits (H)	697,537.0	697,658.1
Subordinated liabilities / Subordinated debts (I)	7,248.2	30,132.5
Total Borrowings (J) = (F+G+H+I)	**5,019,818.6**	**3,974,009.3**
Average Borrowings (K) = ((E+J)/2)	**4,685,471.8**	**3,793,247.9**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Borrowings as at			
Debt securities (A)	1,546,397.3	1,179,995.4	868,452.4
Borrowings (other than debt securities) (B)	1,321,022.5	1,116,174.7	815,494.0
Deposits (C)	714,031.3	601,509.2	446,655.6
Subordinated liabilities / Subordinated debts (D)	31,035.4	35,779.0	36,302.9

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Total Borrowings (E) = (A+B+C+D)	**3,612,486.5**	**2,933,458.3**	**2,166,904.9**
Closing Borrowings as at			
Debt securities (F)	1,931,319.0	1,546,397.3	1,179,995.4
Borrowings (other than debt securities) (G)	1,706,425.3	1,321,022.5	1,116,174.7
Deposits (H)	685,327.5	714,031.3	601,509.2
Subordinated liabilities / Subordinated debts (I)	28,053.1	31,035.4	35,779.0
Total Borrowings (J) = (F+G+H+I)	**4,351,124.9**	**3,612,486.5**	**2,933,458.3**
Average Borrowings (K) = ((E+J)/2)	**3,981,805.7**	**3,272,972.4**	**2,550,181.6**

BHFL

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Borrowings as at		
Debt securities (A)	510,147.1	397,657.0
Borrowings (other than debt securities) (B)	526,420.8	422,686.1
Deposits (C)	472.0	376.1
Total Borrowings (D) = (A+B+C)	**1,037,039.9**	**820,719.2**
Closing Borrowings as at		
Debt securities (E)	653,687.4	508,655.5
Borrowings (other than debt securities) (F)	528,079.7	431,477.4
Deposits (G)	818.8	479.9
Total Borrowings (H) = (E+F+G)	**1,182,585.9**	**940,612.8**
Average Borrowings (I) = ((D+H)/2)	**1,109,812.9**	**880,666.00**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Borrowings as at			
Debt securities (A)	397,657.0	266,453.3	199,149.2
Borrowings (other than debt securities) (B)	422,686.1	422,997.3	336,547.0
Deposits (C)	376.1	1,842.6	1,757.7
Total Borrowings (D) = (A+B+C)	**820,719.2**	**691,293.2**	**537,453.9**
Closing Borrowings as at			
Debt securities (E)	510,147.1	397,657.0	266,453.3
Borrowings (other than debt securities) (F)	526,420.8	422,686.1	422,997.3
Deposits (G)	472.0	376.1	1,842.6
Total Borrowings (H) = (E+F+G)	**1,037,039.9**	**820,719.2**	**691,293.2**
Average Borrowings (I) = ((D+H)/2)	**928,879.6**	**756,006.2**	**614,373.6**

Reconciliation of Average Equity

Our Company

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Equity as at		
Equity share capital (A)	6,217.9	1,241.7
Other equity (B)	1,133,772.3	965,687.0
Equity attributable to owners of the Company (C) = (A+B)	**1,139,990.2**	**966,928.7**
Closing Equity as at		
Equity share capital (D)	6,223.9	6,215.1
Other equity (E)	1,225,573.6	1,025,919.6
Equity attributable to owners of the Company (F) = (D+E)	**1,231,797.5**	**1,032,134.7**
Average Equity (G) = ((C+F)/2)	**1,185,893.9**	**999,531.7**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Equity as at			
Equity share capital (A)	1,241.7	1,236.0	1,208.9
Other equity (B)	965,687.0	765,717.5	542,510.9
Equity attributable to owners of the Company (C) = (A+B)	**966,928.7**	**766,953.5**	**543,719.8**
Closing Equity as at			
Equity share capital (D)	6,217.9	1,241.7	1,236.0
Other equity (E)	1,133,772.3	965,687.0	765,717.5
Equity attributable to owners of the Company (F) = (D+E)	**1,139,990.2**	**966,928.7**	**766,953.5**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Average Equity (G) = ((C+F)/2)	**1,053,459.5**	**866,941.1**	**655,336.7**

BHFL

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Opening Equity as at:		
Equity share capital (A)	83,286.6	83,281.5
Other equity (B)	141,941.3	116,186.5
Total equity (C) = (A+B)	**225,227.9**	**199,468.0**
Closing Equity as at:		
Equity share capital (D)	83,290.0	83,286.1
Other equity (E)	156,943.0	128,516.8
Total equity (F) = (D+E)	**240,233.0**	**211,802.9**
Average Equity (G) = ((C+F)/2)	**232,730.5**	**205,635.5**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Opening Equity as at:			
Equity share capital (A)	83,281.5	67,121.6	67,121.6
Other equity (B)	116,186.5	55,213.4	37,910.3
Total equity (C) = (A+B)	**199,468.0**	**122,335.0**	**105,031.9**
Closing Equity as at:			
Equity share capital (D)	83,286.6	83,281.5	67,121.6
Other equity (E)	141,941.3	116,186.5	55,213.4
Total equity (F) = (D+E)	**225,227.9**	**199,468.0**	**122,335.0**
Average Equity (G) = ((C+F)/2)	**212,348.0**	**160,901.5**	**113,683.5**

Reconciliation of Net Total Income as a percentage of Average Loans

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Net Total Income (A)	311,984.2	257,795.4
Average Loans (B)	5,365,589.9	4,301,855.6
Net Total Income as a percentage of Average Loans (C) = (A/B)%	**5.8%**	**6.0%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Net Total Income (A)	533,235.5	449,539.9	362,578.2
Average Loans (B)	4,533,938.4	3,670,687.3	2,842,811.3
Net Total Income as a percentage of Average Loans (C) = (A/B)%	**11.8%**	**12.2%**	**12.8%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Net Total Income (A)	24,290.0	21,095.3
Average Loans (B)	1,318,034.9	1,062,861.8
Net Total Income as a percentage of Average Loans (C) = (A/B)%	**1.8%**	**2.0%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Net Total Income (A)	43,909.0	35,967.0	29,251.0
Average Loans (B)	1,116,289.6	894,068.1	707,073.2
Net Total Income as a percentage of Average Loans (C) = (A/B)%	**3.9%**	**4.0%**	**4.1%**

Reconciliation of Finance cost as a percentage of Average Borrowings:

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Finance costs (A)	165,438.2	139,289.6
Average Borrowings (B)	4,685,471.8	3,793,247.9
Finance cost as a percentage of Average Borrowings (C) = (A/B)%	**3.5%**	**3.7%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Finance costs (A)	286,659.5	247,707.9	187,246.9
Average Borrowings (B)	3,981,805.7	3,272,972.4	2,550,181.6
Finance cost as a percentage of Average Borrowings (C) = (A/B)%	**7.2%**	**7.6%**	**7.3%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Finance costs (A)	38,851.4	32,639.2
Average Borrowings (B)	1,109,812.9	880,666.0
Finance cost as a percentage of Average Borrowings (C) = (A/B)%	**3.5%**	**3.7%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Finance costs (A)	67,593.9	59,792.6	46,926.1
Average Borrowings (B)	928,879.6	756,006.2	614,373.6
Finance cost as a percentage of Average Borrowings (C) = (A/B)%	**7.3%**	**7.9%**	**7.6%**

Reconciliation of Net Interest Income as a percentage of Average Loans (Net interest margin):

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Net Interest Income (A)	259,053.0	210,116.6
Average Loans (B)	5,365,589.9	4,301,855.6
Net Interest Income as a percentage of Average Loans (Net Interest Margin) (C) = (A/B)%	**4.8%**	**4.9%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Net Interest Income (A)	441,100.6	363,927.6	295,819.1
Average Loans (B)	4,533,938.4	3,670,687.3	2,842,811.3
Net Interest Income as a percentage of Average Loans (Net Interest Margin) (C) = (A/B)%	**9.7%**	**9.9%**	**10.4%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Net Interest Income (A)	20,226.7	18,431.1
Average Loans (B)	1,318,034.9	1,062,861.8
Net Interest Income as a percentage of Average Loans (Net Interest Margin) (C) = (A/B)%	**1.5%**	**1.7%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Net Interest Income (A)	37,522.2	30,068.9	25,097.5
Average Loans (B)	1,116,289.6	894,068.1	707,073.2
Net Interest Income as a percentage of Average Loans (Net Interest Margin) (C) = (A/B)%	**3.4%**	**3.4%**	**3.5%**

Reconciliation of Operating Expenses as a percentage of Average Loans:

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Operating Expenses (A)	103,615.3	84,189.1
Average Loans (B)	5,365,589.9	4,301,855.6
Operating Expenses as a percentage of Average Loans (C) = (A/B)%	**1.9%**	**2.0%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Operating Expenses (A)	177,762.9	149,261.4	123,251.9
Average Loans (B)	4,533,938.4	3,670,687.3	2,842,811.3
Operating Expenses as a percentage of Average Loans (C) = (A/B)%	**3.9%**	**4.1%**	**4.3%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Operating Expenses (A)	4,696.5	4,291.8
Average Loans (B)	1,318,034.9	1,062,861.8
Operating Expenses as a percentage of Average Loans (C) = (A/B)%	**0.4%**	**0.4%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Operating Expenses (A)	8,670.6	7,463.9	7,029.0
Average Loans (B)	1,116,289.6	894,068.1	707,073.2
Operating Expenses as a percentage of Average Loans (C) = (A/B)%	**0.8%**	**0.8%**	**1.0%**

Reconciliation of Operating Expenses as a percentage of Net Total Income:

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Operating Expenses (A)	103,615.3	84,189.1
Net Total Income (B)	311,984.2	257,795.4
Operating Expenses as a percentage of Net Total Income (C) = (A/B)%	**33.2%**	**32.7%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Operating Expenses (A)	177,762.9	149,261.4	123,251.9
Net Total Income (B)	533,235.5	449,539.9	362,578.2
Operating Expenses as a percentage of Net Total Income (C) = (A/B)%	**33.3%**	**33.2%**	**34.0%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Operating Expenses (A)	4,696.5	4,291.8
Net Total Income (B)	24,290.0	21,095.3
Operating Expenses as a percentage of Net Total Income (C) = (A/B)%	**19.3%**	**20.3%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Operating Expenses (A)	8,670.6	7,463.9	7,029.0
Net Total Income (B)	43,909.0	35,967.0	29,251.0
Operating Expenses as a percentage of Net Total Income (C) = (A/B)%	**19.7%**	**20.8%**	**24.0%**

Reconciliation of Impairment on financial instruments as a percentage of Average Loans:

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Impairment on financial instruments (A)	41,595.3	43,889.6
Average Loans (B)	5,365,589.9	4,301,855.6
Impairment on financial instruments as a percentage of Average Loans (C) = (A/B)%	**0.8 %**	**1.0 %**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Impairment on financial instruments (A)	94,818.5	79,660.3	46,307.0
Average Loans (B)	4,533,938.4	3,670,687.3	2,842,811.3
Impairment on financial instruments as a percentage of Average Loans (C) = (A/B)%	**2.1%**	**2.2%**	**1.6%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Impairment on financial instruments (A)	508.8	907.5
Average Loans (B)	1,318,034.9	1,062,861.8
Impairment on financial instruments as a percentage of Average Loans (C) = (A/B)%	0.0%	0.1%

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Impairment on financial instruments (A)	1,906.8	800.8	608.8
Average Loans (B)	1,116,289.6	894,068.1	707,073.2
Impairment on financial instruments as a percentage of Average Loans (C) = (A/B)%	**0.2%**	**0.1%**	**0.1%**

Reconciliation of GNPA ratio, NNPA ratio, PCR ratio and Overall Coverage ratio

Our Company

Sr	Particulars	As at September 30,	As at March 31,		
		2026	2026	2025	2024
			(₹ in million, except percentages)		
A	Stage 1 – Term Loans (Gross)	5,743,757.1	4,993,588.8	4,054,578.4	3,245,074.3
B	Stage 2 - Term loans (Gross)	56,180.9	47,660.2	54,039.2	40,109.4
C	Stage 3 - Term loans (Gross)	61,956.6	51,187.9	39,647.4	28,159.8
D	Total Gross loans (A+B+C)	5,861,894.6	5,092,436.9	4,148,265.0	3,313,343.5
E	Impairment loss allowance on gross stage 1 loans	60,927.5	50,884.3	31,034.3	22,454.8
F	Impairment loss allowance on gross stage 2 loans	21,793.3	21,550.4	17,486.7	11,898.3

Sr	Particulars	As at September 30,	As at March 31,		
		2026	2026	2025	2024
		(₹ in million, except percentages)			
G	Impairment loss allowance on gross stage 3 loans	37,429.4	30,566.8	21,302.6	16,057.2
H	Total impairment loss allowance (E+F+G)	120,150.2	103,001.5	69,823.6	50,410.3
I	GNPA ratio (C/D)	1.1%	1.0 %	1.0 %	0.8%
J	NNPA Ratio (C-G)/(D-G)	0.4%	0.4 %	0.4 %	0.4%
K	PCR (G/C)	60.4%	59.7 %	53.7 %	57.0%
L	**Overall coverage ratio (H/D)**	**2.0 %**	**2.0 %**	**1.7 %**	**1.5%**

BHFL

Sr	Particulars	As at September 30,	As at March 31,		
		2026	2026	2025	2024
		(₹ in million, except percentages)			
A	Stage 1 – Term Loans (Gross)	1,397,823.4	1,236,917.8	994,830.7	793,193.1
B	Stage 2 – Term Loans (Gross)	4398.5	4,531.0	3,206.5	2,900.0
C	Stage 3 – Term Loans (Gross)	4099.9	3,301.7	2,870.0	2,156.1
D	Total Gross Loans (A+B+C)	1,406,321.8	1,244,750.5	1,000,907.2	798,249.2
E	Impairment loss allowance on stage 1 loans	4,044.2	4,007.5	3,336.0	3,191.5
F	Impairment loss allowance on stage 2 loans	1,206.7	1,318.9	713.4	675.8
G	Impairment loss allowance on stage 3 loans	2,451.6	1,973.6	1,729.2	1,374.4
H	Total impairment loss allowance (E+F+G)	7,702.5	7,300.0	5,778.6	5,241.7
I	GNPA ratio (C/D)	0.3%	0.3%	0.3%	0.3%
J	NNPA Ratio [(C-G)/D-G)]	0.1%	0.1%	0.1%	0.1%
K	PCR (G/C)	59.8%	59.8%	60.3%	63.7%
L	**Overall coverage ratio (H/D)**	**0.5%**	**0.6%**	**0.6%**	**0.7%**

Notes:
1. Total Gross Loans refers to total of Stage 1 - Term Loans (Gross), Stage 2 - Term Loans (Gross) and Stage 3 - Term Loans (Gross).
2. Total Impairment loss allowance refers to total of Impairment loss allowance on stage 1 loans, Impairment loss allowance on Stage 2 loans and Impairment loss allowance on Stage 3 loans.
3. GNPA Ratio refers to Stage 3 – Term Loans (Gross) divided by Total Gross Loans.
4. NNPA Ratio refers to Stage 3 – term Loans (Gross) less impairment loss allowance on stage 3 loans divided by Total Gross Loans less impairment loss allowance on stage 3 loans.
5. PCR refers to Impairment loss allowance on Stage 3 loans divided by Stage 3 – Term Loans (Gross).
6. Overall coverage ratio refers to total Impairment loss allowance divided by total Gross Loans.

Reconciliation of Total tax expenses as a percentage of profit before tax:

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Total tax expenses (A)	42,390.3	32,626.6
Profit before tax (B)	166,862.0	129,757.1
**Total tax expenses as a percentage of profit before tax (C) = (A/B)% ..... **	**25.4%**	**25.1%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Total tax expenses (A)	64,842.9	53,001.5	48,584.0
Profit before tax (B)	258,166.5	220,796.3	193,095.7
**Total tax expenses as a percentage of profit before tax (C) = (A/B)% ..... **	**25.1%**	**24.0%**	**25.2%**

BHFL

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Total tax expenses (A)	4,362.2	3,633.4
Profit before tax (B)	19,084.7	15,896.0
**Total tax expenses as a percentage of profit before tax (C) = (A/B)% ..... **	**22.9%**	**22.9%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Total tax expenses (A)	7,596.8	6,073.3	4,301.0
Profit before tax (B)	33,200.2	27,702.3	21,613.2
Total tax expenses as a percentage of profit before tax (C) = (A/B)%	**22.9%**	**21.9%**	**19.9%**

Reconciliation of Leverage ratio

Particulars	As at September 30		As at March 31,		
	2026	2025	2026	2025	2024
	(₹ in million, except percentages)				
Total Assets (A)	**6,394,425.2**	**5,099,607.6**	**5,599,523.6**	**4,661,268.3**	**3,757,416.2**
Total Equity					
Equity Share Capital (B)	6,223.9	6,215.1	6,217.9	1,241.7	1,236.0
Other equity (C)	1,225,573.6	1,025,919.6	1,133,772.3	965,687.0	765,717.5
Non-controlling interest (D)	31,855.1	23,849.0	29,865.2	22,440.2	-
Total Equity (E) = (B+C+D)	1,263,652.6	1,055,983.7	1,169,855.4	989,368.9	766,953.5
Leverage ratio (F) = (A/E)	**5.1**	**4.8**	**4.8**	**4.7**	**4.9**

Reconciliation of Fee Income as a percentage of profit before tax

Our Company

Particulars	For the half yar ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Fee Income		
Fees and commission income (A)	47,447.2	35,639.5
Sale of services (B)	92.5	130.3
Income on derecognised (assigned) loans (C)	973.8	2,849.7
Total Fee Income (D) = (A+B+C)	**48,513.5**	**38,619.5**
Profit before tax (E)	**166,862.0**	**129,757.1**
Fee income as a percentage of profit before tax (F) = (D/E)%	**29.1%**	**29.8%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Fee Income			
Fees and commission income (A)	77,543.9	59,828.4	52,671.7
Sale of services (B)	157.1	271.3	499.7
Income on derecognised (assigned) loans (C)	4,654.6	5,520.4	133.3
Total Fee Income (D) = (A+B+C)	**82,355.6**	**65,620.1**	**53,304.7**
Profit before tax (E)	**258,166.5**	**220,796.3**	**193,095.7**
Fee income as a percentage of profit before tax (F) = (D/E)%	**31.9%**	**29.7%**	**27.6%**

BHFL:

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Fee Income		
Fees and commission income (A)	2,303.8	1,265.3
Sale of services (B)	144.9	166.1
Income on derecognised (assigned) loans (C)	928.0	262.2
Total Fee Income (D) = (A+B+C)	**3,376.7**	**1,693.6**
Profit before tax (E)	**19,084.7**	**15,896.0**
Fee income as a percentage of profit before tax (F) = (D/E)%	**17.7%**	**10.7%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Fee Income			
Fees and commission income (A)	2,971.1	2,011.8	1,382.3
Sale of services (B)	205.7	328.4	524.8
Income on derecognised (assigned) loans (C)	1,953.5	1,437.3	530.8
Total Fee Income (D) = (A+B+C)	**5,130.3**	**3,777.5**	**2,437.9**
Profit before tax (E)	**33,200.2**	**27,702.3**	**21,613.2**
Fee income as a percentage of profit before tax (F) = (D/E)%	**15.5%**	**13.6%**	**11.3%**

Reconciliation of Interest Coverage Ratio

Our Company

Particulars	For the half year ended September 30,	
	2026	2025
	(₹ in million, except percentages)	
Profit after tax (A)	124,471.7	97,130.5
Depreciation and amortisation expenses (B)	6,086.2	5,095.5
Finance Costs (C)	165,438.2	139,289.6
Adjusted Profit (D) = (A)+(B)+(C)	**295,996.1**	**241,515.6**
Interest Coverage Ratio (E) = (D/C)	**178.9%**	**173.4%**

Particulars	For the year ended March 31,		
	2026	2025	2024
	(₹ in million, except percentages)		
Profit after tax (A)	193,323.6	167,794.8	144,511.7
Depreciation and amortisation expenses (B)	10,089.8	8,809.9	6,833.2
Finance Costs (C)	286,659.5	247,707.9	187,246.9
Adjusted Profit (D) = (A)+(B)+(C)	**490,072.9**	**424,312.6**	**338,591.8**
Interest Coverage Ratio (E) = (D/C)	**171.0%**	**171.3%**	**180.8%**

Reconciliation of Average Interest Bearing Investment

Our Company

Particulars	September 30,	
	2026	2025
	(₹ in million)	
Interest Bearing Investments as at the beginning of the period		
Investments:		
At amortised cost		
-In pass through certificates (PTC) representing securitisation of loan receivables	880.9	1,946.3
Less: Impairment loss allowance	3.5	7.8
Total (A)	**877.4**	**1,938.5**
At fair value through other comprehensive income		
-In Government securities	251,179.8	224,482.5
-In Certificate of Deposits	19,332.3	27,444.3
-In Commercial Papers	13,794.3	9,263.8
-In Non convertible debentures	—	2,128.3
Total (B)	**284,306.4**	**263,318.9**
At fair value through profit or loss		
-In Government securities	783.8	12,454.9
In Infrastructure investment trust (InvIT) units	124.0	200.0
Total (C)	**907.8**	**12,654.9**
Total (D=A+B+C)	**286,091.6**	**277,912.3**
Interest Bearing Investments as at the end of the period		
Investments:		
At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	652.6	1,310.6
Less: Impairment loss allowance	2.6	5.2
Total (E)	**650.0**	**1,305.4**
At fair value through other comprehensive income		
In Government securities	257,101.6	247,687.4
In Certificate of Deposits	4,842.6	16,743.5
In Commercial Papers	—	21,965.8
In T-bill	2,792.8	—
Total (F)	**264,737.0**	**286,396.7**
At fair value through profit or loss		
In Government securities	2,523.0	7,126.3
In Commercial Paper	—	2,991.7
In Infrastructure investment trust (InvIT) units	124.0	100.0
Total (G)	**2,647.0**	**10,218.0**
Total (H=E+F+G)	**268,034.0**	**297,920.1**
Average Interest Bearing Investment ((D+H/2)	**277,062.8**	**287,916.2**

Particulars	March 31,		
	2026	2025	2024
		(₹ in million)	
Interest Bearing Investments as at the beginning of the year			
Investments:			
At amortised cost			
-In pass through certificates (PTC) representing securitisation of loan receivables	1,946.3	3,568.9	1,291.1
Less: Impairment loss allowance	7.8	14.3	5.2
Total (A)	**1,938.5**	**3,554.6**	**1,285.9**
At fair value through other comprehensive income			
-In Government securities	224,482.5	224,709.2	141,390.8
-In Certificate of Deposits	27,444.3	14,532.4	5,662.6
-In Commercial Papers	9,263.8	2,472.6	5,972.3
-In Non convertible debentures	2,128.3	2,123.9	-
Total (B)	**263,318.9**	**243,838.1**	**153,025.7**
At fair value through profit or loss			
-In Government securities	12,454.9	22,706.0	14,224.2
In Infrastructure investment trust (InvIT) units	200.0	-	-
Total (C)	**12,654.9**	**22,706.0**	**14,224.2**
Total (D=A+B+C)	**277,912.3**	**270,098.7**	**168,535.8**
Interest Bearing Investments as at the end of the year			
Investments:			
At amortised cost			
In pass through certificates (PTC) representing securitisation of loan receivables	880.9	1,946.3	3,568.9
Less: Impairment loss allowance	3.5	7.8	14.3
Total (E)	**877.4**	**1,938.5**	**3,554.6**
At fair value through other comprehensive income			
In Government securities	251,179.8	224,482.5	224,709.2
In Certificate of Deposits	19,332.3	27,444.3	14,532.4
In Commercial Papers	13,794.3	9,263.8	2,472.6
In Non convertible debentures	—	2,128.3	2,123.9
Total (F)	**284,306.4**	**263,318.9**	**243,838.1**
At fair value through profit or loss			
In Government securities	783.8	12,454.9	22,706.0
In Infrastructure investment trust (InvIT) units	124.0	200.0	-
Total (G)	**907.8**	**12,654.9**	**22,706.0**
Total (H=E+F+G)	**286,091.6**	**277,912.3**	**270,098.7**
Average Interest Bearing Investment (I) = ((D+H)/2)	**282,002.0**	**274,005.5**	**219,317.3**

Interest bearing investments includes total investments excluding investments in mutual funds, equity shares, equity instruments and associate. Difference between the Investments purchased at discount and held till maturity and the face value is accounted as interest and accordingly such investments are considered as interest bearing investments.

Reconciliation of Borrowing Composition

Particulars	As at September 30,		As at March 31,					
	2026		2026		2025		2024	
			(Consolidated)					
	(₹ in million)	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*
Bank Borrowings*(a)	1,485,630.3	29.6 %	1,327,878.8	30.5 %	1,011,220.6	28.0 %	898,400.6	30.6%
Money Market Borrowing*** (b)	2,604,780.9	51.9 %	2,109,248.9	48.5 %	1,733,498.3	48.0 %	1,373,364.0	46.8%
of which:								
Non-convertible debentures **	2,011,350.3	40.1 %	1,599,058.0	36.8 %	1,271,793.0	35.2 %	931,700.2	31.8%
Borrowing by issue of Commercial paper – Unsecured	436,959.2	8.7 %	332,261.0	7.6 %	274,604.3	7.6 %	248,295.2	8.5%
Privately placed subordinated (Tier II) redeemable non-convertible debentures	7,248.2	0.1 %	28,053.1	0.6 %	31,035.4	0.9 %	35,779.0	1.2%
Triparty repo dealing and settlement (TREPs) against Government securities	100,196.1	2.0 %	86,369.3	2.0 %	116,767.8	3.2 %	157,589.6	5.4%
Repurchase agreement borrowings (Repo)	49,027.1	1.0 %	63,507.5	1.5 %	39,297.8	1.1 %	—	—
Deposits (public and other deposits) (c)	697,537.0	13.9 %	685,327.5	15.7 %	714,031.3	19.8 %	601,509.2	20.5%
External Commercial Borrowings (d)	231,870.4	4.6 %	228,669.7	5.3 %	153,736.3	4.2 %	60,184.5	2.1%

Particulars	As at September 30,		As at March 31,					
	2026		2026		2025		2024	
	(Consolidated)							
	(₹ in million)	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*
Total Borrowings (e)=(a+b+c+d)	**5,019,818.6**	**100.0%**	**4,351,124.9**	**100.0%**	**3,612,486.5**	**100.0%**	**2,933,458.3**	**100%**

*** Bank Borrowings:**

Particulars	As at September 30,	As at March 31		
	2026	2026	2025	2024
		(Consolidated)		
		(₹ in million)		
Borrowing (Other than debt securities) (at amortised cost):.....				
- Term loans from banks (A).....	1,090,422.8	973,336.5	783,112.5	792,582.7
- Term loans from Development Financial Institutions (B).....	166,866.7	82,809.1	65,333.6	—
- Term loan from National Housing Bank (NHB) (C).....	108,868.4	103,408.8	83,724.0	68,375.9
- Cash Credit/Overdraft facility (D).....	9,596.8	57,919.7	37,837.9	6,813.1
- Working capital demand loans (E).....	43,495.3	42,726.7	23,675.8	30,628.9
- Securitisation liabilities (F).....	66,380.3	67,678.0	17,536.8	—
Total - Bank Borrowing (G) = (A+B+C+D+E+F).....	**1,485,630.3**	**1,327,878.8**	**1,011,220.6**	**898,400.6**

**** Non-convertible debentures:**

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(Consolidated)		
		(*₹ in million*)		
Debt Securities (at amortised cost):				
Redeemable non-convertible debenture:				
Secured and fully paid (A).....	1,910,286.5	1,503,544.7	1,182,846.2	848,962.8
Unsecured and partly paid (B).....	—	14,913.3	26,414.9	20,148.2
Unsecured and fully paid (C).....	101,063.8	80,600.0	62,531.9	62,589.2
Total - Non-convertible debentures (D) = (A+B+C)	**2,011,350.3**	**1,599,058.0**	**1,271,793.0**	**931,700.2**

***** Money Market Borrowings:**

Particulars	As at September 30,	As at March 31,		
	2026	2026	2025	2024
		(Consolidated)		
		(₹ in million)		
Non-convertible debentures (A)	2,011,350.3	1,599,058.0	1,271,793.0	931,700.2
Borrowing by issue of Commercial paper – Unsecured (B).....	436,959.2	332,261.0	274,604.3	248,295.2
Privately placed subordinated (Tier II) redeemable non-convertible debentures (C)	7,248.2	28,053.1	31,035.4	35,779.0
Triparty repo dealing and settlement (TREPs) against Government securities (D).....	100,196.1	86,369.3	116,767.8	157,589.6
Repurchase agreement borrowings (Repo) (E)	49,027.1	63,507.5	39,297.8	—
Total - Money Market Borrowing (F) = (A+B+C+D+E)	**2,604,780.9**	**2,109,248.9**	**1,733,498.3**	**1,373,364.0**

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) Fiscal 2026; (ii) Fiscal 2025; and (iii) Fiscal 2024, as per the requirements under IND AS 24 "Related Party Disclosures", as applicable and specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported see "***Financial Information – Related Party Transaction***" on pages 439, 556 and 661 for the above mentioned periods/fiscal years respectively.

RISK FACTORS

*Please read "**Presentation of Financial and Other Information – Financial data and other information**" on page 11 before reading this section. This section should also be read together with "**Industry Overview**", "**Our Business**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", "**Selected Financial Information**", "**Selected Statistical Information**" and "**Financial Information**" on pages 142, 241, 112, 30, 37 and 346, respectively.*

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risks and uncertainties described below and the other information contained in this Preliminary Placement Document before making any investment decision relating to the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. The occurrence of any of the following events, or the occurrence of other risks that are not currently known to us or that are now deemed by us to be immaterial, could adversely affect our business, financial condition, results of operations, cash flows and prospects and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment.

Unless otherwise stated in the risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision with respect to this Issue, you must rely on your own examination of our Group and the terms of this Issue, including the merits and risks involved.

Unless stated otherwise, all financial information is presented on a consolidated basis. Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the half year ended September 30, 2026 and 2025 and the Financial Years 2026, 2025 and 2024 included herein is derived from the Financial Statements included in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Analysis of NBFC Sector in India" dated November 2026 ("**CRISIL Report**") prepared by CRISIL. We have commissioned the CRISIL Report and paid an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the CRISIL Report are that of CRISIL. Prospective investors are advised not to unduly rely on the CRISIL Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified the information contained in CRISIL Report. For more information see "**Industry Overview**" on page 142.*

INTERNAL RISK FACTORS

RISKS RELATING TO OUR BUSINESS

1. ***If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our business is dependent upon our timely access to, and the costs associated with, debt. As a regulated entity, we are subject to certain borrowing limits imposed by the regulator. The amount of funds we can raise through public deposits is limited to 1.5 times of our net owned fund as stipulated by RBI. As a result, we rely on a combination of sources to meet our funding requirements. These include term loans/ cash credit/ overdraft from banks and certain financial institutions, issuance of secured and unsecured non-convertible debentures and issue of commercial papers, as well as assignment/securitisation of some of our loan portfolio. We also source deposits from individual and corporate investors. We also borrow funds from triparty repo dealing and settlement against our Government security investments. Our consolidated total borrowings were ₹5,019,818.6 million and ₹4,351,124.9 million as at September 30, 2026 and March 31, 2026, respectively, with money market borrowings, bank borrowings, deposits and External Commercial Borrowing ("**ECB**") representing 51.9%, 29.6%, 13.9% and 4.6% of such amount, respectively as at September 30, 2026. Our business will continue to depend on our ability to access diversified borrowings from within India and from overseas markets. Our ability to borrow on acceptable terms and at competitive rates continues to depend on various factors, including, but not limited to, (i) our credit ratings; (ii) policy initiatives and the regulatory environment; (iii) foreign exchange rate fluctuation; (iv) liquidity in the markets; (v) the attractiveness of debt of our Company and BHFL, to investors and lenders; and (vi) our current and future results of operations and financial condition.

Our ability to raise borrowings at competitive terms is largely influenced by our credit ratings and any downgrade in such ratings, could lead to an increase in our cost of funds for existing and future borrowings. Also see, "***Risk Factors – Any downgrade in our credit ratings may increase interest rates which would increase our financing costs, and would adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***" on page 63. If we are unable to borrow funds (both in domestic and international markets) in the amounts we require on acceptable terms and at competitive rates, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

2. ***We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our financial condition, results of operations and cash flows.***

Our results of operations are substantially dependent upon our Net Interest Income, which is affected by changes in our Net Interest Margin. The following table sets forth our Net Interest Income and Net Interest Margin for the periods indicated:

(₹ in million, except percentages)

Particulars	For the half year ended September 30, 2026	For the half year ended September 30, 2025	For Fiscal 2026	For Fiscal 2025	For Fiscal 2024
Net Interest Income	259,053.0	210,116.6	441,100.6	363,927.6	295,819.1
Net Interest Margin (%)*	4.8	4.9	9.7	9.9	10.4

* *Net Interest Margin for the half year ended September 30, 2026 and 2025 is presented on a non-annualised basis.*

Interest rates are highly sensitive and volatility in interest rates could be a result of many factors, including the monetary policies of the RBI, domestic and international economic and political conditions, inflation and macro-economic environment and economic policies in India.

We borrow and lend funds on both fixed and floating rates. As at September 30, 2026, 57.7% of our borrowings and 61.6% of the loans advanced by us were on fixed interest rates and 42.3% of our borrowings and 38.4% of the loans advanced by us were on floating interest rates. While we diversify our borrowing mix across borrowing instruments, tenors and a mix of fixed and floating borrowings in an endeavour to match the mix of our loan book and the tenors of such loans to try to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet, there can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our Net Interest Income and Net Interest Margin.

In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, and conversely, in a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, our Net Interest Income and Net Interest Margin would be adversely impacted. Competitive pressure may also require us to reduce the interest rates at which we lend to our customers without a proportionate reduction in interest rates at which we borrow. While any reduction in interest rates at which we borrow may be passed on to our customers, we may not be able to pass on any increase in interest rates to customers who have existing loans on fixed interest rates. Our customers may also prepay their loans to take advantage of a declining interest rate environment. An increase in the interest rates charged by us on our products could result in our customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources.

Accordingly, any significant or sustained adverse movement in interest rates/ net interest income, or our inability to effectively manage mismatches between the pricing and repricing of our assets and liabilities, could adversely affect our Net Interest Income, Net Interest Margin, the value of our fixed income portfolio and, consequently, our financial condition, results of operations and cash flows.

3. ***If we are unable to control the level of GNPAs/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatory-mandated provisioning requirements, our financial condition and results of operations could be adversely affected. If we are unable to recover, control and/or reduce our NPAs/Stage 3 Assets our financial condition and results of operations could be adversely affected.***

The following table sets forth our gross non-performing asset ("**GNPA**") ratio, net non-performing asset ("**NNPA**") ratio and provision coverage ratio ("**PCR**"), on a consolidated basis, as at the dates indicated:

Particulars	As at September 30, 2026	As at September 30, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
GNPA ratio (%)	1.1	1.2	1.0	1.0	0.8
NNPA ratio (%)	0.4	0.6	0.4	0.4	0.4
PCR (%)	60.4	51.8	59.7	53.7	57.0

For more details, see "***Selected Statistical Information – Gross Stage 3 Loans***" on page 37.

Within our overall NPAs, the GNPA levels attributable to our captive two-wheeler and three-wheeler finance portfolio are proportionately higher than those of our other lending products for the half year ended September 30, 2026 and the last three fiscal years. This is primarily on account of the scale-down of our captive two-wheeler and three-wheeler finance portfolio.

Various factors that are beyond our control, such as macro-economic factors, regulatory hurdles and competition as well as customer-specific factors, such as wilful default and mismanagement of a customer's operations, may cause a further increase in the level of GNPAs/Stage 3 Assets and have a material adverse impact on the quality of our loan portfolio. Our borrowers may be exposed to multiple credit facilities, which could increase overall indebtedness and repayment obligation. Any deterioration in borrowers' repayment capacity due to elevated leverage levels could result in higher delinquencies, impair asset quality, increase credit costs and adversely affect our business, financial condition, results of operations and cash flows. Any increase in our GNPAs/Stage 3 Assets could adversely impact our Company's and BHFL's credit ratings and translate into an increase in our cost of funds. Furthermore, if the level of GNPAs/Stage 3 Assets increases, our Company and BHFL will have to increase their respective provisions accordingly. This could have a material adverse effect on our financial condition, results of operations and cash flows.

We are required to make provisions for expected credit loss ("**ECL**") on all our loans outstanding. For making provisions, we need to make use of analytical tools and methods to compute loss and recovery trends, and to apply on our loan book/financial assets for computing ECL provision. We are also required to provide for the impact of forward-looking macroeconomic factors, which requires us to make choices of variables that have a strong correlation with the historical loss rate for the given portfolio(s). However, recognising that NBFCs are required to follow Ind-AS where provisioning norms are adopted under the ECL mechanism, RBI has mandated that overall provisioning under the ECL methodology shall not be lower than the total provisioning (including these enhanced provisions) prescribed under RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025. For the fiscal year ended 2026, the amount of ECL provisioning was at ₹95,661.6 million whereas provisioning under IRAC norms was at ₹24,199.7 million. We may make an error in computing historical loss and recovery trends. The estimates used in computing variables for ECL may also undergo material change, which may have a significant impact on the carrying values of our loans, impairment on financial instruments and a consequential impact on our profitability, equity and CRAR. We have in the past experienced certain deficiencies in NPA identification and monitoring systems and processes. Although we believe that we have taken appropriate measures to address those issues, we cannot assure you that such systems and processes will always function appropriately or correctly identify GNPAs/Stage 3 Assets in a timely manner or at all, or that similar deficiencies will not arise in the future. If we are unable to control the level of our GNPAs/Stage 3 Assets, we will be required to increase our ECL provisions, which would result in our profit after tax being less than it otherwise would be, and this would also adversely affect our financial condition.

The RBI regulates some aspects of the recovery of dues from delinquent customers, such as the use of recovery agents and the framework of compromise/settlement of dues with customers. Any limitation on our ability to recover, control and/or reduce GNPA/Stage 3 Assets as a result of these guidelines or otherwise could affect our collections and ability to foreclose existing GNPA/Stage 3 Assets. We may fail to accurately categorise all loans that should be GNPA/Stage 3 Assets pursuant to RBI regulations, which may cause us to under record our GNPA/Stage 3 Assets.

Additionally, since our Company and our Subsidiary BHFL have each been identified and categorised as 'Upper Layer' NBFCs by the RBI under the RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, we are subject to certain additional provisioning requirements. These include enhanced level of provision for standard assets for certain categories of assets such as housing loans extended at teaser rates, advances to commercial real estate – residential housing ("**CRE-RH**") sector and advances to commercial real estate sector (other than CRE-RH). Further, once an NBFC is categorised as an 'Upper Layer' NBFC, it shall be subject to enhanced regulatory requirement, at least for a period of five years from its classification in the layer, even in case it does not meet the parametric criteria in the subsequent year(s). If regulators, including the National Housing Bank ("**NHB**") and RBI, continue to impose increasingly stringent requirements regarding GNPAs/Stage 3 Assets and provisioning for such assets, the level of GNPAs/Stage 3 Assets could increase, and the overall quality of our loan portfolio could deteriorate.

4. ***Any decrease in demand for our loan products could adversely affect our business, financial condition and results of operations.***

Any decrease in demand for our loan products could adversely affect our business, financial condition and results of operations. A decrease in demand for our loan products can arise from factors beyond our control, such as economic slowdown in India, a rise in unemployment, regulatory hurdles, competition and customer-specific factors. In addition, our newer products, including Microfinance ("**MFI**") Lending Business, Gold Loans and Vehicle Finance, are at relatively early stages of operations for our Company and are subject to product-specific demand and operational risks that may differ from those of our more mature lending products. Set forth below are some specific factors that could affect demand for some of our loan products:

Mortgages

Our Mortgages as at September 30, 2026 was ₹1,871,325.6 million, representing 32.0% of our total AUM. The demand for our loans in the Mortgage Loan vertical is generally affected by economic downturn, upward movement in interest rates, fluctuation in the value of property, inadequate supply of housing and price volatility.

Urban Personal Loans product

Our Urban Personal Loans as at September 30, 2026 was ₹1,152,373.5 million, representing 19.7% of our total AUM. The Urban Personal Loans products comprise loans to existing self-employed or salaried customers on a cross sale basis and loans to affluent salaried professionals. The demand for loans for salaried individuals can be impacted by loss of income or job losses. The demand for Urban Personal Loans from self-employed individuals can be impacted by reduced economic activities. The occurrence of any events giving rise to unemployment or reduced income may result in a decline in the demand for Personal Loans.

Urban Consumer Finance and Rural Consumer Finance Lending products

Our Urban Consumer Finance and Rural Lending products are targeted mainly at individual borrowers, as a result, the vast majority of our customers are individuals. As at September 30, 2026, our Urban Consumer Finance AUM was ₹480,980.8 million, representing 8.2% of our total AUM, and our Rural Lending products AUM was ₹436,361.2 million, representing 7.5% of our total AUM. These individual customers are either salaried or self-employed. We believe that individual customers are generally less financially resilient than larger corporate borrowers and are more likely to default due to liquidity difficulties than corporate borrowers. As a result, these customers may be adversely affected by declining economic conditions. In particular, compared to other types of customers, individuals are highly vulnerable to adverse consequences of economic downturn, inflation, rising unemployment rate, natural disasters and other macroeconomic and social factors, which could impact their ability to repay and consequently result in a decline in their willingness to buy financial products and avail other loan facilities.

MSME Lending vertical

As at September 30, 2026, our MSME Lending AUM was ₹530,838.0 million, representing 9.1% of our total AUM. Our MSME Lending vertical comprises customers primarily belonging to self-employed and professional classes, who shall be affected by various factors such as changes in Indian rules and regulations, domestic economic and political conditions, inflation, natural disasters and calamities. In particular, MSME credit remains sensitive to external headwinds, including disturbances in energy supply and supply chains, input cost inflation and cash flow visibility, which pose a downside risk to the sector in the near term (*Source: CRISIL Report*).

Loan against Securities

Our Loan against Securities as at September 30, 2026 was ₹419,493.1 million, representing 7.2% of our total AUM. The demand for our loans in the Loan against Securities portfolio is generally affected by economic downturn, volatile price movement in securities market and interest rate fluctuations.

Commercial Lending vertical

Our Commercial Lending as at September 30, 2026 was ₹352,707.9 million, representing 6.0% of our total AUM. Our Commercial Lending portfolio is affected by various factors, such as an economic downturn and industry-specific financial performance.

Vehicle Finance

Our Vehicle Finance AUM, captive two-wheeler and three-wheeler finance of vehicles manufactured by Bajaj Auto Limited, open market two-wheeler and three-wheeler finance, new and used car loans, commercial vehicle and tractor finance, and newer offerings including industrial equipment finance, vehicle leasing for corporates and solar financing. as at September 30, 2026 was ₹333,409.5 million, representing 5.7% of our total AUM. Our Vehicle Finance products primarily relate to financing of two- and three-wheelers, new and used commercial and personal vehicles, and tractors. Our Vehicle Finance business is dependent on various factors that impact the automotive industry, such as the demand for vehicles and transportation services in India, the costs of raw materials for manufacture of vehicles, levy of additional duties and taxes, changes in Indian regulations, customer preferences and government policies affecting used and new commercial vehicles.

Gold Loans

Our Gold Loans as at September 30, 2026 was ₹241,946.8 million, representing 4.1% of our total AUM. The demand for our loans in the Gold Loans vertical is affected by, among other things, movements in domestic and international gold prices, the availability of alternative sources of financing for the customer segments we serve, and competition from banks and other non-banking financial companies offering gold loans. A sustained decline in gold prices could reduce the value of the collateral securing our existing Gold Loans and the demand for new gold loans.

MFI Lending Business

Our MFI Lending Business as at September 30, 2026 was ₹26,802.8 million, representing 0.5% of our total AUM. Demand for our loans in the MFI Lending Business is sensitive to, among other things, the economic condition of rural and semi-urban households in the geographies we serve, agricultural cycles and monsoon performance, over-

indebtedness of borrowers (whether on account of our Company's own exposure or exposure through other microfinance lenders, self-help groups or informal lenders), interest rate caps and other prudential measures that the Reserve Bank of India or other regulators may adopt in respect of microfinance exposures, political and local events (including farm loan waivers, moratoria and local disturbances) affecting the willingness or ability of borrowers to repay, and operational risks relating to field-based cash sourcing and collections through branch personnel at central village locations.

5. ***Our Mortgages lending vertical represents a significant portion of our AUM, and is exposed to the Indian real estate sector. Any significant downturn or adverse developments in that sector could lead to an increase in impairment losses and adversely affect our business, financial condition, results of operations and cash flows.***

Our Mortgage products, which comprises loans secured against the underlying property, represented 32.0% and 31.8% of our AUM on a consolidated basis as at September 30, 2026 and March 31, 2026, respectively. As a result, the performance of this vertical, and the demand for, and pricing of, our other investments in the real estate sector, are significantly dependent on the performance of the real estate sector in India, and any decline in conditions of the real estate markets could have an adverse impact on our business, financial condition, results of operations and cash flows. Economic developments within and outside India can adversely affect the property market in India.

Deterioration in the housing and property market may result in reversing the growth of our loan accounts, which in turn could result in a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, as the underlying security on these loans is primarily mortgages or other form of security over the customers' other residential or commercial property, a significant portion of our loans is exposed to events affecting the real estate sector. In the event of a significant decline in property prices or a defect in the title of the property, we may not be able to realise the value of the collateral or recover the principal and interest in the event of a default. Furthermore, if any of the projects which form part of the collateral are delayed for any reason, it may affect our ability to enforce the security, thereby effectively diminishing the value of such security. There can be no assurance that we will be able to foreclose on collateral on a timely basis, or at all, and if we are able to foreclose on the collateral, that the value will be sufficient to cover the outstanding amounts owed to us which may result in a material adverse effect on our business, results of operations, financial condition and cash flows.

These factors can also adversely affect the demand for, and pricing of, our investments in the real estate sector and may materially and adversely affect our financial condition, results of operations and cash flows. There can be no assurance that our real estate lending portfolio will grow, or will not decrease, in the future, and any such reduction in demand could have an adverse effect on our business, results of operations, financial condition and cash flows. In addition, for loans advanced against real estate collateral, our ability to receive timely repayment of principal and interest is dependent upon various factors, including the health of the overall economy, prevealing real estate prices and our borrowers' ability to repay. These and other factors could lead to an increase in impairment losses and adversely affect our financial condition, results of operations and cash flows.

Our Company also extends Affordable Home Loans to eligible individuals from underserved and low-income segments for the purchase, construction or renovation of residential properties, with the underlying property serving as collateral. The repayment capacity of these borrowers is inherently more sensitive to adverse macroeconomic conditions, loss of income or employment, inflation and local economic disruptions than that of borrowers in our other products, and such borrowers may also have limited access to alternative sources of finance. In addition, properties financed under this product are typically located in semi-urban and smaller town locations, where secondary market liquidity may be limited, valuations may be more volatile and the time and cost associated with perfecting, enforcing or realising security may be greater. Any deterioration in the repayment behaviour of these borrowers, any decline in the value of the underlying collateral, or any inability to enforce security and realise the collateral in a timely manner or at the expected value, could require us to increase provisions and credit costs and have a material adverse effect on our business, financial condition, results of operations and cash flows. For further details, see "***Risk Factors – If our borrowers under secured loans default, we may be unable to recover the expected value of the collateral, thereby exposing us to potential loss. In addition, there may be delays and difficulties in enforcing the sale of collateral, which could have a material adverse effect on our financial condition, results of operations and cash flows***" on page 74.

6. ***Our Gold Loans business has grown rapidly in recent periods and exposes us to operational, concentration and evolving regulatory risks that could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our Company has, in recent periods, significantly scaled up its Gold Loans business. Our standalone gold loan branch network has grown from 905 branches as at March 31, 2024 to 2,022 branches as at September 30, 2026, and our Gold Loans AUM has grown by 35.7% during the half year ended September 30, 2026 from ₹178,308.8 million as at March 31, 2026 to ₹241,946.8 million as at September 30, 2026. Our Gold Loans AUM has also grown by 105.2% from ₹117,894.2 million as at September 30, 2025 to ₹241,946.8 million as at September 30, 2026. Our Gold Loans business is subject to certain operational, collateral, market and regulatory risks, and is conducted in a sector that has been subject to heightened and evolving regulatory scrutiny by the RBI, including with respect to loan-to-value ratios and other applicable requirements. The RBI has issued the Reserve Bank of India (Lending Against Gold and Silver

Collateral) Directions, 2025, as amended, which provides a regulatory framework for, among other things, lending against gold and silver collateral for NBFCs, addresses concerns relating to prevailing lending practices and strengthens conduct-related aspects of such business. The RBI directions also require loan-to-value ratios on consumption gold loans with bullet repayment to be computed on the basis of the total amount repayable at maturity. Any non-compliance with these or other applicable regulatory requirements may expose us to regulatory action, penalties, restrictions on our business and reputational harm. Any further measures that the Reserve Bank of India or other regulators may adopt in relation to gold loans (including, among others, measures relating to loan-to-value ratios, the valuation of pledged gold, the mode and conduct of auction, limits on interest rates or fees, branch expansion, capital treatment or classification of such exposures) could require us to make changes to our Gold Loans products, policies, systems and operations, and could adversely impact the growth, pricing flexibility or profitability of our business.

Further, our Gold Loans are secured by physical custody of pledged gold jewellery. Consequently, we are also exposed to the risk of theft, pilferage or misappropriation of pledged gold, loss on account of inaccurate valuation, impurities in the pledged gold or fraud by employees or third parties (whether in collusion with employees or otherwise), and to the risk that we may be unable to realise the full value of the pledged gold through auction in the event of default, particularly during periods of sustained decline in domestic gold prices. Any materialisation of these risks, or our inability to establish and maintain controls, insurance arrangements, security infrastructure and governance commensurate with the scale and growth of our Gold Loans business, could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

7. ***Any downgrade in our credit ratings may increase interest rates which would increase our financing costs, and would adversely affect our future issuances of debt and our ability to borrow on a competitive basis.***

Our debt instruments have been rated by domestic and international agencies including ICRA, CRISIL, CARE, India Ratings, S&P Global and Moody's. Our high credit ratings enable us to borrow funds at competitive rates from varied sources. For more details, see "***Our Business – Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***" on page 247.

During the last three Fiscals and the half year ended September 30, 2026, there has been no downgrade in the credit ratings assigned to our debt instruments by any of the aforesaid rating agencies. However, there can be no assurance that our credit ratings will not be downgraded in the future, whether on account of deterioration in our financial or operating performance, changes in the regulatory or macroeconomic environment, adverse developments affecting the Indian financial services sector or our Company specifically, or any change in rating agency methodology.

These ratings may be viewed as an indicator of our Company's capacity to service its financial obligations and could affect its ability to access debt financing on competitive terms. However, since 2024, credit rating agencies are also required to consider technical challenges in complying with repayment obligations as a default. As a result, defaults arising from operational or technical issues could result in adverse ratings. Any downgrade in our credit ratings could lead to an increase in our cost of funds for existing and future borrowings. This would increase our financing costs, adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows. As a result of reduced spreads between the interest rates at which we borrow and lend, we may not be able to maintain our current levels of profitability. For more details, see "***Risk Factors– We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our financial condition, results of operations and cash flows****"* on page 59. Additionally, any downgrade of ratings below minimum investment grade ratings could reduce demand for our debt, thus making the raising of additional debt more difficult and increasing the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements with them.

8. ***Any asset-liability mismatches could adversely affect our cash flows, financial condition and results of operations.***

If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, it may lead to mismatches between our assets and liabilities, which could adversely affect our cash flows, financial condition and results of operations.

Our Company and BHFL are exposed to liquidity risk arising from potential mismatches between the maturities of our assets and liabilities. The Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 prescribe limits on cumulative negative mismatches across specified maturity buckets, including up to 10% in the 1-7 days bucket and in the 8-14 days bucket, and up to 20% in the 15-30/31 days bucket, measured as a percentage of cumulative cash outflows in the respective buckets.

As at September 30, 2026, on a standalone basis, each of our Company and BHFL was within the cumulative negative mismatch limits prescribed under the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025 across all applicable maturity buckets, based on its behaviouralised structural liquidity statement. Any inability on the part of our Company or BHFL to manage the maturities of our assets and liabilities within these prescribed limits, including as a result of changes in behaviouralisation assumptions, unanticipated

prepayments, drawdowns or outflows, dislocation in funding markets or delays in accessing fresh borrowings, could result in a breach of the applicable cumulative mismatch limits under the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, and could expose us to regulatory action, penalties or restrictions on our business, and adversely affect our liquidity, business, financial condition, results of operations and cash flows. For details, see "***Selected Statistical Information – Asset-Liability Gap – Our Company***" and "***Selected Statistical Information – Asset-Liability Gap – BHFL***" on page 40.

In addition, we are subject to the liquidity risk management framework prescribed by the RBI under the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, including requirements to maintain a minimum Liquidity Coverage Ratio ("**LCR**"). Certain of our financing agreements also contain covenants requiring us to maintain a minimum LCR. Any failure to maintain the LCR at the levels prescribed by the RBI or required under our financing agreements could expose us to regulatory action or penalties, and could also result in a breach of the relevant financial covenants, which may lead to the consequences described in "***Risk Factors – If we do not comply with covenants and conditions under our borrowing arrangements, it could lead to termination of our credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided, and the trigger of cross default provisions. Any of the above actions taken by the relevant lender could have a material adverse effect on our credit ratings, financial condition, results of operations and cash flows***" on page 83, and could adversely affect our business, financial condition and results of operations.

9. ***If our omnichannel strategy is unsuccessful, it could harm our reputation and adversely affect our results of operations and cash flows.***

As a part of our growth strategy, we seek to achieve an omnichannel presence by establishing a strong presence across physical, application, web, social and virtual platforms, to enable customers to shift between online and offline modes in a seamless manner. For further details of our omnichannel strategy, see "***Our Business – Our Strategies – Continue to deepen our omnichannel strategy***" on page 250. There can be no assurance that we will be able to successfully implement our omnichannel strategy or that once implemented, the strategy will yield the returns we anticipate. Our ability to implement the strategy depends on various factors including seamless integration of our back-end systems, user acceptance of our website (https://www.bajajfinserv.in) and our Bajaj Finance App, and access to and use of advanced technologies to enhance and increase customer engagement. Currently, we carry out our operations under the brand name/ trademark "Bajaj Finserv" and utilize the same domain. While transition of the current domain from "Bajajfinserv" is in the process of being initiated with the regulator, we may experience reduced customer engagement on the new website and mobile app till such time the new domain and app gain popularity among our customer base.

Technological innovations in mobilisation and digitisation of financial services require us to develop new and simplified models for offering banking products and services. Disruptive technology and new models of banking or other financial services could increase competitive pressures, and compel us to adapt to new operating models and upgrade back-end infrastructure on an ongoing, cost-effective and timely basis. There is no assurance that we will be able to continue to respond promptly and effectively to new technological developments, be in a position to dedicate resources to upgrade our systems and to compete with new players entering the market. If we fail to adapt to such technological advances quickly and effectively it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers thereby hampering the results of our omnichannel strategy.

If we are unable to effectively implement our omnichannel strategy or if the strategy does not perform in line with our expectation, we may need to write-off substantial costs associated with implementing this strategy, including costs of obtaining relevant approvals, technology costs, marketing and employee training, which may adversely impact our results of operations and financial condition.

10. ***We operate in a highly regulated industry and changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition and results of operations.***

We operate in a highly regulated industry and we have to adhere to various laws, rules and regulations. Our Company has a certificate of registration from the RBI to operate as a deposit-taking NBFC that is classified as an NBFC – investment and credit company ("**NBFC-ICC**") and is regulated by the RBI. Our Company also has a Certificate of Authorisation from RBI and Department of Payment and Settlement Systems for the issuance of prepaid payment instruments. Our Company also has a corporate agent licence from Insurance Regulatory and Development Authority of India ("**IRDAI**"). Our Company also holds a registration certificate issued by the Association of Mutual Funds in India to operate as a mutual fund intermediary. BHFL has obtained a certificate of registration from the NHB to operate as a non-deposit taking HFC and is supervised by the NHB and regulated by the RBI. BHFL is also registered as a corporate agent with IRDAI for distribution of life and health insurance products. BFinsec is registered with SEBI to carry on its business as a stock broker, depository participant and research analyst. It has also been admitted as a depository participant on NSDL and CDSL, a clearing member on NSE / BSE Clearing Limited and a trading member in the cash, equity derivative, currency derivative, commodities and securities lending and borrowing (SLBM) segments. BFinsec also holds a registration certificate issued by the Association of Mutual Funds in India for mutual fund distribution. In addition, BFinsec is registered with AMC Repo Clearing Limited ("**ARCL**") for Tri Party Repo, holds a membership of The Clearing Corporation of India Limited ("**CCIL**")'s Trade Repository, and holds a National

Pension Scheme ("**NPS**") Point of Presence ("**POP**") membership with Pension Fund Regulatory and Development Authority.

Our Company and BHFL have also been identified and categorised as "Upper Layer" NBFCs ("**NBFC-UL**") in India by the RBI, as part of its scale-based regulation. The objective behind this scale-based approach is the principle of proportionality for regulating the NBFCs. NBFC ULs are subject to enhanced supervisory oversight from the RBI.

Accordingly, legal and regulatory risks are inherent and substantial in our business. As we operate under licenses or registrations obtained from the applicable regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications and regulations issued by the relevant regulators. For details, see "***Legal Proceedings***" and "***Risk Factors – Our Company has in the past been subject to monetary penalties imposed by the Reserve Bank of India and the Insurance Regulatory and Development Authority of India, and may be subject to further such enforcement action in the future, any of which could have an adverse effect on our reputation, business, financial condition, results of operations and cash flows***" on pages 328 and 73, respectively. Any revocation, suspension, or non-renewal of our deposit-taking licence by the RBI, whether as a result of non-compliance with applicable regulatory requirements or otherwise, would materially impair our ability to raise deposits, require us to repay existing deposits, and could materially and adversely affect our funding model, liquidity profile, business, financial condition, results of operations and cash flows.

In addition, any changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition and results of operations. NBFCs in India are subject to detailed supervision and regulation by the RBI including evolving requirements relating to customer conduct, fair practices, mis-selling prevention, customer disclosures (including key fact statements). Our Company is regulated under the RBI (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and Reserve Bank of India (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025. Housing finance companies are subject to detailed supervision and regulation by the NHB and the RBI and our activities as an IRDAI registered corporate agent are subject to detailed supervision and regulation by the IRDAI. Stock broking and depository participant companies in India are subject to detailed supervision and regulation by SEBI. Any changes in the regulatory framework affecting NBFCs, HFCs, corporate agents, stock broker and depository participant companies or other financial services companies including the provisioning for NPAs, or capital adequacy requirements could adversely affect our profitability or our future financial performance by requiring us to restructure our activities or leading to an increase in our costs to comply with regulations applicable to us. We may also be subject to future regulatory directions, embargoes, or supervisory restrictions on the launch of new products or business lines, or regulatory scrutiny of existing products or business lines, which could impede our growth plans and require us to obtain additional approvals before introducing new offerings.

Section 17(4) of the Central Goods and Services Act, 2017 ("**CGST Act**") offers an NBFC a choice to avail (a) proportionate input tax credit ("**ITC**") in accordance with Section 17(2) read with the applicable rules or (b) 50% of the eligible ITC each month, with the balance 50% lapsing ("**50% ITC Option**"). Our Company has taken two GST registrations in applicable states and for each registrant avails ITC under one of the two methods above.

However, the Central Board of Indirect Taxes and Customs issued Circular No. 261/07/2026-GST dated October 26, 2026 (the "**GST Circular**") which states that, where one GST registration of an NBFC that is engaged in accepting deposits or extending loans and advances and who may also be engaged in supplying other services, opts to comply with Section 17(4) of the CGST Act to avail the 50% ITC Option, all registrants of that entity, engaged in accepting deposits, extending loans or advances and who may also be engaged in supplying services other than the above services, must comply with Section 17(4) of the CGST Act.

There can be no assurance that the tax authorities will not seek to challenge the manner and process of our existing ITC treatment, or that any resulting challenge or proceedings will be decided in our favour. If any such proceedings are decided against us, we may be required to reverse or repay ITC, together with interest and penalties, as applicable, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Any conditions under GST Circular which may be contradictory to and beyond the scope of Section 17 of the CGST Act cannot override, add to or restrict the provisions of the CGST Act. Accordingly, we are unable to currently determine or quantify the impact of GST Circular on our business, financial condition, results of operations and cash flows.

Further, increasing regulatory, investor and stakeholder focus on Environmental and Social Governance ("**ESG**") matters may require us to incur additional compliance, reporting, assurance and governance costs, implement new policies and controls, and collect and disclose additional data, including in relation to our value chain partners over whom we may have limited control or visibility. Any failure or perceived failure to meet evolving ESG expectations, regulatory requirements or disclosure standards, or any adverse ESG-related findings, ratings or assessments, could result in reputational harm, loss of investor confidence, exclusion from certain investment mandates or indices, and could adversely affect our business, financial condition and results of operations.

In addition to sector-specific regulations, we are subject to employment and labour laws, changes to which may increase our employee benefit liabilities and operating and compliance costs. For instance, the implementation of the

new labour codes in India on November 21, 2025, resulted in a one-time consolidated charge of ₹2,652.2 million in Fiscal 2026, primarily attributable to increased gratuity liabilities. The implementation of these labour codes and the rules thereunder, including as such rules are notified or enforced, may require changes to our employment policies, compensation structures, employee benefit arrangements, systems and processes, and may give rise to additional employee benefit liabilities, statutory contributions and administrative and compliance costs. These requirements, and any further changes in applicable employment and labour laws or their interpretation, could increase our operating expenses and adversely affect our business, financial condition, results of operations and cash flows.

Many of the regulations applicable to our operations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be deemed to be in contravention of such laws and may be subject to penalties and legal proceedings against us. Unfavourable changes in or interpretations of existing laws, rules and regulations, could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals.

We cannot assure you that the above changes or any future changes in regulations would not have an adverse impact on our business operations and growth prospects.

11. ***If we are unable to attract new users or merchants, and unable to retain and grow our relationships with our existing users or merchants, our payments business may not be successful, and our business, results of operations, financial condition, and future prospects would be materially and adversely affected.***

Our payments business is a core aspect of our omnichannel strategy and comprises payment solutions across various formats, including wallets, UPI, Bharat Bill Payment System, single payment checkout gateway and, with effect from Fiscal 2026, FASTag, in respect of which the count crossed 2.5 million in Fiscal 2026. Our payments business is a tool for customers and merchants. We believe that growth of our payments business would increase customer engagement and could give potential revenue. Our inability to continue to grow our network by retaining existing and adding new customers and merchants in order to increase our transactions may not enable us to develop this business into a significant revenue stream.

If we are not able to continue to grow or retain our base of users or merchants, generate repeat use and increase transaction volume, the value proposition of our payments business may be diminished. Our ability to retain and grow our relationships with our customers and merchants depends on the willingness of our customers to use our platform or merchants to partner with us. The attractiveness of our platform to users depends upon, among other things: the number and variety of merchants and the mix of products available through our platform; our brand and reputation; user experience and satisfaction; customer service; user trust and perception of our solutions; technological innovation; and services and products offered by competitors. Similarly, the attractiveness of our platform to merchants depends upon, among other matters: the size of our user base; our brand and reputation; the amount of merchant fees that we charge; our ability to sustain our value proposition to merchants for user acquisition by demonstrating higher conversion at checkout and increased average transaction value; the accuracy, effectiveness and reliability of our technology and data-driven platform; merchant service; services and products offered by competitors; and our ability to perform under, and maintain, our merchant arrangements.

12. ***Our MFI Lending Business lends to women borrowers in low-income households, and the credit quality of this portfolio is highly sensitive to the socio-economic and repayment profile of such borrowers. Any deterioration in borrower repayment behaviour, or any increase in defaults, delinquencies, write-offs or non-performing assets in this business, could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We launched our MFI Lending Business as a pilot in September 2023 in Uttar Pradesh and Karnataka. Since then, we have scaled the MFI Lending Business to 11 states covering 44,830 villages through 480 branches, with AUM of ₹26,802.8 million as at September 30, 2026, representing 0.5% of our total AUM. The business provides small-ticket group loans typically ranging from ₹15,000 to ₹150,000 to women in low-income households who are typically excluded from formal banking. All sourcing and collections for this business are carried out by branch personnel at central village locations, with a significant proportion of collections being handled in cash. Since inception, our Company has disbursed over 950,000 MFI loans aggregating approximately ₹49,474.3 million, of which approximately 224,000 loans aggregating approximately ₹13,712.5 million were disbursed during the half year ended September 30, 2026.

The repayment capacity of these borrowers is inherently more fragile than that of borrowers in our other lending verticals and is sensitive to monsoon performance, agricultural cycles, local employment conditions and inflation. Recoveries depend on the willingness and ability of each borrower to meet periodic repayment obligations. In addition, MFI borrowers may be exposed to credit facilities from other lenders, which could increase their overall indebtedness and repayment obligations and expose our portfolio to correlated-default risk.

The following table sets forth the GNPA ratio and NNPA ratio of our MFI Lending Business portfolio as at the dates indicated:

Particulars	As at September 30, 2026	As at March 31, 2026
GNPA ratio (%)	0.5	0.6
NNPA ratio (%)	0.1	0.1

There can be no assurance that we will be able to maintain these levels of asset quality as the portfolio seasons and scales further. Any deterioration in borrower repayment behaviour, or any increase in delinquencies, defaults, write-offs or non-performing assets in our MFI Lending Business portfolio, including on account of sector-wide stress or local or state-level events, could require us to increase provisions and credit costs and have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, any adverse incidents, allegations or media reports relating to our MFI Lending Business operations, including with respect to sourcing, collection or recovery practices, could attract negative publicity and have an adverse impact on our reputation. For further details, see "***Risk Factors– Negative publicity could damage our reputation and adversely impact our business, financial condition, results of operations and cash flows***" on page 80.

13. ***Our "flexi" loan products are a material part of our product suite and account for a significant volume of customer transactions. Any adverse change in the regulatory treatment of flexible or revolving credit, or in the performance of, our flexi loan products, could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Flexi loan products have been part of our Company's product offering since 2012 and continue to be a material driver of customer engagement on our digital platforms. During Fiscal 2026, the flexi loan transactions aggregated to approximately 12.1 million in Fiscal 2026 as compared to approximately 11.6 million in Fiscal 2025, and was 6.1 million for the half year ended September 30, 2026.

On August 6, 2026, the RBI released for public comment the draft Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Amendment Directions, 2026 ("**Draft RBI Amendment**"), which proposes to restrict NBFCs to offering only credit products in the nature of "term loans" and to prohibit NBFCs (other than those authorised to issue credit cards) from offering "revolving credit" products, being fund-based facilities, which do not meet the definition of a term loan, that can be restored or replenished upon repayment, whether in whole or in part, of the principal amount. We offer loan products that incorporate revolving credit features. To the extent such products fall within the ambit of the proposed restriction, they may be affected by any regulatory changes in this regard. If the Draft RBI Amendment, or any similar restriction on revolving or flexible credit facilities, is adopted in its current or a similar form, we may be required to materially redesign, restructure, cease to offer, our flexi loan products, which could adversely affect our product offering, customer engagement on our digital platforms, fee and interest income, and our competitive position. There can be no assurance that the final directions (if adopted) will not be more stringent than currently proposed, or that any transition period afforded to us will be adequate to adapt our products accordingly. We cannot assure you that we will be able to successfully restructure or redesign our flexi loan products to comply with the Draft RBI Amendment, if adopted, in a timely manner or at all, and any failure to do so could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Company's results of operations in respect of flexi loan products are also dependent on, among other things, customer drawdown and utilisation behaviour, continued customer engagement on our digital interfaces through which these products are primarily serviced, and the repayment performance of the underlying portfolio. Any adverse change in customer drawdown or utilisation patterns, a sustained decline in flexi loan transaction volumes, or any deterioration in the credit performance of our flexi loan portfolio, could reduce the fee, interest and other income that we derive from these products and could require our Company to increase provisions and credit costs.

14. ***We may be adversely affected if the IRDAI implements caps on insurance distribution commissions as prescribed in its September 2026 consultation paper.***

In September 2026, the IRDAI released a public consultation paper titled "Recalibrating Economics of Insurance Distribution – Part 1", which proposes, among other things, to reintroduce maximum commission limits that are significantly lower than market rates for commissions. Our Company and BHFL hold a corporate agent licence from the IRDAI and derive fee and commission income from the distribution of third-party insurance and asset care products pursuant to distribution agreements (the "**Distribution Agreements**") with various insurance companies and asset care product providers. More broadly, changes in the regulatory framework governing the distribution of insurance, financial or non-financial products, including restrictions on commissions, permitted distribution activities, or the types of products (including non-financial products) that may be sold or cross-sold through our distribution channels, may limit our ability to offer or distribute certain products. There can be no assurance that the final regulations (if adopted) will not be more stringent than currently proposed, or that any transition period afforded to us will be adequate to adapt our products, systems and distribution arrangements accordingly. If the proposals in this consultation paper, or any similar measures (including measures restricting the sale of non-financial products through our distribution network), are adopted, whether in their current form or otherwise, they could reduce the commission income we are able to earn from insurance distribution, require us to restructure our strategy around distribution arrangements, and have a material adverse effect on our fee-based income, business operations, financial condition and results of operations.

15. ***We face increasing competition in our business, which may result in declining market share and Net Interest Margins, among other factors, if we are unable to compete effectively.***

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies, digital lending platforms, payment platforms and the private unorganised and informal financiers who principally operate in the local market. For the past few years, India is witnessing deeper penetration of lending businesses through various innovative methods through online platforms by various persons/entities and e-commerce players and is no longer limited to banks or financial institutions (*Source: CRISIL Report*). In addition to digital lending platform, India is also witnessing lending businesses taking place on social media platforms (*Source: CRISIL Report*). Our lending activity is not completely online and involves carrying out physical transactions. As a result, many of our competitors may have operational advantages such as access to cost-effective sources of funding, and in implementing new technologies and rationalising related operational costs.

Competition in the NBFC and housing finance sectors depends on several factors including, the ongoing evolution of government policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India. Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins, which is predominantly dependent on our ability to continue to secure low-cost funding, and the interest rates at which we lend to our customers. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, we may not be able to offer competitive interest rates on our loans. We cannot assure that we will be able to react effectively to market developments or compete effectively with new and existing players in an increasingly competitive industry. Increasing competition may adversely affect our Net Interest Margins, income and market share.

Competition in the housing finance industry has also increased as a result of liberalisation measures affecting the industry in India, and we expect it to further intensify in the future. Customers also have increased access to housing finance products and services due to technological advancements, which has also facilitated increase in demand for housing loans and competition to meet that demand. Further, certain NBFCs and commercial banks may have access to a much wider branch and distribution network than us, enabling them to market their products and services to more customers. This competition is likely to intensify further as a result of regulatory changes and liberalisation. Certain of our competitors are much larger than us in terms of their loan portfolio and their physical infrastructure, such as their branch network. This may make it easier for these competitors to expand and to achieve economies of scale to a greater extent. We may find it difficult to compete with our competitors, such as banks, who may have access to lower cost funds and who may be better equipped to protect themselves against any sudden or unfavorable fluctuations in interest rates.

In addition, our continued success will depend, in part, on our ability to respond to technological advancements and emerging industry standards and practices on a cost-effective and timely basis. Technological innovation such as mobile operator banking; advancements in block chain technology and cryptocurrencies, such as bitcoin; possible introduction of central bank issued digital currencies; payment banks; and internet banking through smart phones could disrupt the financial services industry and increase the competition as a whole. If we fail to adapt to such technological advancements quickly and effectively, it could affect the performance and features of our products and services and reduce our attractiveness to existing and potential customers thereby adversely affecting our business, financial condition, results of operations, and cash flows.

Further, due to competitive pressures, we may be unable to successfully execute our growth strategy and offer products and services profitably or at reasonable returns and this may adversely affect our business, financial condition, results of operations and cash flows.

Our competitors might also consolidate their businesses, which could lead to them attaining increased financial strength, management capabilities, resources, operational experience, market share, distribution channels and capabilities in pricing, underwriting and claims settlement. Our failure to respond effectively to these various competitive pressures could result in a decrease of our market share and could cause us to incur losses on some or all of our activities and to experience lower growth, or even a decline. A decline in our competitive position could have an adverse effect on our business, results of operations and financial condition.

16. ***A portion of our loans are unsecured. If borrowers under unsecured loans default and we are unable to recover such receivables in a timely manner or at all, our financial condition, results of operations and cash flows may be adversely affected.***

As at September 30, 2026 and March 31, 2026, ₹2,054,023.8 million and ₹1,880,871.2 million of our loans were unsecured, which represented 35.8% and 37.7% of our total loans, respectively. For details, see "***Selected Statistical Information – Loans***" on page 37. Since these loans are unsecured, in the event of defaults by such customers, our ability to realise the amounts due to us would be restricted to initiating legal proceedings for recovery. There can be no guarantee as to the length of time it could take to conclude such legal proceedings or for the legal proceedings to result in a favourable decision to us. Any failure to recover the full amount of principal and interest on unsecured loans given to our customers could adversely affect our financial condition, results of operations and cash flows. In addition, prudential measures taken by the Reserve Bank of India in relation to unsecured consumer credit, including increases

in applicable risk weights and sectoral exposure limits, have affected, and any further such measures may continue to affect, our ability to grow our unsecured loans portfolio. For more details, see "***Risk Factors – If our Company and/or BHFL are unable to comply with the capital adequacy requirements stipulated by the RBI, it could have a material adverse effect on our business, results of operations and cash flows***" on page 75.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 provides eligible secured creditors with remedies to enforce security interests without the intervention of a court or tribunal, subject to applicable conditions and exclusions. These security-enforcement remedies are not available to us in respect of our unsecured loans. Further, where our corporate borrowers undergo insolvency resolution under the Insolvency and Bankruptcy Code, 2016 ("**IBC**"), the amounts recoverable by us as an unsecured financial creditor will depend on the terms of the resolution plan approved in accordance with the IBC. Distributions under a resolution plan may take into account the priority and value of security interests held by secured creditors, and we may not receive the same proportion of our outstanding dues as secured financial creditors. If a corporate borrower undergoes liquidation, unsecured financial debts rank below debts owed to secured creditors that have relinquished their security interests to the liquidation estate, in accordance with the statutory order of priority under the IBC. Secured creditors may alternatively realise their security interests separately in accordance with the IBC. Accordingly, our status as an unsecured financial creditor may limit our recoveries in insolvency resolution or liquidation proceedings.

As at September 30, 2026, we are an unsecured financial creditor for companies undergoing insolvency proceedings and liquidation under IBC for 29 companies having outstanding amount totalling ₹6,522.8 million. For details, see "***Legal Proceedings***" on page 328. It is nonetheless possible for us to take a significant reduction in the amount owed to us both in case of insolvency resolution and liquidation, which could result in increased losses and decline in profits, and adversely affect our financial condition, results of operations and cash flows.

17. ***Weaknesses, disruptions, failures or infiltrations of our IT systems could adversely impact our business and results of operations.***

We substantially rely on our IT systems in connection with financial and internal controls, risk management and transaction processing, such as our internet and mobile based "digital self-service models" and cloud platforms, which consolidate front, back and mid office processes across our lending verticals. We also use an integrated IT platform largely across our third-party dealer network for selling our products and services and for on-boarding our customers. For details on our IT systems, see "***Our Business – Information Technology, Analytics and FINAI - Information Technology*** " on page 269. The increasing size of our operations, which use automated control and recording systems for record keeping, exposes us to the risk of errors in controls and record keeping. Given our volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. Our dependence on automated IT systems to record and process transactions may further increase the risk that technical system flaws will result in losses that are difficult to detect. As a result, we face the risk that the design of our controls and procedures may prove inadequate, thereby causing delays in detection or errors in information.

Pursuant to RBI's Master Direction – Information Technology Framework for the NBFC Sector dated June 8, 2017 (superseded by the Reserve Bank of India (Non-Banking Financial Companies – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026), we have constituted an IT Strategy Committee. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, phishing, damage and failures, there can be no assurance that these security measures will always be adequate or successful. We have not reported any material data breach incidents under the Digital Personal Data Protection framework, and there have been no material instances of cyber security breach or data theft reported by our Company to the Reserve Bank of India or other statutory authorities during the half year ended September 30, 2026 and the last three Fiscals. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. There is also the risk that we may lose customers for a cyber-incident, which might have occurred on the customer's own system or that of an unrelated third-party. Any cyber security breach could also subject us to additional regulatory scrutiny. Failed security measures could have a material adverse effect on our business, financial condition, results of operations and cash flows. Although we have established a geographically remote disaster recovery site to support critical applications, it is possible that the disaster recovery site may also fail, or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to our operations, which would materially adversely affect our reputation and financial condition in a significant manner.

We are dependent on various external vendors for certain elements of our operations, such as our cloud and data analytics platforms, which we use and access through agreements with these external vendors. We are also dependent on Bajaj Finserv Direct Limited ("**BFDL**") for the continual upgrade and maintenance of our 'marketplaces', which is part of our omnipresence strategy. This marketplace is used for financing of electronics and distribution of electronics, investments, insurance and health products and related licenses. See "***Our Business – Our Strategies – Continue to deepen our omnichannel strategy***" on page 250. We are exposed to the risk that (i) external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of operational errors by their respective employees); (ii) the vendors or their employees may be involved in any fraud or wilful default and (iii) the risk that their (or their vendors') business continuity and data security systems prove to be inadequate. An infiltration of our IT systems or the IT systems of such third parties may compromise information and

may result in significant data losses or theft of our or our customer's proprietary business or personally identifiable information. This could result in other negative consequences, including exposure to litigations, liabilities, remediation costs, disruption of internal operations, weakening of our competitive position, increased cybersecurity protection costs, damage to our reputation and loss of customer confidence, any of which could have a material adverse effect on our business, financial condition and results of operations. For instance, one of our partners experienced a data breach of its systems in 2021 as a result of which its customers' know-your-client details that were housed on its system were made accessible without its consent. The breach was subsequently rectified. Any such failure by our vendors to protect any information, or to perform their functions could have a material adverse effect on our business, results of operations and cash flows.

Furthermore, certain of our external vendors operate in jurisdictions other than India, and some or all of the data and information stored by us on, among other things, the servers and data centres of such external vendors may be subject to information technology, and data protection laws of countries other than India. Any breach of such laws by us or the external vendor may expose us to liability under such laws, and/or trigger indemnity provisions under our arrangements with such vendors. Any such adverse developments may adversely affect our results of operations.

18. ***Increasing regulatory focus on personal information protection could adversely affect our business and expose us to increased liability.***

Regulators in various jurisdictions are increasingly scrutinising how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**") and the Digital Personal Data Protection Rules, 2025 ("**DPDP Rules**") have been enacted for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The DPDP Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The DPDP Act is introduced to maintain the highest level of security and protection for all such information regarding our various customers. The DPDP Rules, notified on November 13, 2025, set out implementation requirements under the DPDP Act, including obligations relating to notice, consent, security safeguards, breach reporting and data principal rights, with certain provisions becoming effective over time. The RBI has also issued a circular dated April 6, 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/ or judgments which may adversely affect our business and reputation.

Furthermore, despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our interpretations of the law or practices could be inconsistent with or fail or be alleged to fail to meet all requirements of, such laws, regulations, or contractual obligations.

19. ***Our FINAI transformation and our increasing reliance on artificial intelligence, cloud infrastructure and other emerging technologies in the conduct of our business increases risks relating to model accuracy, data privacy, cybersecurity, concentration and operational resilience.***

Our Company is pursuing a multi-year transformation strategy to become a FINAI (financial services AI) company, under which our Company is embedding artificial intelligence ("**AI**") capabilities, including machine learning, generative artificial intelligence and autonomous software agents, across sales, operations, debt management services, human resources, information technology and risk management functions. As part of this transformation, our Company has deployed 27 autonomous AI agents during Fiscal 2026. Our Company also operates a growing suite of conversational AI bots and uses AI for marketing content generation, hyper-personalisation and customer servicing, and in each case relies on third-party AI models and cloud infrastructure for a material portion of these capabilities. For further information on our AI initiatives and FINAI transformation, see "***Our Business – Information Technology, Analytics and FINAI***" on page 269.

The successful implementation of this strategy requires us to, among other things, effectively monitor and control the actions taken by autonomous and agentic AI systems, ensure appropriate human oversight and escalation mechanisms, and continuously validate model outputs against business and regulatory requirements. Any errors, model failures, unintended or erroneous actions taken by agentic AI systems, or any failure to implement adequate governance, monitoring and control frameworks over this strategy, could result in incorrect business decisions, financial losses, deterioration in asset quality, regulatory scrutiny and reputational harm.

The use of artificial intelligence has inherent risks, including: (i) risk of errors, hallucinations, bias or other inaccuracies in the output of artificial intelligence models, which may lead to incorrect underwriting, pricing, collections or customer servicing decisions; (ii) risk of inadequate explainability of model outputs, which may constrain our ability to satisfy supervisory requirements of the RBI and other regulators; (iii) risk of over-reliance on, or technical failure or discontinuation of, third-party cloud infrastructure, foundation models or software vendors; (iv) risk of unauthorised

access to, or misuse of, the significant volumes of customer personal data processed through such systems, which may give rise to liability under the Data Protection Act and DPDP Rules framed thereunder, as well as under other applicable data protection and consumer protection laws; (v) heightened cybersecurity risk associated with new attack surfaces introduced by artificial intelligence tooling and the integration of such tooling into our core banking and loan management systems; and (vi) risk that the regulatory framework governing the use of artificial intelligence in financial services evolves in a manner that restricts, or imposes additional conditions on, our existing or planned use cases.

In addition, if we are unable to realise the operational efficiencies, productivity gains or other benefits that we expect from our FINAI strategy within the timelines or at the scale we currently envisage, our business, operations and financial performance could be adversely affected.

There can be no assurance that our governance framework and controls, including our Board-approved AI, data privacy, information security and cyber security policies, will be sufficient to prevent all such risks from materialising, or that we will be able to realise the operational efficiencies, productivity gains, revenue uplift or other benefits that we expect from our FINAI transformation on the timelines or at the scale that we currently envisage. Any failure of our FINAI transformation, or any materialisation of the risks described above, could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

20. ***We have grown rapidly in the past, and there is no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our rapid growth and maintain operational efficiencies.***

In the past, we have witnessed rapid growth in our business, customer base and our branch network. The following table sets forth our assets under management ("**AUM**") and profit after tax, on a consolidated basis, for the periods indicated:

(₹ in million)

Particulars	As at / for the half year ended September 30, 2026	As at / for the half year ended September 30, 2025	As at / for Fiscal 2026	As at / for Fiscal 2025	As at / for Fiscal 2024
AUM	5,846,239.2	4,622,611.5	5,099,750.1	4,166,614.0	3,306,154.8
Profit after tax	124,471.7	97,130.5	193,323.6	167,794.8	144,511.7

Our AUM grew by 26.5% from September 30, 2025 to September 30, 2026, by 22.4% in Fiscal 2026 over Fiscal 2025 and by 26.0% in Fiscal 2025 over Fiscal 2024. Our profit after tax grew by 28.1% from the half year ended September 30, 2025 to the half year ended September 30, 2026, by 15.2% in Fiscal 2026 over Fiscal 2025 and by 16.1% in Fiscal 2025 over Fiscal 2024.

Our strategy is to focus on a profitable and sustainable growth of our AUM by increasing our penetration by cross-selling via our diversified and differentiated mix of products and opening new branches. Our new branches may be less profitable compared to our existing branches as these branches will take time to develop on par with our existing branches, which could have an adverse impact on our results of operations.

Our growth strategy includes growing our loan book and expanding our customer base. Our ability to effectively manage our growth depends primarily upon our ability to manage key issues, such as (i) fully implementing our omnichannel strategy and maintaining an effective technology platform that can be continually upgraded, (ii) growing our customer base so we can cross-sell products and services, (iii) improving our risk management systems; (iv) developing a knowledge base to face emerging challenges; (v) ensuring a high standard of customer service; (vi) hiring and retaining skilled manpower; (vii) growing our stock broking, wealth management and depository participant business, and (viii) preserving asset quality.

There can be no assurance that our growth and financial performance will continue or will sustain at a similar rate or that we will be able to manage our rapid growth and maintain operational efficiencies. If we grow our business assets too quickly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing. This would have a negative impact on the quality of our assets, our financial condition and results of operations.

21. ***Our products and services are distributed by us and by third-parties. If these third-parties prefer to promote our competitors' products or services or we are unable to maintain relationships with these third-parties, it could reduce our revenue from operations.***

Our products and services are distributed by us, third-parties and by contracted agents. For a description of our distribution network, see "***Our Business – Our Strategies – Continue to deepen our omnichannel strategy***" on page 250. We do not have exclusive sales or distribution arrangements with any third-party for the distribution of our products and services. If these third-parties prefer to promote our competitors' products or services or we are unable to maintain relationships with these third-parties, it could reduce our revenues from operations. In addition, there is a risk that direct sales agents could give confidential information to our competitors, which could also reduce our revenue

from operations. Further, any breach or dispute with the third parties or a fall in the sales of the third parties with whom we have arrangements for the distribution of our products or services may impact our results.

In particular, our Company has entered into a strategic partnership with Xtelify, pursuant to which a suite of our Company's financial products and services are being made available to users of Xtelify's digital platform. Our ability to continue to grow this distribution channel is dependent on, among other things, the continuation of our partnership with the telecom company on terms acceptable to us and the continued regulatory permissibility of such a joint distribution model under the Reserve Bank of India (Non-Banking Financial Companies – Credit Facilities) Directions, 2025 and other applicable laws. Any termination, non-renewal or disruption of this partnership, any dispute with the partner or any adverse publicity relating to the telecom company or its mobile application, could have a material adverse effect on our ability to grow this distribution channel and, in turn, on our business, financial condition, results of operations and cash flows.

22. ***As at September 30, 2026, we had contingent liabilities of ₹35,840.4 million for service tax matters under appeal on interest subsidy, and a GST demand raised by an order dated January 21, 2025 on upfront interest collected from certain customers. These amounts are subject to incremental interest and if we were to lose these cases, it would have a material adverse effect on our reputation, financial condition, results of operations and cash flows.***

Service tax demand on interest subsidy

As at September 30, 2026, we had contingent liabilities of ₹26,170.3 million for service tax matters under demand of tax on interest subsidy. This amount is subject to incremental interest and if we were to lose this case, it would have a material adverse effect on our financial condition, results of operations and cash flows.

The Additional Director General, DGCEI, Zonal Unit, Mumbai issued show cause notice dated October 20, 2015 and December 22, 2016, raising demand of ₹3,099.8 million for financial years 2010–2011 to 2014–2015. It was alleged that subvention charges or interest subsidies received by our Company for extending zero percent or concessional interest loans to customers of consumer durable manufacturers and dealers were consideration for taxable "business auxiliary services". Further, Commissioner of Service Tax Commissionerate, Pune issued Statement of Demand raising demand of ₹3,346.8 million for April 2015 to September 2016. By an order dated March 31, 2017, the Commissioner, Service Tax Commissionerate, Pune confirmed the demands, and imposed penalties of ₹1,654.8 million and ₹334.7 million under Sections 78 and 76 of the Finance Act, 1994, respectively. Our Company's appeal is currently pending before the Customs, Excise and Service Tax Appellate Tribunal, Western Zonal Bench, Mumbai ("**CESTAT**"). Our Company deposited ₹100 million towards the mandatory pre-deposit.

Further, the Principal Commissioner of Central Excise and CGST, Pune I issued a statement of demand dated September 9, 2019, read with a corrigendum dated December 4, 2020, raising a service tax demand of ₹2,172.2 million, inclusive of Swachh Bharat Cess and Krishi Kalyan Cess, for October 2016 to June 2017. Our Company contended that these receipts constituted interest on loans covered by the negative list under Section 66D(n)(i) of the Finance Act and that the statement of demand was vague and introduced grounds beyond the earlier show cause notice. By an order dated January 21, 2021, issued on February 3, 2021, the Principal Commissioner, Central GST and Central Excise, Pune-I Commissionerate confirmed the demand, holding that the receipts constituted consideration for services under Section 65B(44), taxable under Section 66B of the Finance Act, and were not covered by the negative list. The Principal Commissioner also imposed penalties of ₹217.2 million and ₹0.01 million under Sections 76(1) and 77(2) of the Finance Act, respectively, together with interest at the applicable rates under Section 75. Our Company filed an appeal before CESTAT and deposited ₹100.0 million on June 7, 2021 towards the mandatory pre-deposit. The matter is pending.

For further details, see "***Legal Proceedings – Material Tax Proceedings***" on page 334.

With the introduction of GST effective from July 1, 2017, we started charging GST on the interest subsidy we receive from manufacturers and dealers. Even though we believe that the interest subsidy is in the nature of interest and accordingly exempt from GST, in order to avoid potential exposure, we have started collecting and made payment of the GST charged on the interest subsidy.

GST demand on interest collected upfront from the customer

As at September 30, 2026, we had contingent liabilities of ₹9,670.1 million under GST demand on interest collected upfront from the customer.

Separately, the Commissioner, Central Tax, Pune-II Commissionerate issued a show cause notice dated August 3, 2024, proposing a GST demand of ₹3,412.9 million, along with interest and penalty, for July 2017 to March 2024, alleging that our Company had wrongly treated "Upfront Interest" as exempt interest income rather than consideration for taxable services. By an order dated January 21, 2025, the Commissioner held such charges taxable across all 65 GSTINs and imposed interest under Section 50(1) and a penalty of ₹3,412.9 million under Sections 74(9) read with 74(1) of the CGST Act, 2017. Our Company's appeal against the order is currently pending before Commissioner (Appeals-II), CGST, Pune. For further details, see "***Legal Proceedings – Material Tax Proceedings***" on page 334.

An adverse outcome, including further interest liability, could materially adversely affect our financial condition, results of operations and cash flows.

23. ***We are party to certain legal and regulatory proceedings and any adverse outcome in these or other proceedings may adversely affect our business, operations and reputation.***

We may be involved, from time to time, in legal and regulatory proceedings that are incidental to our operations, and these involve proceedings filed by and against us. These include criminal proceedings, civil proceedings, regulatory matters, arbitration cases, consumer proceedings, tax investigations, cases filed by us under the Negotiable Instruments Act and certain recovery matters. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals.

The table below provides a summary of the outstanding litigation involving our Company and its Subsidiaries as on the date of the Preliminary Placement Document:

Particulars	Criminal Proceedings	Proceedings involving economic offences	Material statutory or regulatory proceedings	Material civil/arbitration proceedings	Material tax proceedings	Aggregate amount involved (₹ in million)*
Company						
By the Company	29,890	NA	NA	Nil	Nil	7,838.5
Against the Company	207	Nil	Nil	1	3	36,636.8
BHFL#						
By BHFL	1,541	NA	NA	Nil	Nil	372.1
Against BHFL	11	Nil	Nil	Nil	Nil	Nil
BFSL						
By BFSL	1	NA	NA	Nil	Nil	0.8
Against BFSL	Nil	Nil	Nil	Nil	Nil	Nil

* *To the extent quantifiable*

\# *The materiality threshold for outstanding statutory or regulatory proceedings, civil/arbitration proceedings, and tax proceedings for the Material Subsidiary is ₹ 1,075.7 million*

A significant degree of judgement is required to assess the exposure of our Company in these proceedings and to determine the appropriate level of provisions, if any. There can be no assurance on the outcome of the legal proceedings or that the provisions that we make will be adequate to cover all losses potentially incurred in such proceedings, or that our actual liability and/or our Directors' liability will be as reflected in any provision that has been made in connection with any such legal proceedings. Further, our Company may, from time to time, be subject to regulatory actions and proceedings, and regulators may issue letters, warnings and notices to which our Company is required to respond.

We cannot assure you that no such litigation, claims or proceedings will arise in the future. Any claims could result in litigation and/or regulatory proceedings against us or our Subsidiaries, which could harm our reputation and materially adversely affect our operations. For further details in relation to legal proceedings, see "***Legal Proceedings***" on page 328.

24. ***Our Company has in the past been subject to monetary penalties imposed by the Reserve Bank of India and the Insurance Regulatory and Development Authority of India, and may be subject to further such enforcement action in the future, any of which could have an adverse effect on our reputation, business, financial condition, results of operations and cash flows.***

By an order dated July 15, 2024, the IRDAI imposed a monetary penalty of ₹20.0 million on our Company for non-compliance with the IRDAI (Registration of Corporate Agents) Regulations, 2015, comprising of ₹10.0 million, in relation to the reconciliation of commission and professional fees received by our Company with corresponding amounts reported to the IRDAI, and ₹10.0 million in relation to the maintenance of customer documentation records. The IRDAI issued additional directions to our Company and advised compliance in a time-bound manner. Our Company has paid the penalty in this regard.

Separately, in August 2023, our Subsidiary, BHFL, received a show cause notice from RBI under Sections 30A, 49(3)(aa) and 52A of the National Housing Bank Act, 1987 in relation to the appointment of Atul Jain as its Managing Director without prior permission from the RBI. BHFL responded to the notice on August 7, 2023. By an order dated February 2, 2024, the RBI imposed a monetary penalty of ₹0.50 million on BHFL in respect of such appointment. The penalty was paid on February 3, 2024. Our Company and our Subsidiaries are subject to continuous regulatory supervision and periodic inspection by the RBI, IRDAI, NHB, SEBI, GST authorities and other regulators (including the stock exchanges in respect of our Company's and BHFL's listed securities) having jurisdiction over us. Any further adverse finding by, communication from, enforcement action by or imposition of monetary penalty by any such regulator (whether in respect of past or future conduct), including any non-compliance or penalty at a stock exchange in respect of our Company or BHFL, could have a material adverse effect on our reputation and could, among other

things, require material changes in our systems, processes, controls and governance, require additional investments in compliance, information technology and cyber security, result in restrictions on our business, and have a material adverse effect on our business, financial condition, results of operations and cash flows.

25. ***If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We have devoted resources to develop our risk management policies and procedures, and plan to continue to do so in the future. For details, see "***Our Business - Risk Management***" on page 266. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our risk measuring criteria are based on the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Additionally, management of operational, legal or regulatory risk requires, among other things, policies and procedures to ensure certain prohibited actions are not taken and to properly record and verify a number of transactions and events. Although we believe we have established such policies and procedures, they may not be fully effective, and we cannot guarantee that our employees will follow these policies and procedures in all circumstances. Unexpected shortcomings in these policies and procedures or a failure of our employees to follow them may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates, and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also "***Risk Factors– If we are unable to control the level of GNPAs/Stage 3 Assets in our portfolio effectively or if we are unable to maintain adequate provisioning coverage or if there is any change in regulatory-mandated provisioning requirements, our financial condition and results of operations could be adversely affected. If we are unable to recover, control and/or reduce our NPAs/Stage 3 Assets our financial condition and results of operations could be adversely affected***" on page 59.

If we fail to implement effectively our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

26. ***If our borrowers under secured loans default, we may be unable to recover the expected value of the collateral, thereby exposing us to potential loss. In addition, there may be delays and difficulties in enforcing the sale of collateral, which could have a material adverse effect on our financial condition, results of operations and cash flows.***

As at September 30, 2026, ₹3,687,720.6 million of our loans were secured by assets (such as hypothecation of automobiles, equipment, durables, plant and machinery, equitable mortgage of immovable properties and pledge of securities), which represented 64.2% of our total loans. We may not be able to realise the full value of such collateral as a result of, among other factors, (i) delays in bankruptcy and foreclosure proceedings; (ii) defects or deficiencies in the perfection of collateral (including due to inability to obtain approvals that may be required from third-parties); (iii) fraud by borrowers; (iv) decreases in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; and (vii) changes in applicable law or judicial pronouncements. We are also increasingly using artificial intelligence and machine learning models in our underwriting, credit assessment and collateral valuation processes, and any errors, inaccuracies or biases in the outputs of such models could result in us deriving less value from the underlying collateral than anticipated at the time of underwriting. For further details, see "***Risk Factors – Our FINAI transformation and our increasing reliance on artificial intelligence, cloud infrastructure and other emerging technologies in the conduct of our business increases risks relating to model accuracy, data privacy, cybersecurity, concentration and operational resilience***" on page 70.

In our Mortgage Lending vertical, the underlying security is primarily mortgages over the customer's residential or commercial property, and any significant decline in property prices or defect in title could adversely affect our ability to realise the full value of the collateral. In BHFL, as at September 30, 2026, the average loan-to-value ratio at origination was 67.0% for home loans and 50.1% for loans against property. Our developer financing loans are secured against unsold inventory in the underlying project and, as at September 30, 2026, our developer financing loans were ₹169,040.6 million, representing 2.9% of our loans. Any delay in the underlying projects, or any decline in property

prices, could affect our ability to enforce the security and realise the collateral in a timely manner or at the expected value.

In our Loan against Securities vertical, our loans are secured by listed securities, and we are exposed to the risk of decreases in prices of the underlying securities and to liquidity risks if we are unable to sell the pledged securities in the volumes or at the prices required to repay the loans. Our loans against securities as at September 30, 2026 and March 31, 2026 were ₹419,493.1 million and ₹332,467.2 million, respectively, representing 7.2% and 6.5% of our AUM as at such dates.

In our Gold Loans vertical, our loans are secured by physical custody of pledged gold jewellery/ collaterals. As at March 31, 2026, our gold loan portfolio was maintained at an average loan-to-value ratio of approximately 61.0%; with effect from April 1, 2026, loan-to-value ratios on consumption gold loans with bullet repayment are required to be computed on the maturity value of the loan inclusive of interest. A sustained decline in domestic gold prices, inaccurate valuation of pledged gold, impurities, theft, pilferage or any inability to realise the full value of pledged gold through auction could result in us deriving less value from the collateral than anticipated. For further details, see "***Risk Factors– Our Gold Loans business has grown rapidly in recent periods and exposes us to operational, concentration and evolving regulatory risks that could have a material adverse effect on our business, financial condition, results of operations and cash flows***" on page 62.

In our Vehicle Finance, which includes two-wheeler and three-wheeler finance, new and used car loans, and commercial vehicle and tractor finance, our loans are secured by hypothecation of the financed vehicle, the value of which is subject to depreciation, residual value risk (particularly in respect of used vehicles and leased assets), physical damage, repossession and auction risk. For further details, see "***Risk Factors – Our Vehicle Finance is undergoing a transition from a largely captive two-wheeler and three-wheeler finance business to an open market and multi-category vehicle financing business. Any failure to successfully manage this transition, or the concentration, residual value and credit cycle risks associated with the newer Vehicle Finance, could have an adverse effect on our business, financial condition, results of operations and cash flows***" on page 83.

Furthermore, the process of litigation to enforce our legal rights against defaulting customers is generally a slow and potentially expensive process. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all. If we are unable to realise the full value of collateral, or otherwise recover the full amount owed to us by defaulting customers, it could have an adverse effect on our financial condition, results of operations and cash flows.

27. ***We are subject to the risk of failure of, or a material weakness in, our internal control systems, which could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.***

We have established internal control systems and processes for our internal audit team to scrutinise, and periodically test and update, all facets of our operations, as necessary. We believe that our risk management, compliance, audit and operational risk management functions are commensurate with the size and complexity of our operations and equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an on-going basis to ensure that our employees adhere to compliance requirements and internal guidelines. However, we are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given our high volume of transactions, errors may be repeated or compounded before they are discovered and rectified. We have in the past experienced certain non-material deficiencies in our internal control systems. Although we believe that we have now taken appropriate measures to develop our internal control systems and policies to address those issues, we cannot assure you that our systems and policies will be sufficient or will fully correct such weaknesses, or that similar deficiencies will not arise in the future.

Further, our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

28. ***If our Company and/or BHFL are unable to comply with the capital adequacy requirements stipulated by the RBI, it could have a material adverse effect on our business, results of operations and cash flows.***

Our Company and BHFL are subject to regulations relating to the capital adequacy of NBFCs and HFCs, which determine the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio, or capital to risk (weighted) assets ratio ("**CRAR**"). For more details, see "***Selected Statistical Information***" on page 37.

Pursuant to the RBI (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, NBFCs are required to comply with a CRAR, consisting of Tier I capital and Tier II capital, that collectively shall not be less than 15% of the NBFC's aggregate risk-weighted assets and the risk adjusted value of off-balance sheet items,

with a minimum requirement of Tier I capital of not less than 10% on risk weighted assets. In addition, under Paragraph 6 of the RBI (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, an NBFC-UL is required, on an ongoing basis, to maintain a Common Equity Tier 1 ("**CET1**") capital of at least 9% of its aggregate risk-weighted assets, while under paragraph 6(5) NBFCs classified in the Top Layer are subject to higher capital charges with the higher requirement that are specifically communicated to them by the RBI at the time of their classification. Our Company's CRAR as at September 30, 2026 and as at March 31, 2026, 2025 and 2024 on a standalone basis was 20.3% (Tier I Capital of 19.4%), 21.6% (Tier I Capital of 20.7%), 21.9% (Tier I Capital of 21.1%) and 22.5% (Tier I Capital of 21.5%), respectively.

Further, pursuant to the RBI (Housing Finance Companies) Directions, 2025, HFCs are required to comply with a capital to risk (weighted) assets ratio, or CRAR, consisting of Tier I capital and Tier II capital that shall not be less than 15% of the HFC's aggregate risk-weighted assets and the risk adjusted value of off-balance sheet items. Tier I capital, at any point of time, shall not be less than 10%. The total of Tier II capital, at any point of time, shall not exceed 100% of Tier 1 capital. This ratio is used to measure an HFC's capital strength and to promote stability and efficiency of the housing finance system. At a minimum, Tier I capital of an HFC, at any point in time, cannot be less than 10%. BHFL's CRAR as at September 30, 2026 and as at March 31, 2026, 2025 and 2024 on a standalone basis was 21.2% (Tier I Capital of 20.8%), 22.5% (Tier I Capital of 22.0%), 28.2% (Tier I Capital of 27.7%) and 21.3% (Tier I Capital of 20.7%), respectively.

Additionally, since our Company and BHFL have been identified and categorised as 'Upper Layer' NBFCs by RBI by way of its list of NBFCs in the Upper Layer (NBFC-UL) under Scale Based Regulation for NBFCs dated August 6, 2026, we are required to maintain, on an on-going basis, CET1 capital of 9.0% of our risk weighted assets pursuant to the RBI (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025. Furthermore, pursuant to the RBI Large Exposures Framework for Non-Banking Financial Company - Upper Layer (NBFC-UL), Upper Layer NBFCs are required to define maximum exposure norms to a single counter party and group of interconnected counter parties. The RBI (Non-Banking Financial Companies – Income Recognition, Asset Classification and Provisioning) Directions, 2025 prescribed for different rate of provisioning for different categories of standard assets. Additionally, pursuant to Section 45-IC of the Reserve Bank of India Act, 1934, and Section 29C of the National Housing Bank Act, 1987, every NBFC and HFC, respectively, is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account before any dividend is declared.

There can be no assurance that our Company and/or BHFL will be able to maintain our and/or BHFL's CRAR within the regulatory requirements and a failure to do so could have a material adverse effect on our and/or BHFL's business, results of operations and cash flows.

Although our Company and BHFL have been maintaining a CRAR above the regulatory minimum requirement, there can be no assurance that these entities will be able to maintain CRARs in accordance with the regulatory requirements at all times. In particular, the RBI's assessment of our CRAR may differ from our own. Any changes in the regulatory framework affecting NBFCs, housing finance companies, or other financial services companies including the provisioning for NPAs, or capital adequacy requirements, or differences in interpretation of the same, could adversely affect our profitability or our future financial performance, by requiring a restructuring of our activities or an increase in our costs to comply with regulations applicable to us.

Our capital-to-risk weighted assets ratio has, in recent periods, declined on account of, among other factors, prudential measures taken by the Reserve Bank of India in relation to unsecured consumer credit and the continued growth of our loan book. These measures have had the effect of increasing the capital that our Company is required to hold against unsecured consumer credit exposures, and of increasing the cost at which banks lend to non-banking financial companies for such businesses. Any further prudential measures by the Reserve Bank of India in respect of unsecured consumer credit, revolving credit, co-lending, digital lending or similar segments could further increase our capital requirements, our cost of funds and our provisioning requirements, could constrain our ability to grow our unsecured loan book, and could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Furthermore, if our Company and BHFL continue to grow, we will be required to raise additional Tier I capital and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us, or at all. This could result in non-compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations and cash flows.

Chapter V of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025, which is applicable to NBFC middle layer and upper layer requires a company to make an internal assessment of the need for capital commensurate with the risks in their business. The internal assessment is in line with the method prescribed for commercial banks under Pillar 2 under Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025. The pillar 2 methodology as prescribed under the Basel III Capital Regulations differs materially from the current method of computing capital adequacy. The revised method prescribes assessment of capital towards credit risk, market risk, operational risk and all other residuary risks as against

the current methodology which prescribes providing capital based only on credit risk. These directions currently require us to assess the capital needs under this framework. We have assessed that our current capital exceeds the required capital under this framework and submitted the same to RBI.

In case RBI's assessment of our capital needs under this framework differs from our assessment, they may ask us to maintain additional capital.

29. ***We may be unable to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business.***

We require certain statutory and regulatory permits and approvals to operate our business. Our Company has a certificate of registration from the RBI to operate as an NBFC and accept deposits, which requires our Company to comply with certain terms and conditions for our Company to continue our NBFC operations. The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act. RBI Inspection is a regular exercise and is carried out periodically by RBI for banks, financial institutions and NBFCs. For instance, RBI has conducted periodic inspections in the past on various matters addressing our operations and relating to, among other things, our Company's (i) internal controls and processes, (ii) risk management systems, (iii) policies, (iv) management and governance framework, and (v) other operational matters. While our Company has either responded to or is in the process of responding to the RBI observations, and has taken steps or is in the process of taking steps to rectify the identified deficiencies, if our Company fails to comply with the RBI's observations or all of these terms and conditions stipulated in the observations, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the RBI may take adverse action, such as revoking this registration / licence or may place stringent restrictions on our operations. Any failure to meet any RBI directions could materially and adversely affect our pending applications or requests with the RBI and our ability to obtain the regulatory permits and approvals required to expand our business and result in the interruption of all or some of our Company's operations and have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our Company also has a corporate agent license from IRDAI to distribute third-party insurance products. Further, our Company holds a registration certificate issued by the Association of Mutual Funds in India to operate as a mutual fund intermediary. Our Company has a Certificate of Authorisation from RBI and Department of Payment and Settlement Systems for the issuance of prepaid payment instruments. Our Company had applied to Reserve Bank of India to operate as a Payment Aggregator, Bharat Bill Payment System operating unit and Trade receivable electronic discounting system ("**TReDS**"). However, the RBI has not approved our request as our Company is a Deposit taking NBFC. With reference to RBI's Master Direction – Credit Card and Debit Card – Issuance and Conduct Directions dated April 21, 2022, our Company has applied for RBI approval to undertake credit card business in September 2022 which was subsequently rejected. If our Company fails to obtain such licenses in the future, or comply with the conditions attached to such licenses or approval or unable to renew the same, this could result in an inability to pursue our strategies and grow our business in line with our expectation, or the interruption of some of our Company's operations and could result in a material adverse effect on our business, financial condition, results of operations and cash flows.

BHFL has obtained a certificate of registration from the NHB to operate as an HFC. Further, BHFL is also subject to periodic inspection by the NHB. The NHB has conducted annual inspections in the past and addressed various operational matters for BHFL, such as, (i) internal controls and processes, (ii) compliance with applicable regulatory guidelines and circulars, (iii) valuation processes, (iv) loan reclassification; and (v) other operational matters. While BHFL has suitably responded to or is in the process of responding to and complied with these observations from time to time and has implemented and is in the process of implementing the recommendations made by NHB, any significant deficiencies identified by the NHB that it is unable to rectify to the NHB's satisfaction could lead to sanctions and penalties, in future.

BHFL also has a corporate agent license from IRDAI to distribute third-party insurance products. If BHFL fails to obtain such licenses in the future, or comply with the conditions attached to such licenses or approval or unable to renew the same, this could result in an adverse effect on our business, financial condition, results of operations and cash flows.

BFinsec has received approvals from the SEBI to carry on its business as a stock broker and depository participant. BFinsec has also been admitted as a depository participant on NSDL and CDSL, a clearing member on NSE Clearing Limited and a trading member in the cash, equity derivative, currency derivative and new debt segments of BSE. BFinsec also holds a registration certificate issued by the Association of Mutual Funds in India for mutual fund distribution. The stock broking business and the depository participant services are highly regulated, and are subject to a number of regulations including the SEBI (Stock Brokers) Regulations, 2026, SEBI (Intermediaries) Regulations, 2008, SEBI master circular for Stock Brokers dated June 17, 2025, SEBI (Research Analysts) Regulations, 2014 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

Both, BHFL and BFinsec are subject to applicable regulatory requirements to operate their businesses, pursuant to the aforesaid approvals. In the event that BHFL or BFinsec are unable to comply with the applicable regulatory

requirements, or seek waivers or extensions of time for complying with such requirements, or if BHFL fails to comply with the observations of the NHB and RBI, it is possible that the license/ registration issuing authority may impose penalties, take adverse action, and/or revoke its licence / registration or may place stringent restrictions on their operations. This may result in the interruption of all or some of BHFL's and/or BFinsec's operations, as applicable.

In the future, we may be required to obtain new registrations, permits and approvals for our business, as a result of change in current regulations or for any proposed expansion strategy or diversification into additional business lines or new financial products. There can be no assurance that the relevant authorities will issue any permits or approvals required by us in a timely manner, or at all, and/or on favourable terms and conditions. As part of our business operations, we have various branches spread across India. Certain approvals that are required to operate such branches expire from time to time. Accordingly, we have either made an application to the appropriate authorities for renewal of such approvals or are in the process of making such applications. There can be no assurance that the relevant authorities will renew such approvals in a timely manner or at all. If we fail to obtain any applicable approvals, licenses, registrations or consents in a timely manner or at all, some of our contracts with third parties may be terminated and we may not be able to undertake certain operations of our business which may affect our business, results of operations and cash flows. Also see "***Risk Factors – We operate in a highly regulated industry and changes in the laws, rules and regulations applicable to us may adversely affect our business, financial condition and results of operations***" on page 64.

30. ***Our co-branded cards business and certain of our digital lending products have in the past been, and continue to be, subject to regulatory scrutiny by the RBI. Any further regulatory action in connection with these businesses could restrict our ability to offer such products and have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our Company has in the past distributed co-branded credit cards in partnership with scheduled commercial banks, pursuant to arrangements under which our Company has acted as a distributor and marketing partner of its co-branding bank partners. During Fiscal 2025, our Company ceased incremental sourcing of co-branded credit cards with its then co-branding partner banks.

In April 2025, the RBI raised certain supervisory concerns regarding our co-branded credit cards business and stipulated certain remedial requirements, including independent external validation of our data security, IT, information security and cybersecurity controls. The Company submitted the independent external auditor's validation report to the RBI. RBI vide its letter dated January 6, 2026, noted the validation conducted by the external auditor and the supervisory concerns matter was formally closed.

If our Company decides to re-engage in co-branded credit card arrangements in the future, such re-engagement requires a prior approvals from the Reserve Bank of India (including, as applicable, the Department of Supervision) and the relevant partner banks' regulators. If our Company is unable to obtain any such approvals on acceptable terms or in a timely manner, or if any further regulatory action requires our Company to discontinue the Insta EMI Card, co-branded EMI cards or any related digital lending product, our Company may be unable to continue to use this distribution and customer acquisition channel, including the co-branded Insta EMI Card distributed through partner platforms such as the Airtel Thanks application. As at September 30, 2026, our EMI Card franchise stood at 100.4 million cards in force, which forms a significant part of our overall customer franchise. The co-branded Insta EMI Card distributed through third-party platforms, including the Airtel Thanks application, is sourced through this channel. Any discontinuation of, or restriction on, the Insta EMI Card product or the co-branded cards business could affect our fee and commission income, the value of our existing EMI Card franchise and our ability to cross-sell loan and other financial products to the affected customer base, and could have a material adverse effect on our business, financial condition, results of operations and cash flows. For details, see "***Risk Factors – If any of our distribution agreements with third-parties ("Partners") are terminated, it could adversely affect our fee and commission income and thereby, our business, financial condition, results of operations and cash flows***" on page 81.

By order issued in November 2023, the RBI had directed our Company to stop the sanction and disbursal of loans under two of our Company's products, namely 'eCOM' and 'Insta EMI Card', citing non-compliance with the then prevailing guidelines on digital lending. The restrictions on sanction and disbursal under these products were lifted by the Reserve Bank of India in May 2024.

Any further adverse regulatory communication, enforcement action or restriction in connection with our co-branded cards business, our digital lending products or our other distribution activities could affect our ability to continue to offer, or to re-launch, such products, require material changes in our systems, processes, controls and governance, require additional investments in compliance, information technology and cyber security, and have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

31. ***Our models, technology systems and processes, including those involving artificial intelligence, may fail, be subject to disruption or security breaches, or may not be effectively adapted or implemented, which could adversely affect our business.***

We increasingly use third-party and proprietary models, including those incorporating artificial intelligence and machine learning, for lead generation, underwriting, credit assessment, pricing, fraud detection, collections and customer servicing across our lending verticals. These models and the technology systems and processes that support them are complex and depend on the quality, completeness and continued availability of the data used to build and operate them. Our models may fail to operate as intended, may produce inaccurate, biased or unexplainable outputs, or may not be effectively adapted to changing market, credit or regulatory conditions, which could result in mispriced or mis-underwritten loans, incorrect credit decisions, or an inability to detect fraud or default risk in a timely manner. In addition, these models, technology systems and processes may be subject to disruption, outages or security breaches, including as a result of cyberattacks, software defects, human error or third-party vendor failures. Any failure, disruption or security breach affecting our models, technology systems or processes, or any inability to effectively adapt or implement new technology, could result in incorrect business decisions, financial losses, regulatory scrutiny, reputational harm and could have a material adverse effect on our business, financial condition, results of operations and cash flows. For further details on risks relating to our FINAI transformation specifically, see "***Risk Factors– Our FINAI transformation and our increasing reliance on artificial intelligence, cloud infrastructure and other emerging technologies in the conduct of our business increases risks relating to model accuracy, data privacy, cybersecurity, concentration and operational resilience***" on page 70.

32. ***We rely on third-parties to whom we have outsourced certain of our operations. Operational interruptions, failures or inadequate service quality or inappropriate conduct by such third parties could adversely affect our business and cause us financial loss, which may not be recoverable from such third-party in full or at all.***

We have outsourced some of our operations including back office and mid-office operations, tele-calling processes, document storage, IT, IT maintenance, cloud and data analytics platforms, sourcing, distribution, and collection of overdue amounts to various third-parties. The outsourcing of any activity does not reduce our obligations, including to our customers and the RBI, and we remain responsible for the actions of our service providers, including recovery agents, and for the confidentiality of customer information available with them.

Any failure on our part, or on the part of our service providers, to comply with the RBI Outsourcing Directions, the RBI Cybersecurity Directions or other applicable regulatory requirements could result in regulatory action, penalties, or reputational harm to us. Improper conduct by our service providers could expose us to regulatory scrutiny, litigation and loss of customer trust. Failures by our service providers could disrupt our operations or compromise data. Errors, negligence or delays on the part of our service providers could impair our compliance, security of our assets or ability to enforce our rights. We may also face difficulty replacing a service provider on short notice following poor performance, termination or insolvency. Any of the foregoing could materially and adversely affect our business, reputation, financial condition, cash flows and results of operations.

33. ***We depend on our brand recognition. We conduct our operations under the "Bajaj Finserv" brand, and have a license to use that brand name and certain other trademarks. If we fail to successfully enforce our intellectual property rights or are unable to renew our intellectual property licence agreements, our business and results of operations could be adversely affected. In addition, any adverse impact on the "Bajaj Finserv" brand name or the "Bajaj" brand could adversely affect our reputation, business, financial condition, results of operations and cash flows.***

The financial services businesses of our Company and its subsidiaries primarily utilize the brand name and logo registered in the name of Bajaj Finserv Limited. With reference to our subsidiaries, the trademark in their respective names stood registered in the name of Bajaj Finserv Limited and are licensed to the respective subsidiaries for their business purposes. Our Company has entered into a trademarks license agreements dated June 15, 2021 (the "**License Agreement**") with Bajaj Finserv Limited pursuant to which our Company has been granted a licence to use certain trademarks, registered and pending registration in the name of Bajaj Finserv Limited, for our business activities. Under the terms of the License Agreement, our Company is required to pay Bajaj Finserv Limited an annual license fee of ₹ 1.5 million. The License Agreement is valid until March 31, 2027 and it will be terminated, *inter alia*, if Bajaj Finserv Limited's equity shareholding in our Company falls below 26.0%.

Our Company has, pursuant to agreements dated April 13, 2018 (as amended on July 15, 2023) and September 1, 2019, licensed the use of certain trademarks belonging to our Company and sub-licensed the use of the trademarks licensed to our Company from Bajaj Finserv Limited to BHFL and BFinsec, respectively.

As at September 30, 2026, our Company had 75 registered trademarks. In addition, as at September 30, 2026, our Company had applied for 52 trademarks for which registration is yet to be granted. There can be no assurance that we will be granted any of the trademarks that are pending. Unauthorised use of our intellectual property rights by third-parties could adversely affect our reputation. We may be required to resort to legal action to protect our intellectual property rights. Any adverse outcome in such legal proceedings or our failure to successfully enforce our intellectual property rights may impact our ability to use intellectual property, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

In addition, Bajaj Finserv Limited is part of the Bajaj group of companies and the "Bajaj Finserv" brand name is associated with the "Bajaj" brand. We believe that the "Bajaj" brand name has strong brand equity, being widely known

and trusted throughout India. We have no control over Bajaj Finserv Limited or other members of the Bajaj group, and in the event that other entities in the Bajaj group are involved in any, activities, litigation, proceedings, amongst other things, that adversely affects their reputation, it could have an adverse impact on our reputation, which could, in turn, adversely affect the public's perception of our brand and thereby, adversely affect our business, financial condition, results of operations and cash flows. Further, we depend on Bajaj Finserv Limited and the Bajaj group for brand recognition and a failure to maintain and enhance awareness of our brand could adversely affect our ability to retain and expand our customer base. See, "***Risk Factors – Our Vehicle Finance portfolio is undergoing a transition from a largely captive two-wheeler and three-wheeler finance business to an open market and multi-category vehicle financing business. Any failure to successfully manage this transition, or the concentration, residual value and credit cycle risks associated with the newer Vehicle Finance products, could have an adverse effect on our business, financial condition, results of operations and cash flows.***" on page 83.

34. ***Negative publicity could damage our reputation and adversely impact our business, financial condition, results of operations and cash flows.***

Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business. The reputation of the financial services industry in general has been closely monitored as a result of the financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or us specifically could adversely affect our ability to attract and retain customers, employees, vendors and partners, raise equity capital and borrowings and may expose us to litigation and regulatory action. Negative publicity can result from our actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk.

35. ***Our co-lending, direct assignment and other partnership-based businesses expose us to partner concentration, asset quality and reputational risks.***

We enter into co-lending arrangements with NBFCs and other eligible regulated entities, where the partner originates the loans and we participate in such loans in accordance with the applicable co-lending arrangement, pursuant to the RBI (Co-Lending Arrangements) Directions, 2025 (now consolidated under the RBI (NBFC – Transfer and Distribution of Credit Risk) Directions, 2025) and our Board-approved Co-Lending Policy. As at September 30, 2026, our co-lending portfolio was ₹13,466.5 million, representing approximately 0.2% of our total AUM, and our co-lending partners comprised Navi Finserv Limited, Cars24 Financial Services Private Limited and Credit Wise Capital Private Limited. We also undertake assignment-in transactions, pursuant to which we acquire loan exposures originated by NBFCs and other financial institutions, and assignment-out transactions, pursuant to which we transfer loan exposures originated by us to banks and other financial institutions. Under certain such arrangements, the originating or assigning partner may continue to service and collect the underlying loans.

Our ability to assess, monitor and manage risks associated with such arrangements may depend, in part, on the origination, underwriting, servicing, collection practices, systems, controls and information provided by our partners. Any deficiencies in such processes, deterioration in the credit quality or performance of the underlying loan pools, disruption in servicing or collections, or failure by a partner to comply with applicable contractual or regulatory requirements could result in higher credit losses, collection inefficiencies, operational or regulatory issues and reputational harm, notwithstanding that we may have limited control over certain activities undertaken by such partners.

In addition, a significant proportion of our co-lending or direct assignment business may be concentrated with a limited number of counterparties. The loss of a material partner, deterioration in its financial condition or operational capabilities, disruption or termination of our relationship with such partner, or our inability to identify suitable alternative partners on commercially acceptable terms could adversely affect the scale, growth and economics of these businesses.

Accordingly, any deterioration in the quality of the underlying loan portfolios or the performance, financial condition, systems, controls or servicing capabilities of our partners could adversely affect our asset quality, credit costs, fee or interest income, liquidity and cash flows, as applicable, as well as our business, reputation, financial condition and results of operations.

36. ***We use securitisation as a source of funding, and any deterioration in the performance of our underlying loan pools could adversely affect our ability to raise funds through this route.***

We increasingly raise funds through the securitisation of our loan receivables, including through transactions involving the issuance of pass-through certificates ("**PTCs**"). Any deterioration in the performance of the underlying loan pools could result in a downgrade of the credit ratings assigned to the PTCs and adversely affect investor demand for our securitisation transactions. Any such downgrade or adverse market perception of our securitised loan pools could

increase the credit enhancement required for future transactions, increase our cost of funding or restrict our ability to raise funds through securitisation on acceptable terms, or at all. There can be no assurance that we will be able to continue to access this source of funding on commercially acceptable terms or in the amounts required. Any resulting reduction in the availability of funding through securitisation could constrain our liquidity and funding flexibility and adversely affect our business, financial condition, results of operations and cash flows.

37. ***If any of our distribution agreements with third-parties ("Partners") are terminated, it could adversely affect our fee and commission income and thereby, our business, financial condition, results of operations and cash flows.***

We have entered into various distribution agreements with our Partners to distribute various third-party products ("**Distribution Agreements**"), such as, various life, general and health insurance products and comprehensive asset care products. For details, see "***Management's Discussion* and *Analysis* of *Financial Condition* and *Results of Operations – Significant Factors Affecting Our Results* of *Operations – Diversified lending model with increasing customer centric approach including introduction of new products and services – Partnerships and Services***" on page 115. Our fees and commission income for the half years ended September 30, 2026 and 2025 was ₹47,447.2 million and ₹35,639.5 million, which represented 9.9% and 9.0% of our revenue from operations, respectively, and for Fiscals 2026, 2025 and 2024 was ₹77,543.9 million, ₹59,828.4 million and ₹52,671.7 million, which represented 9.5%, 8.6% and 9.6% of our revenue from operations, respectively. If our Partners terminate our Distribution Agreements or we are unable to renew the term of the Distribution Agreements on the same or more favourable terms for us or at all, it could have an adverse impact on our fee and commission and, thereby, our results of operations. Further, if we fail to obtain or renew any regulatory approvals or licenses it could result in termination of certain of our Distribution Agreements, which could have an adverse impact on our business, financial condition, results of operations and cash flows. If any Partner's products perform poorly, become subject to regulatory action, or are mis-sold (whether by us or by other distributors of such products), we may face reputational harm, loss of customer trust, regulatory scrutiny or claims, even where we are not directly responsible for the relevant product design or underwriting. Any deterioration in the performance of, or adverse publicity relating to, the products we distribute could reduce demand for those products, result in the termination or non-renewal of our Distribution Agreements with the relevant Partners, and thereby adversely affect our fee and commission income, business, results of operations, financial condition, cash flows and reputation.

38. ***Fraud, theft or misconduct by our employees or authorised representatives could adversely affect our reputation and our business, financial condition, results of operations and cash flows.***

In the past, we have been subject to acts of fraud and theft committed by our employees of a non-material nature. Misconduct by our employees could result in binding us to transactions that exceed authorised limits or present unacceptable risks or include concealing unauthorised or unlawful activities from us.

As of September 30, 2026, 742 instances of fraud including lending-related fraud cases and wallet-related fraud cases involving an aggregate amount of approximately ₹144.8 million were noticed or reported. These incidents included forgery, identity theft and misappropriation of funds. Cases involving an aggregate amount of approximately ₹13.5 million involved employees, whose services were terminated following detection; approximately ₹13.4 million has been recovered. In cases where customers repay their loans in cash directly to us or through representative appointed by us, we are exposed to the risk of fraud, misappropriation or unauthorised transactions by our representatives and employees responsible for dealing with such cash collections. While we have procured insurance for cash in safes and in transit, and we have put in place systems to detect and prevent any unauthorised transaction, fraud or misappropriation by our authorised representatives and employees, this may not be effective in all cases. For examples of material fraud, i.e. the act of frauds involving an amount of ₹10.0 million or more committed by employees against our Company, see "***Legal Proceedings***" on page 328. There can be no assurance that such events will not recur in future. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our authorised representatives and employees, which could adversely affect our reputation and goodwill.

Employee or authorised representative misconduct could also involve the improper use or disclosure of confidential information or non-compliance with insider trading rules or engaging in front running in securities markets, which could result in regulatory sanctions and serious reputational or financial harm. Any adverse action by the regulator against us could have a material adverse impact on our business, financial condition, results of operations and cash flows.

It is not always possible to deter fraud or misconduct by employees or authorised representatives and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of such fraud or misconduct could adversely affect our reputation, business, results of operations, financial condition and cash flows.

39. ***Our branches are vulnerable to operational risks, including theft, burglary and embezzlement, including in relation to gold jewellery pledged by customers.***

Our branch network, in particular branches conducting our Gold Loans business, is vulnerable to various operational risks, including theft, fraud, burglary and embezzlement by our employees or customers, including in relation to gold jewellery pledged as collateral and held in physical custody at our branches. While we have implemented security measures, insurance arrangements and internal controls at our branches, including for the physical custody, storage and handling of pledged gold, these measures may not be effective in preventing or detecting all such incidents in a timely manner or at all. Any such incident could result in financial loss, regulatory scrutiny and reputational harm, and could adversely affect our business, financial condition, results of operations and cash flows.

40. ***We depend on the services of our management team and senior employees. If we are unable to attract, train, motivate and retain highly skilled and experienced employees, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues, such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges, and ensuring a high standard of client service. In order to be successful, we have to attract, train and retain highly skilled and experienced employees. There is significant competition for senior employees in the financial services industry from existing as well as new Indian and foreign banks, NBFCs, and HFCs. We define our senior employees as those employees who handle functions / critical sub-functions and businesses, with direct operational responsibilities and indirect responsibilities (such as capability development and strategising), having a compensation structure with annual incentives, and who are above a particular grade as per our Company's employee grading system. If we are unable to attract, train, motivate and retain highly skilled and experienced employees, our ability to expand our business will be impaired and this could have a material adverse effect on our business, financial condition, results of operations and cash flows.

41. ***The success of our business depends substantially on the continued services of our senior management team. Recent changes in our senior management, including the resignation of our former Managing Director, could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our business is managed by a team of senior executives led by our Vice Chairman and Managing Director. Our ability to execute our strategy and conduct our business as has been historically conducted is dependent on the continued services and judgment of our Vice Chairman and Managing Director and other members of our senior management team. There can be no assurance that we will be able to retain the services of our Vice Chairman and Managing Director or other members of our senior management team, that further changes in our senior management will not occur, or that we will be able to identify, attract and retain suitable successors to such persons in a timely manner.

For instance, our former managing director resigned last year. Following his resignation, our Board re-designated Rajeev Jain, who was serving as our Vice Chairman and Executive Director, as the Vice Chairman and Managing Director on July 21, 2025 for the remainder of the term ending on March 31, 2028. While we are undertaking succession planning efforts, there can be no assurance that our succession planning efforts will be successful, that we will be able to identify and appoint a suitable successor in a timely manner or at all, or that any resulting leadership transition will be orderly and will not disrupt our operations or the implementation of our business strategy.

Any loss of the services of our Vice Chairman and Managing Director or of other members of our senior management team, or failure to effect orderly succession, could disrupt our operations, lead to further exits by senior personnel, delay the implementation of our strategic initiatives, cause reputational damage with investors, lenders, regulators and customers, and have a material adverse effect on our business, financial condition, results of operations and cash flows.

42. ***We may face labour disruptions that would interfere with our operations and have an adverse impact on our business, financial condition, results of operations and cash flows.***

As at September 30, 2026, we employed 75,845 permanent employees. Although none of our employees are in a trade union and we have endeavoured to maintain cordial relations with our employees. We are exposed to the risk of labour disruptions to our operations due to disputes or other problems with our employees. We cannot guarantee that our employees will not participate in work stoppage or other industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time and result in increased wages and other benefits, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

43. ***We rely on the accuracy and completeness of information about customers and counterparties. Any misrepresentation, errors or incompleteness of such information could cause our business to suffer.***

In deciding whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including personal information, financial statements and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors of customers and counterparties. We also depend on credit bureaus for checking the creditworthiness of our customers. Sometimes, we may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation and our risk management measures may not be adequate to detect or prevent such activities in all

cases. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

44. ***If we do not comply with covenants and conditions under our borrowing arrangements, it could lead to termination of our credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided, and the trigger of cross default provisions. Any of the above actions taken by the relevant lender could have a material adverse effect on our credit ratings, financial condition, results of operations and cash flows.***

As at September 30, 2026, we had consolidated total borrowings of ₹5,019,818.6 million. Our financing agreements include various conditions and covenants that require us to obtain lender consents, or serve prior intimation notices on such lenders prior to carrying out certain activities and entering into certain transactions. Specifically, under some of our financing agreements, we require prior written consents from, or are required to serve a prior notice of intimation on the relevant lenders for, among others, the following matters: (i) making any changes in our ownership, control, controlling interest, management or constitution; (ii) making amendments in our Memorandum and Articles of Association; (iii) creating any further security interest on the assets upon which the existing lenders have a prior charge; and (iv) effecting mergers and acquisitions; (v) changing the practice with regard to remuneration of directors except where mandated by legal/regulatory provisions; and (vi) investment of share capital or lending or advancing funds to group companies, subsidiaries or associates. In addition, if the Promoter/ promoter groups shareholding in our Company falls below a certain threshold in certain circumstances, it would result in a breach of terms under the agreements we have entered into for certain of our borrowings, which may lead to termination of those credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided thereunder and the trigger of cross default provisions in the event that our Company is unable to repay such loans. Certain of our financing agreements contain financial and other negative covenants. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

Compliance with the various terms of our loans is subject to interpretation and we cannot assure you that we have requested, received or will receive all consents from our lenders that would be required under our financing documents. As a result, it is possible that a lender could assert that we have not complied with certain terms under our financing documents. There can be no assurance that we will comply with the covenants with respect to our financing documents in the future or that we will be able to secure waivers for any such non-compliance in a timely manner or at all. Any failure to (i) observe the covenants under our financing arrangements; (ii) obtain necessary consents; or (iii) serve the required notices of intimation, may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit ratings, financial condition, results of operations and cash flows.

45. ***Our Vehicle Finance portfolio is undergoing a transition from a largely captive two-wheeler and three-wheeler finance business to an open market and multi-category vehicle financing business. Any failure to successfully manage this transition, or the concentration, residual value and credit cycle risks associated with the newer Vehicle Finance products, could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our Vehicle Finance portfolio comprises captive two-wheeler and three-wheeler finance of vehicles manufactured by Bajaj Auto Limited, open market two-wheeler and three-wheeler finance, new and used car loans, commercial vehicle and tractor finance, and newer offerings including industrial equipment finance, vehicle leasing for corporates and solar financing. As at September 30, 2026, our captive two-wheeler and three-wheeler loan portfolio was ₹23,871.3 million, our open market two-wheeler and three-wheeler loan portfolio was ₹89,909.3 million, our Car Loans portfolio was ₹169,190.3 million and our commercial vehicle and tractor finance portfolio was ₹50,438.6 million, together representing 5.7% of our total AUM. As at March 31, 2026, our captive two-wheeler and three-wheeler loan portfolio had declined by approximately 60.0% year-on-year to ₹ 42,884.5 million, while our open market two-wheeler and three-wheeler loan portfolio had grown by approximately 26.0% year-on-year to ₹ 83,245.6 million; our car loans portfolio and our commercial vehicle and tractor finance portfolio stood at ₹ 150,113.3 million and ₹ 38,807.8 million, respectively, as at March 31, 2026.

Following the operationalisation of Bajaj Auto Credit Limited ("**BACL**"), a related party of our Company, our Company largely ceased further financing of two-wheeler and three-wheeler vehicles manufactured by Bajaj Auto Limited with effect from December 2024, and our captive two-wheeler and three-wheeler loan portfolio has since been in scale-down. The continued scale-down of this portfolio and competition from BACL and other vehicle financiers could adversely affect the mix, growth and credit quality of our Vehicle Financing portfolio. For details, see "***Management's Discussion* and *Analysis* of *Financial Condition* and *Results of Operations – Significant Factors Affecting Our Results* of *Operations***" on page 112.

Our newer vehicle financing, leasing and equipment financing businesses, including new and pre-owned (used) car loans, commercial vehicle finance, vehicle and equipment leasing for eligible corporate customers, and medical and industrial equipment financing, are at relatively early stages of scale-up and are being built through dealers and channel partners, co-lending arrangements, DSAs, referral partners, direct sales channels, digital platforms, dedicated business development teams, original equipment manufacturers ("**OEMs**") and suppliers, system integrators, RM relationships and existing customer references, supported by our branch sales teams. Our ability to grow and manage these verticals depends on, among other things, our ability to maintain and renew our dealer and original equipment manufacturer arrangements, to underwrite and monitor commercial vehicle, small business and dealer counterparty exposures (which are sensitive to the economic and sectoral cycle), to manage residual values on used vehicles and leased assets, and to compete with specialised vehicle financiers and the captive finance arms of original equipment manufacturers (including BACL). Any failure to successfully scale these newer lines, or any adverse credit, residual value or counterparty developments in these lines, could adversely affect our growth plans for the Vehicle Financing vertical and our business, financial condition, results of operations and cash flows.

46. ***BFinsec, our wholly-owned subsidiary, is a registered member of NSE and BSE and a depository participant in NSDL and CDSL, and registered with SEBI as a broker. If BFinsec is not successful in such business, we may lose some or all of the investments that we have made in it and our reputation, results of operations, financial condition and cash flows may be adversely affected.***

BFinsec, our wholly-owned subsidiary, is a registered member of NSE and BSE and a depository participant in NSDL and CDSL and registered with SEBI as a broker. The stock broking business and depository participant services provided by BFinsec are highly regulated, and is subject to a number of regulations including the SEBI (Stock Brokers) Regulations, 2026, SEBI (Intermediaries) Regulations, 2008, SEBI master circular for Stock Brokers dated June 17, 2025, SEBI (Research Analysts) Regulations, 2014 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018. We are subject to all the business risks and uncertainties associated with the stock broking business, which may adversely affect our business, prospects, results of operations, financial condition and cash flows. These risks include the following: general economic and political conditions in India and globally that affect the Indian securities markets; downturns and adverse market conditions that affect the volume of trading in securities offered, and consequently brokerage revenues; market movements and volatility that affect the demand for third-party products and commission income; increased competition in this business, leading to lower fee and commissions and lower income; financing costs due to the limited access to liquidity and the capital markets or volatility in interest rates.

BFinsec is also subject to various laws relating to the prevention of insider trading, front running and other conflicts of interest. Although there are internal controls and measures in place, there can be no assurance that BFinsec or its agents, intermediaries or employees will always manage such conflicts of interest, including compliance with various applicable laws and regulations. The laws applicable to such business continue to evolve and may be amended, revised or replaced in the future by the Government or regulatory authorities, or due to judicial decisions. Such measures may affect trading volumes, lower revenue, and increase trading costs, which may affect our business, financial condition and cash flows. In the event we are unable to comply with the requirements specified under such regulations, we may be subject to regulatory actions by the SEBI or the Stock Exchanges, including levy of fines or penalties.

47. ***If any new products we launch are unsuccessful, it could harm our reputation and adversely affect our results of operations and cash flows. In addition, we may not have adequate experience to grow these products in a profitable manner.***

As a part of our growth strategy, we may from time to time introduce new product offerings. For instance, we had introduced health EMI cards in Fiscal 2020 and co-branded cards in Fiscal 2017 that we discontinued in Fiscal 2025, due to regulatory challenges. If we similarly introduce other products that do not perform in line with our expectations, we may need to write-off substantial costs associated with such businesses, including costs of obtaining relevant approvals, marketing and employee training, which may adversely impact our results of operations and financial condition. In addition, we may be unable to manage risks for the product and as a result we may incur significant losses. Further, we may not have adequate experience or expertise to develop and grow these products in a profitable manner. In the event that such new products are commercial failures, we could lose any or all of the investments that we have made in promoting them and training employees, and, consequently, our reputation, results of operations and cash flows could be adversely affected.

48. ***Our Promoter and Promoter Group have the ability to control or influence the outcome of matters submitted to shareholders for approval, and the Promoter's and the Promoter Group's interests may differ from those of other shareholders. Further, if our Promoter ceases to exercise control over us as a result of a transfer of the Equity Shares it owns or otherwise, we will not be able to derive any benefits from being a part of the Bajaj Finserv Group and this may cause a loss of goodwill and result in increased costs, which would adversely affect our business, financial condition, results of operations and cash flows.***

As at September 30, 2026, our Promoter, and the Promoter Group collectively owned 54.7% of the outstanding Equity Shares of our Company. For details, see "***Capital Structure***" on page 105. As long as the Promoter and the Promoter Group of our Company continue to hold a significant ownership stake in our Company, they have the ability to control

or influence the outcome of any matter submitted to shareholders for approval, including (i) matters relating to sale of all or part of our business; (ii) mergers, acquisitions or disposal of assets; (iii) the distribution of dividends; (iv) appointment or removal of our directors or officers; and (v) our capital structure or financing. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company, even if it is in the best interest of other shareholders. The Promoter may have interests that are adverse to the interests of our other shareholders and may take positions with which our other shareholders may not agree.

Further, if our Promoter ceases to exercise control over us, as a result of a transfer of the Equity Shares held by it or otherwise, we will not be able to derive any benefit from being a part of the Bajaj Finserv Group and this may cause a loss of goodwill and result in increased costs, which would adversely affect our business, financial condition, results of operations and cash flows. In addition, some of the agreements that we have entered into for some of our borrowings require us to obtain prior written consent from our lenders for transactions that result in the Promoter, and the Promoter Group shareholding in our Company falling below a certain threshold in certain circumstances.

49. ***Our investments are subject to market risk.***

As at September 30, 2026, our total investments were ₹317,440.3 million, which represented 5.0% of our total assets. As at September 30, 2026, some of our investments are subject to market risks which primarily include government securities, money market instruments, units of mutual funds, non-convertible debentures, commercial paper, certificates of deposits and BFinsec's proprietary trading book. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, volatility in interest rates and securities market, inflationary expectations and the RBI's monetary policies. Any decline in the value of these investments may have an adverse effect on our financial condition, results of operations and cash flows.

50. ***Our Company's ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows and capital requirements.***

Dividends that our Company has paid in the past may not be reflective of the dividends that our Company may pay in a future period. Our Company's ability to pay dividends in the future will depend on our Company's financial condition, results of operations, cash flows, capital requirements and the terms of its contracts, including financing arrangements, charter provisions or by applicable laws and regulations. Dividends distributed by our Company may be subject to other requirements prescribed by the RBI. Further, pursuant to regulation 43A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we have adopted a dividend distribution policy. There can be no assurance that our Company will be able to pay dividends in the future.

51. ***If the businesses of BHFL, our Subsidiary, BFinsec, our wholly-owned Subsidiary, or Pennant Technologies Private Limited ("PTPL"), or Snapwork Technologies Private Limited ("STPL"), our Associates , or any of the other investee companies in which our Company holds a strategic equity investment or any other investments made by the Company, are unsuccessful, our Company may lose some or all of the investments that our Company has made in them, and our reputation, financial condition and results of operations could be adversely affected.***

As at September 30, 2026, our Company has invested ₹89,548.3 million in BHFL and ₹17,703.8 million in BFinsec (each being Subsidiaries), and ₹2,674.7 million in PTPL, and ₹927.4 million in STPL (each being Associates). In addition, as at September 30, 2026, our Company held strategic equity-type investments in other investee companies, including ₹4,198.7 million in Bajaj Finserv Direct Limited, ₹1,566.5 million in One Mobikwik Systems Limited, ₹720.9 million in Protectt.AI Labs Private Limited (comprising equity shares and compulsorily convertible preference shares), ₹350.0 million in RMBS Development Company Limited, ₹39.8 million in Sahamati Foundation, ₹162.1 million in Hogwarts E-learning Universe Private Limited ("**TrueFan AI**").

Further, our other investments comprise ₹124.0 million in units in a listed investment trust and ₹1.6 million in equity shares of Bajaj Auto Limited. In addition, our Company subscribed for shares in a listed entity in their initial public offering, resulting in an exposure of ₹31.5 million as at September 30, 2026.

PTPL is a provider of loan management system solutions and, during Fiscal 2026, our Company completed the migration of its loan portfolio to PTPL's platform. In addition, our Company may be required to invest additional money in these businesses to support their operations. If any of these businesses are unsuccessful, we may lose some or all of our strategic equity investments in BHFL, BFinsec, PTPL, STPL or any of the other investee companies referred to above, and our reputation, financial condition, results of operations and cash flows could be adversely affected.

In addition, as BHFL and certain of our other investee companies are regulated entities, any adverse regulatory action against them could affect the value of our investment. For instance, the RBI has in the past imposed a monetary penalty of ₹0.5 million on BHFL in connection with a change in its management without prior RBI permission. For details, see "***Risk Factors– Our Company has in the past been subject to monetary penalties imposed by the Reserve Bank of India and the Insurance Regulatory and Development Authority of India, and may be subject to further such***

enforcement action in the future, any of which could have an adverse effect on our reputation, business, financial condition, results of operations and cash flows" on page 73. Separately, any failure, discontinuation or deterioration in the service levels of PTPL's platform could disrupt our Company's loan management operations and could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition to the strategic equity investments described above, our Company also holds a portfolio of treasury and liquidity investments, including Government of India securities, certificates of deposit, mutual fund units and pass-through certificates, which are exposed to market, interest rate, credit and liquidity risks. For further details of these risks, see "***Risk Factors – We may be impacted by volatility in interest rates, which could cause our Net Interest Income, Net Interest Margins and the value of our fixed income portfolio to decline and adversely affect our financial condition, results of operations and cash flows***" on page 59.

52. ***Our Company's Subsidiary, BHFL, and our Company's wholly-owned Subsidiary, BFinsec (together, the "Subsidiaries"), may not pay dividends. Consequently, our Company may not receive any return on investments in the Subsidiaries.***

The Subsidiaries are separate and distinct legal entities, and they have no obligation to pay dividends and may be restricted from doing so by law or contract or pursuant to the terms of their financing arrangements. We cannot assure you that the Subsidiaries will generate sufficient profits and cash flows to be able to pay dividends, or if they do, they will not be restricted from doing so by contract, including financing arrangements, charter provisions or by applicable laws and regulations. BHFL is a HFC and is subject to laws and regulations that may limit its ability to pay dividends. In addition, as a listed company, any declaration or payment of dividends by BHFL is subject to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the requirements of BHFL's Board-approved dividend distribution policy, and to the interests of BHFL's public shareholders.

53. ***Our shareholding in BHFL, our listed material subsidiary, is required to be diluted, and any failure to comply with applicable SEBI listing, shareholding or public float requirements following such dilution could result in regulatory action.***

Our Company's shareholding in BHFL is required to be diluted over time, including to meet applicable minimum public shareholding and other regulatory requirements. Failure to maintain compliance with applicable SEBI listing, shareholding or public float thresholds following any such dilution of our stake in BHFL could result in supervisory actions or regulatory penalties against our Company or BHFL. Any non-compliance with, or delay in adhering to, mandated divestment or shareholding timelines could invite sanctions, restrict corporate actions, and subject us to heightened regulatory scrutiny. Such regulatory interventions may impair our reputation, operational flexibility, and management bandwidth, and could adversely affect our business, financial condition and results of operations.

54. ***Materialisation of contingent liabilities could adversely affect our financial condition, results of operations and cash flows.***

As at September 30, 2026, we had contingent liabilities as per Ind AS 37 on "*Provisions, Contingent Liabilities and Contingent Assets*" not provided for amounting to ₹49,194.9 million, the details of which are set forth in the table below on a consolidated basis:

(₹ in million)

Particulars	As at September 30, 2026 (Consolidated)
Disputed claims against the Group not acknowledged as debts	2,961.6
PF matters under appeal	1,107.6
VAT matters under appeal	43.1
ESI matters under appeal	51.4
Bank Guarantees	7.5
Service tax / Goods and Service Tax matters under appeal	
- on interest subsidy	26,170.3
- on interest collected upfront	9,670.1
- on additional reversal of credit on investment activity	6,727.4
- on reversal of input tax credit on credit note by the customer	243.7
- on excess claim ITC & difference in GSTR-1 vs GSTR 3B	338.4
- on others	48.8
Income tax matters	
- appeals by the Group	1,544.3
- appeals by the Income Tax Department	280.7
Total	**49,194.9**

For details in relation to the 'Service tax / Goods and Service Tax matters under appeal' on interest subsidy and penal interest/charges and the GST demand raised in January 2025 on upfront interest collected from customers, see "***Risk Factors– As at September 30, 2026, we had contingent liabilities of ₹ 35,840.4 million for service tax matters under appeal on interest subsidy, and a GST demand raised an order dated January 21, 2025 on upfront interest collected from certain customers. These amounts are subject to incremental interest and if we were to lose these cases, it***

would have a material adverse effect on our reputation, financial condition, results of operations and cash flows." on page 72. If any of these contingent liabilities materialise, our financial condition, results of operations and cash flows could be adversely affected.

55. ***Any non-compliance with mandatory anti-money laundering, combating-terrorism financing and know your customer laws could expose us to liability and harm our reputation.***

In accordance with the requirements applicable to our Company, we are mandated to comply with anti-money laundering ("**AML**"), combating-terrorism financing ("**CTF**") and know your customer ("**KYC**") regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CTF and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all relevant AML, CTF and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money-laundering and terrorism financing activities, there may be instances where we collected information that may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding U.S. persons having accounts with us.

Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance (including FATCA compliance), and have taken necessary corrective measures, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit – India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

We are required to undertake customer due diligence procedures, including by means of Aadhaar number, in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Know Your Customer) Directions, 2025 issued by the RBI, as updated from time to time. Any failure to comply with the applicable laws relating to Aadhaar may expose our Company to penalties and regulatory scrutiny which may damage our reputation and lead to loss of customer confidence which could have a material adverse impact on our business, financial condition, results of operations and cash flows.

56. ***If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.***

We have taken out insurance within a range of coverage consistent with what we believe to be industry practice in India to cover certain risks associated with our business. For details, see "***Our Business – Insurance***" on page 263. There can be no assurances that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to bear a significant deduction on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual review, and there can be no assurances that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our financial condition, results of operations and cash flows.

57. ***We have entered into a number of related party transactions and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. We expect that we will continue to enter into related party transactions in the future.***

We have entered into transactions with a number of related parties, within the meaning of Indian Accounting Standard 24 as notified by the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended. For further information on our related party transactions, within the meaning of Ind AS 24, see "***Related Party Transactions***" on page 57. Any transactions with related parties in future may give rise to conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour. Further, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

58. ***We may breach third-party intellectual property rights.***

We may be subject to claims by third-parties, both in and out of India, if we breach their intellectual property rights by using slogans, names, designs, software or other such rights that are of a similar nature to the intellectual property these third-parties may have registered or are using. We might also be in breach of such third-party intellectual property

rights due to accidental or purposeful actions by our employees which may cause us also to be subjected to claims by such third-parties.

Any legal proceedings that result in a finding that we have breached third-parties' intellectual property rights, or any settlements concerning such claims, may require us to provide financial compensation to such third-parties, or stop using the relevant intellectual property (including by way of temporary or permanent injunctions), or make changes to our marketing strategies or to the brand names of our products, any of which may have a material adverse effect on our business, prospects, reputation, results of operations and financial condition.

59. ***We do not own the premises where the vast majority of our branches are located. In the event we are required to relocate, these branches could be in less desirable locations and/or more expensive, which could have an adverse effect on our business, results of operations, financial condition and cash flows.***

As at September 30, 2026, we have leased / licensed 4,245 of 4,261 of our branches. In the event we are required to relocate, which could be for a number of reasons, including for example if the owners of these properties do not renew the agreements under which we occupy the premises, or if there is early termination of any of our leases / licenses due to our non-compliance with the lease / license terms, these branches could be in less desirable locations and/or more expensive. Some of the lease agreements entered into by our Company and our Subsidiaries have rent escalation clauses, which will lead to increases in our expenses. All these could have an adverse effect on our business, results of operations, financial condition and cash flows.

60. ***Certain Directors, Senior Management and KMPs hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors, Senior Management and Key Managerial Personnel are interested in our Company, in addition to regular remuneration, commissions or benefits and reimbursement of expenses, to the extent of, *inter alia*, their shareholding in our Company, options granted by our Company, agreements entered into with or services availed from entities on which our Directors may be associated and credit facilities extended to our Directors, Senior Management and KMPs.

Further, we cannot assure you that our Promoter will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, and may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Directors, Senior Management and KMPs of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "***Board of Directors and Senior Management***" on page 275.

61. ***We have in this Preliminary Placement Document included certain Non-GAAP Financial Measures and certain other selected statistical information relating to our operations and financial performance. These Non-GAAP Financial Measures presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that is not required, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. These Non-GAAP Financial Measures and statistical information may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.***

Certain Non-GAAP Financial Measures and certain other statistical information, including Net Interest Margin, Net Interest Income, cost of funds, Net Interest Income to Average Loans, Operating Expenses, Operating Expenses to Net Interest Income, Total Borrowings, Average Borrowings, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures, relating to our operations and financial performance have been included in this section and elsewhere in this Preliminary Placement Document. For further details, see "***Selected Statistical Information***" on page 37. These Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the period or any other measure of financial performance, or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such Non-GAAP Financial Measures and other statistical and operational information when reporting their financial results. These Non-GAAP Financial Measures and other statistical and other information relating to our operations and financial performance are not standardised terms, and hence a comparison of these Non-GAAP Financial Measures between companies may not be possible since other companies may calculate these Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure, and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies.

In addition, we rely on our internal data analytics and parameters to identify potential cross-sell customers. To the extent that our parameters, data analyses, assessments, assumptions or estimates prove inaccurate or not predictive of actual results, our potential cross-sell customer base as set out in this Preliminary Placement Document could be inaccurate.

62. ***Negative cash flows in the future could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.***

We have in the past, and may in the future, experience negative operating cash flows. The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods/ years:

(₹ in million)

Particulars	For the half year ended September 30, 2026	For the half year ended September 30, 2025	For the year ended March 31, 2026	For the year ended March 31, 2025	For the year ended March 31, 2024
Net cash used in operating activities	(646,753.0)	(295,851.5)	(657,898.0)	(681,544.7)	(727,601.4)

Note:
*For details, see "**Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Cash Flows**" on page 136.*

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected.

63. ***Our future return on equity, earnings per share and other financial metrics may be impacted if the capital is not deployed efficiently.***

Upon allotment, the Issue will increase our net worth, capital adequacy ratio and common equity tier I capital ratio and reduce our leverage. Pending deployment of the net proceeds for the purposes set out in "***Objects of the Issue and Use of Proceeds***" on page 101, the Net Proceeds will be invested in short-term, liquid instruments permitted by applicable laws, yields on which are expected to be materially lower than our weighted-average lending yield and net interest margin. Our ability to deploy the net proceeds efficiently is subject to factors outside our control, including loan demand across our business verticals, prevailing interest rates, the availability of credit-worthy borrowers meeting our underwriting standards, changes in applicable regulatory requirements and the terms on which our Company and BHFL are able to refinance maturing borrowings. If we are unable to deploy the net proceeds in a timely manner or at risk-adjusted returns consistent with our historical performance, our existing shareholders may experience immediate dilution of their ownership percentage and our shareholders may experience dilution of their return on equity, return on assets, net interest margin, earnings per share and book value per share until the incremental capital is deployed. There can be no assurance that the near-term impact on these metrics will be reversed within any particular period, or at all, and any such inability or delay could have a material adverse effect on our business, financial condition, results of operations, cash flows and the trading price of our Equity Shares.

64. ***We have referred to the data derived from the CRISIL Report commissioned from CRISIL Intelligence (formerly CRISIL Market Intelligence & Analytics).***

We have commissioned the services of an independent third-party research agency and have relied on the CRISIL Report, exclusively prepared and issued by CRISIL for the purposes of the Issue, for certain industry-related data in this Preliminary Placement Document. This report uses certain methodologies for market sizing and forecasting. Our Company, our Promoter, and our Directors are not related to CRISIL Intelligence (formerly CRISIL Market Intelligence & Analytics). The investors should read the industry related disclosure in this Preliminary Placement Document in this context.

We have exclusively commissioned and paid for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Issue. The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL that may prove to be incorrect. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Preliminary Placement Document. Accordingly, investors should read the industry related disclosure in this Preliminary Placement Document in this context. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this document. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Issue pursuant to reliance on the information in this Preliminary Placement Document based on, or derived from, the CRISIL Report. You should consult your own advisors and undertake an independent assessment of

information in this Preliminary Placement Document based on, or derived from, the CRISIL Report before making any investment decision regarding the Issue. See "***Industry Overview***" on page 142. For the disclaimers associated with the CRISIL Report, see "***Industry and Market Data***" on page 13.

65. ***The fund requirement and deployment mentioned in the "Objects of the Issue – Use of Proceeds" section of this Preliminary Placement Document have not been appraised by any bank or financial institution.***

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of (i) repayment of loans, commercial papers, deposits, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue and (ii) general corporate purposes. For further details, see "***Objects of the Issue – Use of Proceeds***" on page 101. The fund requirement and deployment are based on internal management estimates, prevailing market conditions and other commercial and technical factors which are subject to change in the future. Such fund requirements have not been appraised by any bank or financial institution or any independent agency or the Book Running Lead Managers, in connection with the Issue. Further, as per the provisions of the SEBI ICDR Regulations, we are required to appoint a monitoring agency and therefore CRISIL Ratings Limited has been appointed as monitoring agency for the Issue.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the net proceeds from the Issue.

66. ***Our Company is subject to extensive compliance and reporting requirements under the SEBI Listing Regulations; inquiries or investigations by SEBI or the Stock Exchanges, or any non-compliance (including in relation to our listed non-convertible debentures), may result in penalties and could adversely affect our business, reputation and financial performance.***

The Equity Shares and non-convertible debentures issued by our Company are listed on the Stock Exchanges. Consequently, our Company is subject to extensive compliance and reporting obligations under the SEBI Listing Regulations and other applicable SEBI rules, regulations, circulars and guidelines. While our Company endeavors to comply with applicable compliance and reporting requirements, we may be subject to penalties imposed by the SEBI or Stock Exchanges or other governmental, statutory and regulatory authorities for any inadvertent delayed or erroneous disclosures, non-disclosures or any other violations. In addition to any penalties, the SEBI and the Stock Exchanges may issue warnings, show cause notices or take any other actions provided under the applicable rules and regulations. Any such actions taken by the SEBI and the Stock Exchanges may have an adverse effect on our business, reputation, financial condition and cash flows.

EXTERNAL RISK FACTORS

RISKS RELATING TO INDIA

67. ***Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operations and cash flows.***

Adverse macroeconomic conditions, particularly sustained inflationary trends, elevated interest rates and a slowdown in economic activity, may adversely affect borrower sentiment, capital expenditure cycles and underlying collateral values, thereby dampening overall demand for asset-based credit facilities such as our loans against property, vehicle finance, equipment finance and consumer finance products, and impairing borrowers' repayment capacity. Any sustained reduction in demand for our asset-based financing products or deterioration in borrower creditworthiness as a result of such inflationary pressures could adversely affect our business, financial condition, results of operations and cash flows.

We are incorporated in India and all of our business operations and assets are located in India. As a result, our results of operations and financial condition are significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy or financial instability in other countries. Any slowdown or perceived slowdown in economic growth in India or in the sectors and regional markets in which our customers operate could adversely affect us, including our ability to grow our business operations and financial asset portfolio, the quality of our assets and our ability to implement our strategy. Factors that may adversely impact the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- changes in India's tax, trade, fiscal or monetary policies;

- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters or outbreak of an infectious diseases, such as COVID-19;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- any downgrading of India's debt rating by a domestic or international rating agency.

Furthermore, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby, our business, financial condition, results of operations and cash flows.

A loss of investor confidence or financial instability in other countries, including other emerging markets, could increase volatility in Indian financial markets, reduce capital inflows and market liquidity, and restrict our access to funding, even where the underlying developments do not directly relate to our business.

68. ***Political instability or changes in the GoI's policies could adversely affect economic conditions in India and, consequently, us.***

The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. A significant change in the GoI's policies in the future, particularly with respect to and influencing economic liberalisation, cross-border relations, foreign investment, foreign currency exchange rates and other matters affecting investment in India, could adversely affect our business, results of operations and financial condition.

69. ***Any introduction of new direct or indirect taxes, or the withdrawal of existing tax exemptions, could increase our tax liabilities.***

Any introduction of new direct or indirect taxes applicable to our business, or any discontinuance of existing tax exemptions, changes in tax laws or their interpretations, or exemptions already availed, or deductions or benefits currently available to us, could increase our overall tax liabilities and adversely affect our profitability. There can be no assurance that the GoI will not introduce new taxes or levies, or withdraw or restrict existing exemptions, in a manner that adversely affects our business, financial condition, results of operations and cash flows.

Changes in the interpretation or administration of tax laws, including those relating to GST and anti-avoidance provisions, could also require changes to our systems, contracts and processes and result in additional liabilities, interest, penalties, compliance costs or disputes. The timing and extent of these effects may be uncertain.

70. ***Our entire revenue is derived from business in India. The occurrence of natural or man-made disasters, hostilities, terrorist attacks, civil unrest, agitations and other acts of protest / violence or a slowdown in economic growth in India could cause our business to suffer.***

We derive revenue from our operations in India, accordingly, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such events could damage or disrupt our branch network, interrupt information systems and telecommunications, prevent employees from reaching our premises and impede loan origination, servicing and collections. We may incur additional expenditure to restore operations, repair or replace equipment or relocate affected branches, and prolonged disruption could adversely affect customer relationships and our reputation. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

71. ***We may be adversely affected by future regulatory changes.***

Our business is subject to various laws and regulations. In addition, we are also subject to corporate, taxation, labour laws and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations in India and the way in which they are implemented and enforced may change and evolve. For example, the impending implementation roadmap of the Direct Tax Code or any material changes to the Indian Income Tax Act and Rules

thereunder may affect our tax compliance requirements. Such changes may require us to obtain additional approvals, modify our systems, policies and business practices, and incur additional compliance expenditure. Uncertainty arising from new requirements or a limited body of administrative or judicial precedent may be costly and time-consuming to resolve. Further, we have a large number of employees and our partners and third-party services providers also have a large number of employees. Any changes in labour rules and regulations may increase our employee benefits expenses, which could have an adverse effect on our results of operations. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, financial condition and cash flows.

72. ***Our business may be adversely impacted by natural calamities or unfavourable climatic changes, health epidemics or pandemics.***

Natural disasters such as floods, earthquakes, famines and droughts have in the past had a negative impact on the Indian economy. Furthermore, health epidemics and pandemics like the COVID-19 pandemic have also affected the Indian economy negatively. If any such natural disaster, unfavourable climatic changes or health epidemics and pandemics were to occur or continue, our business could be affected due to the event or due to the inability to effectively manage the effects of the particular event. India, Bangladesh, Pakistan, Indonesia, Japan and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Such events may disrupt our operations and collections, adversely affect the livelihoods and repayment capacity of our borrowers and impair the value or realisability of collateral. Public-health measures, restrictions on movement or employee absences could further interrupt our operation. Prolonged spells of abnormal rainfall, drought and other natural calamities could have an adverse impact on the economy, which could in turn adversely affect our business and the price of our Equity Shares. In addition, geopolitical tensions and armed conflicts in various regions, including in the Middle East and West Asia (including conflicts involving Israel, Iran and Saudi Arabia), may continue to disrupt global trade, supply chains and commodity prices (including crude oil), and any escalation of such conflicts could adversely affect the Indian economy and, consequently, our business.

73. ***Geopolitical instability, including escalation of conflicts in West Asia, may adversely affect the Indian economy and our business.***

Escalation of geopolitical tensions, including the ongoing conflict in West Asia, may result in volatility in global financial and commodity markets, disruption in trade and supply chains, and increases in energy prices and inflation. Sustained escalation in regional hostilities could drive crude oil and commodity price inflation, leading to persistent currency volatility and tighter domestic monetary policy. Such external shocks could dampen aggregate credit demand, increase default rates across our consumer and commercial loan portfolios, and increase our cost of funds, thereby adversely affecting the Indian economy, our customers and our business, financial condition, results of operations and cash flows.

74. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.***

Our financial statements are prepared in accordance with Ind AS for the financial periods after April 1, 2018. Ind AS differ in certain significant respects from IFRS and other accounting principles with which prospective investors outside India may be familiar. No attempt has been made to reconcile any information given in this Preliminary Placement Document to any other principles or to base it on any other standards. The financial information included in this Preliminary Placement Document should be read together with the applicable accounting policies and notes. If our financial statements were to be prepared in accordance with such other accounting principles, our financial condition, results of operations and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS on the financial information presented in this Preliminary Placement Document should accordingly be limited.

75. ***Investors in the Equity Shares offered in the Issue may be unable to enforce a judgment of a foreign court against our Company, Directors, Senior Management or Key Managerial Personnel.***

Our Company is a limited liability company incorporated in India and does not have any office outside India. All of our Directors, Senior Management and Key Managerial Personnel named herein are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or if the judgements are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain the approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered pursuant to the execution of the judgment. The recognition and enforcement of foreign judgments in India depend, among other things, on whether the judgment was issued by a specified court in a reciprocating territory and whether the applicable conditions

under Indian law are satisfied. Judgments from non-reciprocating territories may require fresh proceedings in India rather than direct execution, which could involve significant additional time and expense. For further details, see "***Enforcement of Civil Liabilities***" on page 16.

76. ***Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.***

Indian laws contain certain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. For further details, see "***Issue Procedure – Qualified Institutional Buyers***" on page 292. The information has been provided for the benefit of investors and such information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the BRLMs and their respective officers, directors, representatives, agents, affiliates and associates accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire any Equity Shares offered in the Issue.

Any person not resident in India seeking to sell or transfer the Equity Shares (other than through a sale on one of the Stock Exchanges) should seek advice from Indian legal advisers as to the applicable requirements. If any approval is required, our Company cannot guarantee that any approval will be obtained in a timely manner or at all. Due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increases or limiting losses during periods of price declines.

There are certain restrictions on the conversion of Indian Rupees into foreign currency. FEMA together with rules and regulations thereunder regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons). The RBI has from time to time issued regulations, circulars and guidelines under FEMA to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.

77. ***Our ability to borrow money in foreign markets may be constrained by Indian law, which may adversely affect our business, financial condition, results of operations and cash flows.***

Pursuant to the ECB Regulations, NBFCs are eligible to raise external commercial borrowing in compliance with the ECB Regulations and RBI Master Directions. Future regulatory restrictions could limit our ability to raise foreign debt. Limitations on raising foreign debt may have an adverse effect on our business, financial condition, results of operations and cash flows. Foreign currency borrowings have inherent currency risks and any depreciation of the Rupee against any other currencies we borrow in would have an impact on our business, financial condition, results of operation and cash flows, if not hedged effectively.

78. ***Inflation in India could have an adverse effect on our results of operations and if significant, on our financial condition.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. The Indian economy has had sustained periods of high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. Inflation may also erode borrowers' disposable income and purchasing power, reduce demand for credit and impair their ability to meet repayment obligations, potentially increasing delinquencies and credit costs. Measures taken to contain inflation may result in higher interest rates and tighter liquidity conditions. There can be no assurance that we will be able to pass on any additional expenses or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations and, if significant, on our financial condition.

79. ***Any downgrading of India's sovereign rating by an international rating agency may adversely affect our business, financial condition, results of operations and cash flows.***

We have the highest possible credit ratings issued by rating agencies in India. See "***Our Business – Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***" on page 247. Any downgrade in India's credit ratings by international rating agencies could result in a further downgrade of our international credit ratings as it is very unlikely that companies, such as our Company could have a credit rating higher than India's sovereign credit rating. This could impact our ability to raise borrowings at favourable interest rates and other commercial terms and have an adverse effect on our business, financial condition, results of operations and cash flows. For more details, see "***Risk Factors – If we are unable to secure funding on***

acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows" on page 58.

80. ***Financial difficulty and other problems in certain financial institutions in India could adversely affect our financial condition, results of operations and cash flows.***

Our Company, as an NBFC, and BHFL, as a HFC, are subject to the risks faced by the Indian financial system as a whole, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which may be referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we have lasting relationships and who may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and hence, could adversely affect our business. Systemic risk could lead to volatility in the Indian debt and equity markets and heighten investors' concerns about the systemic risks that Indian financial institutions face, which could adversely affect our financial condition, results of operations and cash flows. A number of Indian financial institutions have faced financial difficulties. For details, see "***Risk Factors – If we are unable to secure funding on acceptable terms and at competitive rates when needed, it could have a material adverse effect on our business, financial condition, results of operations and cash flows."*** on page 58**.**

RISKS RELATING TO THE EQUITY SHARES AND THE ISSUE

81. ***Your ability to acquire and sell Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document.***

No actions have been taken to permit a public offering of the Equity Shares offered in this Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Preliminary Placement Document. For details, see "***Selling Restrictions***" on page 301. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For details, see "***Transfer Restrictions***" on page 307. You are required to inform yourself about and observe these restrictions. Our Company, our representatives and our agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

82. ***Our Company is not, and does not intend to become, regulated as an investment company under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), and related rules.***

Our Company has not been and does not intend to become registered as an investment company under the Investment Company Act. The Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies (which, among other things, require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates). None of these protections or restrictions is or will be applicable to our Company. If our Company was to become subject to the Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect our operating results and financial performance. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity, and shareholders in that entity may be entitled to withdraw their investment. Our Company is relying on the exemption provided by Section 3(c)(7) of the Investment Company Act to avoid being required to register as an investment company under the Investment Company Act and related rules. In order to help ensure compliance with the exemption provided by Section 3(c)(7) of the Investment Company Act, our Company has implemented restrictions on the ownership and transfer of Equity Shares by any persons acquiring our Equity Shares in the Issue who are in the United States or who are U.S. Persons (as defined in Regulation S under the U.S. Securities Act), which may materially affect your ability to transfer our Equity Shares. See "***Transfer Restrictions***" beginning on page 307.

83. ***The Volcker Rule may affect the ability of certain types of entities to purchase the Equity Shares.***

Our Company will not be subject to the provisions of the Investment Company Act, in reliance on Section 3(c)(7) thereof, which excludes from the definition of "investment company" any issuer whose outstanding securities are owned exclusively by "qualified purchasers" (as defined in such Section 3(c)(7)), and who meet the other conditions contained therein. For purposes of the Volcker Rule, a "covered fund" includes any issuer that would be an investment company but for the exclusions contained in Section 3(c)(1) or Section 3(c)(7) under the Investment Company Act.

The Volcker Rule may negatively affect the ability of certain types of entities to purchase the Equity Shares. The Volcker Rule generally prohibits "banking entities" (including certain of the BRLMs and their affiliates) from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" in, sponsoring or having certain relationships with "covered funds", subject to certain exclusions and exemptions under the Volcker Rule. A "banking entity" generally includes any U.S. insured depository institution, any company that controls an U.S. insured

depository institution (as defined in Section 3 of the U.S. Federal Deposit Insurance Act (12 U.S.C § 1813)), subject to certain exclusions), any company that is treated as a bank holding company for purposes of Section 8 of the U.S. International Banking Act of 1978, or any affiliate or subsidiary of any of the foregoing entities. The Volcker Rule's prohibition on "covered fund" investments and proprietary trading activities is subject to certain limited exemptions, including for, among other things, certain underwriting and market making activities and the activities of qualified non-U.S. banking entities which are conducted solely outside the United States.

These and other exemptions under the Volcker Rule are subject to specific conditions and requirements. With respect to the market making and underwriting exemptions, recent amendments to the Volcker Rule's implementing regulations eliminated the requirement that a "banking entity" include "ownership interests" in third-party "covered funds" or "covered funds" guaranteed by a "banking entity" that are acquired or retained under the market making or underwriting exemptions towards its per-fund and aggregate "covered fund" investment limits and for the required Tier 1 capital deduction.

Any prospective investor in the Equity Shares should consult its own legal counsel regarding the potential impact of the Volcker Rule and its ability to purchase or retain the Equity Shares. None of the Company nor any or to such investor's investment in the Equity Shares. None of the Company nor any BRLM nor any of their respective affiliates makes any representation to any prospective investor or purchaser of the Equity Shares regarding the or to such investor's investment in the Equity Shares on the date of issuance or at any time in the future.

84. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the issue of the Equity Shares.***

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI Regulations, for a period of one year from the date of the issue of Equity Shares allotted pursuant to the Issue, Eligible Investors subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

85. ***After this Issue, the price of our Equity Shares may be volatile.***

The Issue Price will be determined by us in consultation with the Book Running Lead Managers, based on Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian financial services industry and the perception in the market about investments in the financial services industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Further the trading price of our Equity Shares have been volatile in the past and for more details see "***Market Price Information***" on page 99. Each of these factors, among others, could adversely affect the price of our Equity Shares. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

86. ***Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of our Equity Shares in those currencies, independent of our operating results.***

Our Equity Shares are quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for such sale, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as, the U.S. dollar, the Euro, the Pound Sterling and the Singapore dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results. In addition, our Company's valuation could be harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's financial condition and results of operation.

87. ***Any future issuance of the Equity Shares by us or sale of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares. Further, holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their percentage ownership of the outstanding Equity Shares.***

A company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless these rights have been waived by a shareholders' resolution passed wherein votes cast in favour of the resolution are at least three times of votes cast against the resolution. If our Company offers to its shareholders rights to subscribe for additional Equity Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making the rights available to our Company's shareholders or in disposing of the rights for the benefit of our Company's shareholders and making the net proceeds available to the shareholders. Our Company may choose not to offer the rights to our shareholders having an address outside India. For example, our Company will not offer such rights to our shareholders in the United States unless a registration statement is in effect (if a registration statement under the Securities Act is required for us to offer such rights to holders and sell the securities represented by such rights) or if the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the Securities Act.

Except for the customary lock-up on our Company's ability to issue equity or equity linked securities discussed in "***Placement***" on page 300, there is no restriction on our ability to issue Equity Shares or our major shareholders' ability to dispose-off their Equity Shares, and we cannot assure you that we will not issue Equity Shares or that any major shareholder will not dispose of, encumber, or pledge, its Equity Shares. Future issuances of Equity Shares may dilute your shareholding and may adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares. We have also issued employee stock options to certain of our employees. To the extent such outstanding employee stock options are exercised, there will be further dilution to investors in this Issue, which may also adversely affect the trading price of the Equity Shares. For details, see "***Capital Structure***" on page 105.

88. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Company's circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without the Company's knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

89. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of, and on dividends received in respect of, our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realised on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In addition, dividends declared and paid by our Company on the Equity Shares are subject to tax in the hands of shareholders at applicable rates under the Indian Income Tax Act. While non-residents may claim tax treaty benefits in relation to such capital gains income or dividend income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

90. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and

reporting requirements specified by the RBI. If the transfer of the Equity Shares is not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India may require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares.

91. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date.***

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, investors in the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in the business, results of operation or financial condition of the Company, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Bid/ Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/ Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

92. ***Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Subject to the relevant transfer restrictions, investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

93. ***Given that it is expected that the Company will be treated as a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes, U.S. investors generally will be subject to adverse U.S. tax consequences***

A non-U.S. corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions (subject to certain exceptions, including an exception for certain income generated in the active conduct of a banking business). In general, cash is a passive asset for these purposes.

A non-U.S. corporation's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. However, although the application of the PFIC rules to the Company is subject to certain uncertainties, because the Company is not a bank and based on the composition of its income, the valuation of assets and the activities conducted by the Company, it is expected that the Company will be treated as a PFIC in the current taxable year and subsequent taxable years. Accordingly, in making their investment decision prospective purchasers should assume that the Company will be treated as a PFIC. The Company does not expect to conduct annual assessments of its PFIC status. As a consequence, U.S. investors generally will be subject to adverse U.S. federal income tax consequences with respect to their ownership and disposition of the Equity Shares, including additional tax liabilities on disposition gains and distributions, additional reporting requirements and the potential application of the PFIC rules to their deemed ownership of any lower-tier PFICs. For further details, see "***Certain U.S. Federal Income Tax Considerations***" on page 324. Prospective purchasers should consult their own tax advisers regarding the determination of the Company's PFIC status and any resulting tax consequences.

94. ***Withholding may be imposed on payments on the Equity Shares under the U.S. Foreign Account Tax Compliance Act.***

Certain U.S. tax provisions commonly referred to as FATCA may impose 30% withholding on "foreign passthru payments" made by a "foreign financial institution" (an "**FFI**"). Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether or to what extent payments on the Equity Shares would be considered foreign passthru payments. Withholding on foreign passthru payments would not be required with respect to payments made before the date that is two years after the date of publication in the Federal Register of final

regulations defining the term "foreign passthru payment." The United States has entered into an intergovernmental agreement with India (the "**IGA**"), which potentially modifies the FATCA withholding regime described above. Our Company has registered as an FFI with the U.S. Internal Revenue Service. It is not yet clear how the IGA will address foreign passthru payments. Prospective investors in the Equity Shares should consult their tax advisors regarding the potential impact of FATCA, the IGA and any non-U.S. legislation implementing FATCA on their investment in the Equity Shares. For more details, see "***Certain U.S. Federal Income Tax Considerations - FATCA Withholding***" on page 327.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 6,225,954,304 Equity Shares[#^] are issued, subscribed and fully paid up. The Equity Shares have been listed on the BSE since June 7, 1994 and on the NSE since April 1, 2003 and are available for trading.

 # Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.

*^ The Board has passed a resolution on October 19, 2026 approving the issuance of 4,900,737 Equity Shares, to be allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009. For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*

On November 9, 2026, the closing price of the Equity Shares on both BSE and NSE was ₹1,065.00 and ₹1,064.85 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on the NSE and the BSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for the Financial Years 2024, 2025 and 2026:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in million)
June 16, 2025 to March 31, 2026*	1,094.15	October 23, 2025	11,143,407	12,153.53	801.55	March 30, 2026	20,377,282	16,532.50	964.58	1,539,452,494	1,474,394.40
April 01, 2025 to June 13, 2025*	9,607.50	June 09, 2025	2,349,601	22,616.22	8568.00	April 07, 2025	1,398,124	11,816.10	9,067.08	56,923,100	514,218.32
April 01, 2024 to March 31, 2025	9,090.05	March 24, 2025	1,433,217	12,971.90	6458.50	August 14, 2024	774,276	4,997.90	7,266.24	295,131,756	2,165,233.05
April 01, 2023 to March 31, 2024	8,168.55	October 6, 2023	2,145,034	17,297.93	5715.05	April 03, 2023	745,386	4,229.41	7,103.87	265,605,958	1,882,949.07

** Subdivision of equity shares from one equity share of ₹2/- each into two equity shares of ₹1/- each with effect from June 16, 2025 and Bonus issue of equity shares in the ratio of 4:1*

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in million)
June 16, 2025 to March 31, 2026*	1,094.20	October 23, 2025	604,530	660.34	801.40	March 30, 2026	597,371	486.35	964.58	88,494,720	85,417.49
April 01, 2025 to June 13, 2025*	9,608.30	June 09, 2025	132,555	1,275.53	8,567.10	April 07, 2025	73,290	617.66	9,066.71	2,155,538	19,542.77
April 01, 2024 to March 31, 2025	9,094.90	March 24, 2025	54,024	488.41	6,460.85	August 14, 2024	78,255	505.66	7,266.11	11,586,412	83,924.14
April 01, 2023 to	8,167.50	October 06, 2023	72,970	588.50	5,713.00	April 03, 2023	14,526	82.40	7,103.55	10,438,688	74,393.89

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the year (₹)	Total no. of Equity Shares traded in the fiscal	Total Turnover of Equity Shares traded in the fiscal (₹ in million)
March 31, 2024											

* *Subdivision of equity shares from one equity share of ₹ 2/- each into two equity shares of ₹ 1/- each with effect from June 16, 2025 and Bonus issue of equity shares in the ratio of 4:1*

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In the case of a year, average represents the average of the closing prices of all trading days of each year presented.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

B. The following tables set out the reported high and low and average of the closing prices of our Equity Shares recorded on the NSE and the BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
October - 2026	982.75	October 13, 2026	7,559,515	7,364.67	912.00	October 27, 2026	6,233,563	5,703.48	949.30	167,010,618	158,821.97
September - 2026	1,060.50	September 04, 2026	5,952,048	6,285.70	959.40	September 30, 2026	6,625,616	6,382.77	1,023.42	131,550,626	134,017.55
August - 2026	1,158.80	August 05, 2026	5,154,683	5,954.24	1,057.00	August 31, 2026	7,002,192	7,421.41	1,098.77	123,405,714	136,487.08
July - 2026	1,141.20	July 31, 2026	40,814,590	45,855.37	1,003.80	July 09, 2026	11,712,515	11,759.44	1,039.45	223,194,520	234,153.61
June – 2026	1,004.75	June 30, 2026	12,445,420	12,440.73	870.55	June 11, 2026	5,191,085	4,540.74	929.16	214,117,248	199,387.81
May- 2026	980.75	May 06, 2026	7,771,237	7,582.37	896.15	May 13, 2026	7,422,952	6,676.83	930.53	170,748,398	158,208.90

(Source: www.nseindia.com)

1. *High, low and average prices are based on the daily closing prices*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen*

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
October - 2026	982.70	October 13, 2026	567,778	552.07	913.00	October 27, 2026	150,366	137.82	949.46	10,445,195	9,872.02
September -2026	1,060.50	September 04, 2026	246,724	260.50	961.25	September 30, 2026	168,481	162.60	1,023.01	8,839,991	9,057.88
August - 2026	1,153.00	August 04, 2026	335,770	385.50	1,064.70	August 31, 2026	136,794	145.30	1,097.46	7,373,833	8,228.83
July - 2026	1,141.70	July 31, 2026	3,291,936	3,702.16	1,003.30	July 09, 2026	742,182	744.67	1,039.54	22,465,329	23,502.63
June – 2026	1,004.75	June 30, 2026	1,496,697	1,497.19	870.30	June 11, 2026	439,256	383.54	929.05	17,866,792	16,544.00
May - 2026	980.65	May 06, 2026	245,361	239.07	896.15	May 13, 2026	485,773	436.76	930.26	7,942,465	7,382.63

(Source: www.bseindia.com)

1. *High, low and average prices are based on the daily closing prices.*
2. *In case of two days with the same high or low price, the date with the higher volume has been chosen*

C. The following table sets forth the market price on the Stock Exchanges on October 5, 2026, the first working day following the approval of our Board for the Issue:

NSE						BSE					
Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (₹ in million)	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Volume (₹ in million)
962.55	995.80	962.55	970.00	12,682,669	12,426.23	960.10	995.40	960.10	971.00	7,06,173	692.86

(Source: www.bseindia.com and www.nseindia.com)

OBJECTS OF THE ISSUE AND USE OF PROCEEDS

The Gross Proceeds of the Issue aggregates approximately up to ₹[●] million.

The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue (of approximately ₹[●] million), shall be approximately ₹[●] million ("**Net Proceeds**").

Purpose of the Issue

Subject to compliance with applicable laws and regulations, and as approved by the Board of Directors, or a duly authorised committee thereof, we propose to utilise the Net Proceeds for the following objects:

1. Repayment of deposits, loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue; and

2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enables us to undertake the Objects contemplated by us in this Issue.

Utilisation of the Net Proceeds and proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details provided in the following table:

Use of proceeds	Amount (₹ in million)	Tentative timelines for utilisation of Net Proceeds
Repayment of deposits, loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue	[●]	By March 31, 2028
General corporate purposes[(1)]	[●]	
Total Net Proceeds[(2)]	[●]	

(1) To be determined upon finalisation of the Issue Price and will be updated in the Placement Document. The amount to be utilized for general corporate purposes shall not exceed 20% of the Net Proceeds.

(2) To be updated upon finalisation of the Issue Price.

While our Company's funding requirements are based on internal management estimates, operating plans and the growth strategies of our Company, we may have to revise our estimates from time to time on account of various factors beyond our control. Further, while the amounts proposed to be utilized against each of the objects have been specified above, utilization will be in accordance with the NSE notice No. NSE/CML/2022/56 and BSE notice No. 20221213-47 each dated December 13, 2022, as the Objects are based on management estimates and other commercial and technical factors. Accordingly, the same is dependent on a variety of factors such as financial, market and sectoral conditions, business performance and strategy, competition and other external factors, which may not be within the control of the Company, and may result in modifications to the proposed schedule for utilisation of the Net Proceeds at the discretion of the Board, subject to compliance with applicable laws. We currently propose to deploy the Net Proceeds by March 31, 2028. The deployment depends on a variety of factors such as our financial and market conditions, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling the planned expenditure, implementation schedule and funding requirements.

If the Net Proceeds are not completely utilized for the Objects by March 31, 2028, such amounts will be utilized (in part or full) in subsequent periods, as determined by us, in accordance with applicable law.

Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.

The Objects set out below have not been appraised by any bank or financial institution or any other independent agency. For details, see "***Risk Factors - The fund requirement and deployment mentioned in the "Objects of the Issue – Use of Proceeds" section of this Preliminary Placement Document have not been appraised by any bank or financial institution.***" on page 90.

Details of Objects

1. Repayment of deposits, loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue

Our Company is registered with the RBI as a deposit-taking non-banking financial company – upper layer ("**NBFC - UL**"), classified as an NBFC - Investment and Credit Company.

As an NBFC - UL, our Company raises funds from diversified sources, including deposits, money market borrowings, term loans and short-term borrowings from banks and financial institutions, and foreign currency borrowings, among others.

As of September 30, 2026, our Company's total outstanding borrowings, on a consolidated basis, aggregated to ₹5,019,818.6 million, comprising deposits, term loans, working capital loans, commercial paper, securitisation, external commercial borrowings and non-convertible debentures. For more details, please see "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Borrowings***" on page 112.

Our Company proposes to utilise an estimated amount of up to ₹[●] million from the Net Proceeds towards repayment of deposits, loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue. We believe that such repayment by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, reduction of debt will enhance our balance sheet strength, also strengthening the capital base of our Company, for pursuing future business growth and expansion opportunities.

The selection of borrowings proposed to be repaid as indicated above will be based on various factors, including (i) costs and expenses relating to the borrowings, including applicable interest rates, (ii) terms and conditions applicable to the borrowings, (iii) provisions of any law, rules or regulations governing such borrowings, and (iv) other commercial considerations including, among others, the amount outstanding or the remaining tenor of the borrowings, as applicable. Given the nature of the money market borrowings, term loans and short-term borrowings, and the commercial terms governing their repayment or prepayment, and the prevailing interest rates, the outstanding amounts may vary from time to time, including on account of increase in outstanding amounts due to fresh drawn-downs within the sanctioned limit, depending on Company's capital requirements. Our Company may, in the ordinary course of business, refinance, roll over all or part of such borrowings and accordingly, the Net Proceeds may be used to repay, redeem, prepay settle such refinanced, rolled over or new obligations, as applicable. Further, we accept deposits from retail and corporate clients. Our deposits are offered across various tenures with interest payment options monthly, quarterly, half yearly, annual intervals and at maturity. However, the aggregate amount to be utilized from the Net Proceeds towards the repayment, in full or part, outstanding borrowings, identified in the table above will not exceed ₹ [●] million.

To the extent required, our Company has obtained necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements. For details, see "***Risk Factors – If we do not comply with covenants and conditions under our borrowing arrangements, it could lead to termination of our credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided, and the trigger of cross default provisions. Any of the above actions taken by the relevant lender could have a material adverse effect on our credit ratings, financial condition, results of operations and cash flows***" on page 83.

The deployment of Net Proceeds will be subject to various considerations such as applicable regulatory and contractual restriction, dynamic market conditions, business opportunities, competitive environment, interest rate fluctuations and other macroeconomic factors.

2. General corporate purposes.

Our Company proposes to deploy the balance Net Proceeds, aggregating up to ₹[●] million, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 20% of the Net Proceeds, in compliance with applicable laws.

The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, meeting ongoing general corporate exigencies and contingencies, expenses of our Company, and/or any other general purposes, as may be permissible under applicable laws, including provisions of the Companies Act.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds our Company shall invest such proceeds in government securities, liquid & overnight mutual funds (non-equity), tri – party repo (TREPS) and deposits with scheduled commercial banks in accordance with the Investment and Market Risk Policy of the Company as approved by the Board of Directors. Provided that, in accordance with applicable laws, we undertake to not utilize the proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring of utilisation of funds

Our Company has appointed CRISIL Ratings Limited, as the monitoring agency, in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Gross Proceeds as the size of our Issue exceeds ₹1,000.00 million. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, upon its receipt, until such time as the Gross Proceeds have been utilized in full. Such report, along with the comments (if any) of the Board of Directors and management on the findings of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days

from the end of each quarter or such period as may be specified under applicable law and uploaded on the website of our Company at www.bajajfinserv.in/corporate-bajaj-finance or such other time as may be prescribed under SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilized for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized; and (ii) disclose every year, the utilization of the Gross Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Gross Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in the director's report in its annual report.

Other confirmations:

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by us, competitive and market developments and the availability of investment opportunities on terms acceptable to us.

Neither our Promoter nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Since the Issue is only made to Eligible QIBs, our Promoter, Directors, Key Managerial Personnel or Senior Management are not eligible to subscribe to the Issue. Further, since the Net Proceeds of the Issue are proposed to be utilized towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at September 30, 2026 on a consolidated basis derived from the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 and as adjusted for the Issue. This table should be read in conjunction with "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Financial Information***" and *"**Risk Factors**"* beginning on pages 112, 346 and 58, respectively:

(*₹ in million*)

Particulars	As at September 30, 2026	As adjusted for the Issue[(1)(2)]
Total Borrowings		
Debt Securities (A)	2,448,309.5	[●]
Borrowings (other than debt securities) (B)	1,866,723.9	[●]
Deposits (C)	697,537.0	[●]
Subordinated debts (D)	7,248.2	[●]
Total Borrowing (E) = (A+B+C+D)	**5,019,818.6**	[●]
Total Equity		
Equity Share Capital (F)	6,223.9	[●]
Other Equity (G)	1,225,573.6	[●]
Non Controlling Interest (H)	31,855.1	[●]
Total Equity (I) = (F+G+H)	**1,263,652.6**	[●]
Total Capitalisation (J) = (E+I)	**6,283,471.2**	[●]
Total Borrowing/ Total Equity (K) = (E/I)	**4.0**	[●]

Notes:

(1) The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage and hence the same has not been provided in the above statement.

*(2) For details of changes made in the capital structure post September 30, 2026, see "**Capital Structure**" on page 105.*

(3) Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹ million, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	10,000,000,000 Equity Shares of ₹ 1 each	10,000.00
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE*#^**	
	6,225,954,304 Equity Shares of ₹ 1 each	6,225.95
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT(1)**	
	Up to [●] Equity Shares aggregating up to ₹ [●] million	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE(2)**	
	Up to [●] Equity Shares aggregating up to ₹ [●] million	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Preliminary Placement Document)	288,281.9
	After the Issue(2)(3)	[●]

(1) *The Issue has been authorized by the Board pursuant to a resolution dated October 1, 2026, and by our Shareholders pursuant to a special resolution dated November 2, 2026.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The Securities premium account after the Issue is calculated on the basis of Gross Proceeds from the Issue. Adjustments do not include Issue related expenses.*

* *The issued, subscribed and paid-up share capital before the Issue includes 2,050,375 Equity Shares (aggregate value at face value of ₹ 2.05 million) which were allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009 and were held by the trust as on September 30, 2026. For details of the options under the ESOP Scheme 2009, see "**– Employee Stock Option Scheme**" on page 109.*

\# *Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.*

^ *The Board has passed a resolution on October 19, 2026 approving the issuance of 4,900,737 Equity Shares, to be allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009. For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*

Equity Share Capital History of our Company

The history of the Equity Share capital of our Company is set forth below:

Date of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face Value per equity share (In ₹)	Issue price per equity share (In ₹)	Nature of allotment	Nature of Consideration
March 25, 1987	100	100	10	10	Subscribers to the Memorandum of Association(1)	Cash
June 10, 1987	999,900	1,000,000	10	10	Allotment to erstwhile Bajaj Auto Limited, Bajaj Auto Holdings Limited and dealers of Erstwhile Bajaj Auto Limited	Cash
October 20, 1987	4,000,000	5,000,000	10	10	Allotment pursuant to rights issue	Cash
May 15, 1990	5,000,000	10,000,000	10	10	Allotment pursuant to rights issue	Cash
September 27, 1990	3,000	10,003,000	10	10	Allotment to employees of our Company	Cash
May 28, 1994	6,488,200	16,491,200	10	90	Initial public offering by our Company	Cash
January 13, 1998	(1,000)(2)	16,490,200	10	N.A.	Forfeiture of 1,000 partly paid up equity shares for non-payment of allotment money	N.A.
January 18, 2006	1,003,260	17,493,460	10	410	Preferential allotment to erstwhile Bajaj Auto Limited	Cash
January 18, 2006	3,500,000	20,993,460	10	450	Preferential allotment to Copa Cabana, El Dorado Holdings II Limited, Tiger Global LP, Tiger Global Limited, Tiger Global II LP, Blue Ridge Limited Partnership and Blue Ridge Offshore Master Limited Partnership	Cash
February 9, 2007	12,596,076	33,589,536	10	325	Allotment pursuant to rights issue(4)	Cash
March 29, 2007	1,758,600	35,348,136	10	410	Preferential allotment to Bajaj Auto Limited (conversion of warrants)(5)	Cash
July 17, 2007	1,247,940	36,596,076	10	410	Preferential allotment to Bajaj Auto Limited (conversion of warrants) (5)	Cash
December 29, 2010	33,000	36,629,076	10	358.7	Allotment pursuant to the ESOP Scheme 2009	Cash

Date of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face Value per equity share (In ₹)	Issue price per equity share (In ₹)	Nature of allotment	Nature of Consideration
March 29, 2012	4,690,000	41,319,076	10	651	Preferential allotment to Bajaj Finserv Limited (conversion of warrants) [6]	Cash
August 9, 2012	30,000[3]	41,349,076	10	358.7	Allotment pursuant to the ESOP Scheme 2009	Cash
August 9, 2012	30,000	41,379,076	10	542	Allotment pursuant to the ESOP Scheme 2009	Cash
August 9, 2012	15,000	41,394,076	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
December 4, 2012	60,000	41,454,076	10	542	Allotment pursuant to the ESOP Scheme 2009	Cash
December 4, 2012	50,000	41,504,076	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
December 11, 2012	1,310,000	42,814,076	10	651	Preferential allotment to Bajaj Finserv Limited (conversion of warrants) [6]	Cash
March 2, 2013	6,759,258	495,733,34	10	1,100	Allotment pursuant to rights issue	Cash
March 19, 2013	32,000	49,605,334	10	358.7	Allotment pursuant to the ESOP Scheme 2009	Cash
March 19, 2013	70,000	49,675,334	10	542	Allotment pursuant to the ESOP Scheme 2009	Cash
March 19, 2013	58,000	49,733,334	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
March 19, 2013	45,000	49,778,334	10	876.1	Allotment pursuant to the ESOP Scheme 2009	Cash
January 4, 2014	18,000	49,796,334	10	358.7	Allotment pursuant to the ESOP Scheme 2009	Cash
January 4, 2014	105,000	49,901,334	10	542	Allotment pursuant to the ESOP Scheme 2009	Cash
January 4, 2014	105,000	50,006,334	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
January 4, 2014	88,000	50,094,334	10	876.1	Allotment pursuant to the ESOP Scheme 2009	Cash
January 4, 2014	48,000	50,142,334	10	1,380.4	Allotment pursuant to the ESOP Scheme 2009	Cash
November 19, 2014	4,925	50,147,259	10	1,353.1	Allotment pursuant to the ESOP Scheme 2009	Cash
June 11, 2015	3,274,853	53,422,112	10	4,275	Allotment to QIBs pursuant to a QIP	Cash
June 19, 2015	15,250	53,437,362	10	358.7	Allotment pursuant to the ESOP Scheme 2009	Cash
June 19, 2015	29,813	53,467,175	10	542	Allotment pursuant to the ESOP Scheme 2009	Cash
June 19, 2015	34,600	53,501,775	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
June 19, 2015	38,000	53,539,775	10	876.1	Allotment pursuant to the ESOP Scheme 2009	Cash
June 19, 2015	58,000	53,597,775	10	1,380.4	Allotment pursuant to the ESOP Scheme 2009	Cash
June 19, 2015	35,000	53,632,775	10	2,196.6	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2016	70,900	53,703,675	10	705.2	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2016	49,500	53,753,175	10	876.1	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2016	52,000	53,805,175	10	1,380.4	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2016	44,000	53,849,175	10	2,196.6	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2016	23,000	53,872,175	10	4,481.6	Allotment pursuant to the ESOP Scheme 2009	Cash
March 15, 2016	15	53,872,190	10	1,100	Allotment of equity shares in respect of rights entitlement, in rights issue made on March 2, 2013 which were held in abeyance	Cash
September 10, 2016	N.A.	269,360,950	2	N.A.	Sub-division of equity shares of face value of ₹ 10 each to Equity Shares of face value of ₹ 2 each	N.A.
September 14, 2016	269,360,950	538,721,900	2	N.A.	Allotment of bonus Equity Shares of face value of ₹ 2 each in the ratio of 1:1	N.A.
November 23, 2016	9,250,000	547,971,900	2	441.2	Preferential allotment to Bajaj Finserv Limited (conversion of warrants)[7]	Cash
January 30, 2017	150	547,972,050	2	110	Allotment of equity shares in respect of rights entitlement, in rights issue made on March 2, 2013 which were held in abeyance	Cash
February 15, 2017	286,700	548,258,750	2	87.6	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2017	638,100	548,896,850	2	138	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2017	515,525	549,412,375	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2017	306,775	549,719,150	2	448.2	Allotment pursuant to the ESOP Scheme 2009	Cash
February 15, 2017	170,940	549,890,090	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
September 12, 2017	26,627,218	576,517,308	2	1,690	Allotment to the QIBs pursuant to a QIP	Cash

Date of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face Value per equity share (In ₹)	Issue price per equity share (In ₹)	Nature of allotment	Nature of Consideration
February 22, 2018	100,865	576,618,173	2	87.6	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	244,442	576,862,615	2	138	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	430,900	577,293,515	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	287,325	577,580,840	2	448.1	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	215,922	577,796,762	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	137,538	577,934,300	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	4,088	577,938,388	2	1,953.1	Allotment pursuant to the ESOP Scheme 2009	Cash
February 22, 2018	30,000	577,968,388	2	1,677.9	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	423,185	578,391,573	2	87.6	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	425,440	578,817,013	2	138	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	201,335	579,018,348	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	309,475	579,327,823	2	448.2	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	228,175	579,555,998	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	161,518	579,717,516	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	4,086	579,721,602	2	1,953.1	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	21,346	579,742,948	2	1,677.9	Allotment pursuant to the ESOP Scheme 2009	Cash
May 21, 2019	151,250	579,894,198	2	1,919.9	Allotment pursuant to the ESOP Scheme 2009	Cash
November 7, 2019	21,794,871	601,689,069	2	3,900	Allotment to the QIBs pursuant to a QIP	Cash
June 24, 2020	50,000	601,739,069	2	3,002.8	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	92,418	601,831,487	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	95,000	601,926,487	2	448.2	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	210,962	602,137,449	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	181,730	602,319,179	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	4,088	602,323,267	2	1,953.1	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	176,002	602,499,269	2	1,919.9	Allotment pursuant to the ESOP Scheme 2009	Cash
July 8, 2020	88,070	602,587,339	2	3,002.8	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	86,322	602,673,661	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	73,195	602,746,856	2	448.2	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	76,950	602,823,806	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	180,952	603,004,758	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	4,088	603,008,846	2	1,953.1	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	183,215	603,192,061	2	1,919.9	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	153,854	603,345,915	2	3,002.8	Allotment pursuant to the ESOP Scheme 2009	Cash
April 29, 2021	248,430	603,594,345	2	1,938.6	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	208,318	603,802,663	2	138	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	358,750	604,161,413	2	219.7	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	263,730	604,425,143	2	448.2	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	301,676	604,726,819	2	765.4	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	95,540	604,822,359	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	19,690	604,842,049	2	1,677.9	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	165,952	605,008,001	2	1,919.9	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	87,324	605,095,325	2	3,002.8	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	263,928	605,359,253	2	1,938.6	Allotment pursuant to the ESOP Scheme 2009	Cash
March 17, 2022	69,980	605,429,233	2	4,736.6	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	79,556	605,508,789	2	1,347.8	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	99,723	605,608,512	2	1,919.9	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	82,075	605,690,587	2	3,002.8	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	98,853	605,789,440	2	1,938.6	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	59,622	605,849,062	2	4,736.6	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	55,785	605,904,847	2	7,005.5	Allotment pursuant to the ESOP Scheme 2009	Cash
June 2, 2023	13,691	605,918,538	2	6,258.3	Allotment pursuant to the ESOP Scheme 2009	Cash
November 09, 2023	12,104,539	618,023,077	2	7,270	Allotment to the QIBs pursuant to a QIP	Cash
March 01, 2024	87,868	618,110,945	2	1,347.75	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	136,495	618,247,440	2	1,919.95	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	232,594	618,480,034	2	3,002.75	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	272,035	618,752,069	2	1,938.6	Allotment pursuant to the ESOP Scheme 2009	Cash

Date of allotment	No. of equity shares allotted	Cumulative No. of equity shares	Face Value per equity share (In ₹)	Issue price per equity share (In ₹)	Nature of allotment	Nature of Consideration
March 01, 2024	112,918	618,864,987	2	4,736.55	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	51,475	618,916,462	2	7,005.5	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	1,886	618,918,348	2	6,258.25	Allotment pursuant to the ESOP Scheme 2009	Cash
March 01, 2024	77,972	618,996,320	2	6,075.25	Allotment pursuant to the ESOP Scheme 2009	Cash
October 11, 2024	150	618,996,470	2	110	Allotment of equity shares in respect of rights entitlement, in rights issue made on March 2, 2013 which were held in abeyance	Cash
February 05, 2025	7,223	619,003,693	2	1,347.75	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	28,531	619,032,224	2	1,919.95	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	65,044	619,097,268	2	3,002.75	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	326,022	619,423,290	2	1,938.6	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	170,536	619,593,826	2	4,736.55	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	53,555	619,647,381	2	7,005.5	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	1,886	619,649,267	2	6,258.25	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	152,850	619,802,117	2	6,075.25	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	75,562	619,877,679	2	7,329.15	Allotment pursuant to the ESOP Scheme 2009	Cash
February 05, 2025	973	619,878,652	2	7,345.55	Allotment pursuant to the ESOP Scheme 2009	Cash
March 26, 2025	1,550,000	621,428,652	2	7,670	Preferential allotment to Bajaj Finserv Limited (conversion of warrants)[8]	Cash
June 16, 2025	N.A.	1,242,857,304	1	N.A.	Sub-division of equity shares of face value of ₹ 2 each to Equity Shares of face value of ₹ 1 each	N.A.
June 17, 2025	4,971,429,216	6,214,286,520	1	N.A.	Allotment of bonus Equity Shares of face value of ₹ 1 each in the ratio of 4:1	N.A.
August 25, 2025	483,656	6,214,770,176	1	134.78	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	826,810	6,215,596,986	1	192	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	995,388	6,216,592,374	1	300.28	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	2,271,858	6,218,864,232	1	193.86	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	261,007	6,219,125,239	1	473.66	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	913,820	6,220,039,059	1	700.55	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	9,420	6,220,048,479	1	625.83	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	1,003,350	6,221,051,829	1	607.53	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	844,221	6,221,896,050	1	732.92	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	4,865	6,221,900,915	1	734.56	Allotment pursuant to the ESOP Scheme 2009	Cash
August 25, 2025	580,950	6,222,481,865	1	911.2	Allotment pursuant to the ESOP Scheme 2009	Cash
Allotments of Equity Shares in the last one year preceding the date of this Preliminary Placement Document						
April 07, 2026	456,056	6,222,937,921	1	192	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	825,142	6,223,763,063	1	300.28	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	684,854	6,224,447,917	1	193.86	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	963,931	6,225,411,848	1	473.66	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	44,922	6,225,456,770	1	700.55	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	338,661	6,225,795,431	1	607.53	Allotment pursuant to the ESOP Scheme 2009	Cash
April 07, 2026	158,873	6,225,954,304	1	732.92	Allotment pursuant to the ESOP Scheme 2009	Cash

Note:

(1) Erstwhile Bajaj Auto Limited, Bajaj Auto Holdings Limited, Ranjan Sanghi, Dipak Kumar Poddar and Bharat Manharlal Sanghavi were allotted 10, 10, 30, 30 and 20 equity shares of face value ₹ 10 respectively, pursuant to subscription to the Memorandum of Association

(2) Forfeiture of 1,000 partly paid up equity shares for non-payment of allotment money

(3) Includes the re-issue of the forfeited partly paid up 1,000 equity shares (forfeited on January 13, 1998)

(4) In addition to Equity Shares, our Company issued 5,248,365 non-convertible debentures of ₹ 500 each with detachable warrants to various applicants

(5) Pursuant to the approval granted by the shareholders of our Company on January 12, 2006, erstwhile Bajaj Auto Limited was allotted 3,006,540 warrants on January 18, 2007 at a price of ₹ 410 per warrant, with 10% of the issue price paid at the time of allotment of warrants and 90% of the issue price to be paid at the time of conversion of warrants into equity shares

(6) Bajaj Finserv Limited was allotted 6,000,000 warrants on July 28, 2011 at a price of ₹ 651 each, with 25% of the issue price paid at the time of allotment of warrants and 75% of the issue price to be paid at the time of conversion of warrants into equity shares

(7) Bajaj Finserv Limited was allotted 925,000 warrants on June 2, 2015 at a price of ₹ 4,412 per warrant, with 25% of the issue price paid at the time of allotment of warrants and 75% of the issue price to be paid at the time of conversion of warrants into equity shares

(8) Bajaj Finserv Limited was allotted 1,550,000 warrants on November 2, 2023 at a price of ₹ 7,670 per warrant, with 25% of the issue price paid at the time of allotment of warrants and 75% of the issue price to be paid at the time of conversion of warrants into equity shares.

Employee Stock Option Scheme

The Nomination and Remuneration Committee of our Company implements the employee stock option schemes of our Company. Our Company operates its employee stock option scheme through a trust formed for the purpose. Equity Shares are issued to the trust on the basis of our Company's expectation of the options being exercised by employees.

Our Company has instituted the following employee stock option plan:

Employee Stock Option Scheme, 2009

Our Board at its meeting held on October 14, 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of our Company aggregating to 1,829,803 equity shares in a manner provided in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of our Company pursuant to their special resolution passed through postal ballot on December 15, 2009 approved the issue of equity shares of our Company under one or more employee stock option scheme(s). Our Shareholders by way of a resolution passed at the AGM of our Company held on July 16, 2014, increased the limit on the number of stock options from 1,829,803 to 2,507,116 being 5% of the paid-up equity shares as on the date of passing of the aforesaid resolution. Pursuant to the sub-division of equity shares on September 10, 2016, and the bonus issue of equity shares on September 14, 2016, the aggregate number of equity shares which may be allotted under the ESOP Scheme 2009 was increased to 25,071,160 equity shares. Further, by means of the special resolution passed by the members of the Company through postal ballot on April 19, 2021, the aforesaid limit of options was enhanced by 10,000,000 options.

The members of our Company pursuant to their special resolution passed through postal ballot on March 19, 2024, amended the provisions of the ESOP scheme pertaining to, *inter-alia*, eligible employees, retirement, transfer of employee to any group company, death/permanent incapacity etc.

Pursuant to the sub-division of equity shares on June 16, 2025, and the bonus issue of Equity Shares on June 17, 2025, the aggregate number of equity shares which may be allotted under the ESOP Scheme 2009 increased to 350,711,600 Equity Shares.

The members of our Company pursuant to their special resolution passed at the AGM of our Company on July 24, 2025, amended the ESOP scheme to include acquisition of equity shares from secondary market for implementation of the Employee Stock Option Scheme, 2009. However, as on 30 September 2026, there has been no acquisition of shares by the ESOP trust from the secondary market.

The ESOP Scheme 2009 of our Company is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The following table sets forth details in respect of the ESOP Scheme, as on the date of this Preliminary Placement Document:

Particulars	ESOP Scheme 2009
Maximum number of Equity Shares which may be issued under the scheme	350,711,600
Total number of options granted	96,543,424
Options exercised	26,362,475
Options lapsed or forfeited	5,544,372
Options vested and outstanding	30,416,369
Total number of options outstanding	64,636,577

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue (as on November 6, 2026)#		Post-Issue**	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoters' holding^**				
1.	Indian				
	Individuals	10,394,650	0.17	[●]	[●]
	Bodies corporate	3,393,312,300	54.5	[●]	[●]
	Sub-total	**3,403,706,950**	**54.67**	[●]	[●]
2.	Foreign promoters (including GDRs)	20,000	0.00	[●]	[●]
	Sub-total (A)	**3,403,726,950**	**54.67**	[●]	[●]
B.	**Non-Promoters' holding**				
1.	Institutional investors	2,292,972,375	36.83	[●]	[●]
2.	Non-institutional investors (including GDRs)				

S. No.	Category	Pre-Issue (as on November 6, 2026)[#]		Post-Issue**	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
	Bodies corporate	54,249,922	0.87	[●]	[●]
	Directors and relatives	1,735,215	0.03	[●]	[●]
	Indian public	415,520,722	6.67	[●]	[●]
	Others including non-resident Indians (NRIs)	57,749,120	0.93	[●]	[●]
	Sub-total (B)	**2,822,227,354**	**45.33**	[●]	[●]
	Grand Total (A+B)	**6,225,954,304**	**100.00**	[●]	[●]

[#] *This shareholding data is based on the beneficiary position data of our Company as of November 6, 2026.*

[^] *This includes shareholding of the members of the Promoter Group.*

** *The post-Issue shareholding pattern shall be filled-in before filing of the Placement Document with the Stock Exchanges.*

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013, the Articles of Association, and notifications and circulars issued by the Reserve Bank of India. The Board has, on October 27, 2016, approved and adopted a formal dividend distribution policy ("**Dividend Distribution Policy**") in accordance with Regulation 43A of the SEBI Listing Regulations, which was subsequently amended on March 15, 2021. For further information, see "***Description of the Equity Shares***" on page 117.

The following table sets forth, for the periods indicated, the dividend per Equity Share and the total amount of dividends declared on the Equity Shares.

Fiscal	Face Value of Equity Share (In ₹)	Final dividend per Equity Share (In ₹)	Total amount of dividend (In ₹ million)	Rate of dividend (%)
From April 1, 2026 till the date of this PPD	1.0	Nil	Nil	Nil
2026	1.0	6	37,355.7	600.0
2025	2.0	44	27,342.8	2,200.0
2024	2.0	36	22,283.9	1,800.0

The form, frequency and amount of future dividends declared by our Company will depend on a number of factors, including, but not limited to, general economic and market conditions, funding requirements for expansion, diversification, growth, new projects, brand/ business acquisitions, long term strategic plans, joint venture plans, fresh investments in subsidiaries/ associates, absorbing unfavorable market conditions meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits. Further, pursuant to our Dividend Distribution Policy, our Board endeavours to maintain a dividend payment in the range of 15-25% of profit after tax on a standalone basis, subject to applicable regulations and to the extent possible.

The Equity Shares to be issued in connection with this Issue shall qualify for all dividends, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been allotted.

Also see "***Risk Factors - Our Company's ability to pay dividends in the future will depend on our financial condition, results of operations, cash flows and capital requirements.***" on page 85.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations included in the Financial Information.

*Please read "**Presentation of Financial and Other Information - Financial data and other information**" on page 11 before reading this section. This section should be read together with "**Risk Factors**", "**Industry Overview**", "**Our Business**", "**Selected Financial Information**", "**Selected Statistical Information**" and "**Financial Information**" on pages 58, 142, 241, 30, 37 and 346, respectively.*

*This section contains forward-looking statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. See "**Forward-Looking Statements**" on page 15 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**" on page 58 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.*

Unless stated otherwise, all financial information in this section is given on a consolidated basis. Our Company's financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included herein is derived from our consolidated financial results for the half year ended September 30, 2026 and 2025, which have been subject to limited review, and our audited consolidated financial statements for the Financial Years 2026, 2025 and 2024, included in the Financial Information in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Analysis of NBFC Sector in India" dated November 2026 ("**CRISIL Report**") prepared by CRISIL. We have commissioned the CRISIL Report and paid an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the CRISIL Report are that of CRISIL. Prospective investors are advised not to unduly rely on the CRISIL Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified the information contained in CRISIL Report.*

OVERVIEW

Our Company is part of the Bajaj group, which was founded in 1926 and is one of the oldest and most trusted retail business houses of India *(Source: CRISIL Report)*. Our Company is a deposit taking non-banking financial company ("**NBFC**") that is classified as a NBFC - investment and credit company ("**NBFC-ICC**") in India. As of September 30, 2026, we were the largest private sector NBFC in India (based on AUM (on a consolidated basis) which represented 8.1% of the total AUM of NBFCs in India), and were among the largest deposit taking NBFCs in India (based on deposits which amounted to ₹697.5 billion as of September 30, 2026) *(Source: CRISIL Report)*.

As of September 30, 2026, we were one of the leading financial services names in the NBFC industry and one of the most profitable and diversified NBFCs in India with offerings spanning across lending, deposits, insurance products, payments, and broking and demat solutions. *(Source: CRISIL Report)*.

We seek to build enduring customer relationships and address their required/ relevant financial needs, as illustrated by our cross-sell franchise of 82.4 million as of September 30, 2026. In addition, a majority of our new loans are booked by existing customers, and for the half year ended September 30, 2026 and Fiscals 2026, 2025 and 2024, existing customers contributed to 67.8%, 66.6%, 58.0% and 59.9% of new loans booked by volume, respectively. Our diversified business model supports scale and extensive distribution similar to scaled commercial banks, while retaining an agile, technology-led operating structure like specialized NBFCs. We believe that our strategies and structure align us more with commercial banks in India in comparison with product centric non-banks in India. We remain focused on continuous innovation through our entrepreneurial culture and technology-led operating model to transform customer experience, and follow strong governance and disciplined risk management approach to create sustainable and profitable growth opportunities, that collectively support our objective of delivering sustainable long-term performance.

According to CRISIL Report, as at September 30, 2026 (unless indicated otherwise) and on a consolidated basis, our Company was a leading NBFC in India across multiple parameters, including:

- largest NBFC in terms of customer franchise in India;
- highest total shareholders' equity of ₹ 1,231.8 billion;
- largest private sector NBFC (in terms of AUM) in India with AUM of ₹ 5,846.2 billion;
- among the most profitable NBFCs in India, with strong return on average assets and return on average equity, as compared to other listed peers;

- most diversified NBFC in India with offerings across lending, deposits, insurance, payments, broking and demat solutions;
- largest geographical spread (on consolidated basis) in India among NBFCs with branches and authorized sales and support centers ('**ASSC**') ("**Geographic Presence**") across 4,091 locations, covering 27 states and six union territories and a large distribution network with a presence of more than 253,900 points of active distribution for NBFC business;
- among the lowest GNPA ratio of 1.1% and NNPA ratio of 0.4% on a consolidated basis, among large NBFCin India as of September 30, 2026;
- among the largest deposit base among NBFCs in India with deposits of ₹ 697.5 billion;
- highest possible credit ratings in India for our borrowings and deposit programme. For information on the ratings assigned to our debt instruments, see "***Our Business – Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***";
- largest number of installations of Bajaj Finance App among NBFCs in India, with total installations of 94 million;
- industry-leading cumulative technology expenditure among large NBFCs for Fiscal 2024 to Fiscal 2026;
- among the best operating efficiency among large NBFCs / NBFC-ULs as for Fiscal 2026;
- among the highest provisioning coverage among large NBFCs;
- lowest employee attrition rate among large NBFCs for Fiscal 2026;
- among the best CRISIL Environmental and Social Governance ("**ESG**") ratings among large NBFCs for Fiscal 2026

Our Company has two subsidiaries, i.e., Bajaj Housing Finance Limited ("**BHFL**" or "**Bajaj Housing**"), a listed subsidiary which is registered with the Reserve Bank of India ("**RBI**") as a housing finance company ("**HFC**"), and Bajaj Financial Securities Limited ("**BFSL**", "**BFinsec**", or "**Bajaj Broking**"), a wholly owned subsidiary which is registered with the Securities and Exchange Board of India ("**SEBI**") as a stockbroker and depository participant. Our Company and our subsidiary BHFL have both been identified and categorised as "Upper Layer" NBFCs in India ("**NBFC-UL**").

We also have two Associates, i.e., Snapwork Technologies Private Limited ("**STPL**"), which provides digital transformation solutions with a focus on cloud, platform engineering, and scalable mobile apps for the banking and financial services sector, and Pennant Technologies Private Limited ("**PTPL**"), which provides a loan management system for banks and financial institutions.

According to CRISIL Report, as at September 30, 2026 [(unless indicated otherwise)], BHFL was one of the leading HFCs in India across multiple parameters, including:

- among the largest HFCs (in terms of AUM) in India with AUM of ₹ 1,582 billion;
- among the most profitable HFC in India among HFCs in NBFC-ULs
- the highest possible credit ratings in India for its borrowings programme. For information on the ratings assigned to BHFL's debt instruments, see "***Our Business – Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***";
- lowest GNPA ratio and NNPA ratio among HFCs in NBFC-ULs in India;
- among the lowest opex ratios amongst HFCs in NBFC-ULs;
- among lowest cost of funds amongst HFCs in NBFC-ULs in India;
- highest provisioning coverage among HFCs in NBFC-ULs in India for the half year ended September 30, 2026;
- among the most productive HFCs in NBFC-ULs with second highest AUM per branch and AUM per employee.

As a diversified financial services provider, we have a wide portfolio of lending solutions, non-lending products and services, and payment solutions, as set out below:

Lending solutions: Our Company has the most diversified portfolio mix among large NBFCs in India (*Source: CRISIL Report*). Our Company offers 14 lending products grouped into 5 verticals: (i) Retail Urban Lending; (ii) Micro, Small and Medium Enterprises ("**MSMEs**") lending; (iii) Retail Rural Lending; (iv) Mortgages; and (v) Commercial Lending.

The Retail Urban Lending Vertical advances Urban Consumer Finance, Captive 2W and 3W Finance, Open Market 2W and 3W Finance, Gold Loans, and Urban Personal Loans.

The MSME lending vertical offers unsecured loans to self-employed, unsecured loans to professionals; Business Loan Secured and Loans Against Property ("**LAP**"), Used-car financing and New-car financing, Commercial Vehicles ("**CV**"), Auto & Other Leasing and Medical Equipment and Industrial Equipment Financing.

Under Retail Rural Lending, we offer Rural Consumer Finance**,** Microfinance ("**MFI**") Lending Business, Tractor Finance, Rural Personal Loans**,** and Affordable Home Loans.

Under Mortgages, our Subsidiary BHFL offers Home Loans, LAP, Lease Rental Discounting, affordable and Developer Finance, whereas our Company offers mortgage products such as LAP, Affordable Home Loans, etc.

Under Commercial Lending vertical, we offer loan against securities, IPO financing and lending to large, mid, and emerging corporates. Our subsidiary, Bajaj Financial Securities Limited, also offers financing solutions, including Margin Trade Facility and Employee Stock Option Plan ("**ESOP**") financing. For a breakdown of our consolidated AUM by vertical, see "***Our Business – Our Loan Products***" on page 253.

Non-lending solutions: In addition, we also distribute a diverse suite of life, health, general insurance, and extended warranty products (individually or bundled) as value-added services during and post loan onboarding and provide stock broking and depository participant services.

Payment solutions: Our Company has built a full-stack payments business across consumer payments and merchant acquiring encompassing UPI, wallet, FASTag, Bharat Connect bill pay service, UPI QR and Soundbox, Electronic Data Capture and single payment gateway powering our businesses.

We have established a diversified business model with a strong focus on customer acquisition and multiple offerings to meet various financial services needs of our customers. Our customer base is spread across rural and urban locations and lending verticals, enabling us to have a well-diversified asset mix across customer classes and geographies through a combination of secured and unsecured products. We have introduced several new products, services, payment solutions and entered into new partnerships since April 1, 2024, including financing options to facilitate purchase of commercial vehicles, industrial equipment and home ownership, among others. For details of product launches since April 1, 2024, see *"**Our Business – Our Strategies – Further diversify our portfolio of products and services***" on page 251.

Our strategy is anchored in being an 'omnipresent' financial services company and be prominent across all vectors of consumer presence spanning physical and digital channels (App, Web and Social). This omnichannel construct has reinforced our transition from a product and process centric model to a customer first approach, with sustained investments over the last few years in building digital platforms that have now scaled meaningfully in adoption and usage. Digital platforms continue to serve as a critical growth engine to overall business and we served a total of 128.8 million customers as at September 30, 2026. As at September 30, 2026, we had 94 million net installations on our Bajaj Finance App, constituting the largest number of installations among NBFCs in India (*Source: CRISIL Report*). In the half year ended September 30, 2026, 13.2 million bill pay transactions were executed by the customers using our bill pay service. We disbursed 29.6 million new loans in the half year ended September 30, 2026, a 15.2% increase compared to 25.7 million in the half year ended September 30, 2025.

Our Company's CRAR (including Tier II Capital) and Tier 1 on a standalone basis stood at 20.3% and 19.4% as at September 30, 2026. BHFL's CRAR (including Tier II Capital) and Tier 1 on a standalone basis stood at 21.2% and 20.8% as at September 30, 2026.

We believe that our consistent track record of delivering growth and strong financial performance over time throughout various business, credit and liquidity cycles is evidence of our diversified business model, sustainable business practices, prudent risk management and resilience, which we believe offers a distinct advantage for sustained, profitable growth.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition, results of operations and cash flows are affected by a number of factors. The following factors are of particular importance.

Growth in our Assets Under Management ("AUM")

Our results of operations are significantly influenced by growth in our AUM. Our AUM increased by 26.0% from ₹ 3,306,154.8 million as at March 31, 2024 to ₹ 4,166,614.0 million as at March 31, 2025, by 22.4% to ₹ 5,099,750.1 million as at March 31, 2026, and by 14.6% to ₹ 5,846,239.2 million as at September 30, 2026.

Increases in our AUM have been driven by our (i) diversified lending model with customer centric approach, including the introduction of new products and services and (ii) a strong pan-India presence, distribution reach, customer franchise, and effective use of technology and analytics to sell, and cross sell, our products.

Diversified lending model with increasing customer centric approach including introduction of new products and services

We offer a wide range of 14 financial products through our 5 lending verticals: (i) Retail Urban Lending; (ii) Micro, Small and Medium Enterprises ("**MSMEs**"); (iii) Retail Rural Lending; (iv) Mortgages; and (v) Commercial Lending. Within each of these 5 lending verticals, we have developed a wide array of products to address the diverse requirements of the customers we serve. The Retail Urban Lending vertical advances Urban Consumer Finance, Captive 2W and 3W Finance, Open Markey 2W and 3W Finance, Gold Loans, and Urban Personal Loans. The MSME lending vertical offers unsecured loans to eelf-employed, unsecured loans to professionals, Business Loan Secured and Loans Against Property ("**LAP**"), Used-car financing and New-car financing, Commercial Vehicles ("**CV**"), Auto & Other Leasing, and Medical Equipment and Industrial Equipment Financing. Under Retail Rural Lending, we offer Rural Consumer Finance, MFI Lending Business, Tractor Finance, Rural Personal Loans and Affordable Home Loans. Our Mortgages, our subsidiary, BHFL offers a mortgage product suite comprising Home Loans, LAP, Lease Rental Discounting and Developer Financing, with its primary emphasis on individual retail housing loans. Our Company itself also originates LAP, which it offers under its MSME lending vertical.

Under Commercial Lending vertical, we offer loan against securities, IPO financing and lending to large, mid, and emerging corporates. Our subsidiary, Bajaj Financial Securities Limited, also offers financing solutions, including Margin Trade Facility and Employee Stock Option Plan ("**ESOP**") financing.

For a breakdown of our consolidated AUM by vertical, see "***Our Business – Our Loan Products***" on page 253.

We have introduced several new products, services, payment solutions and entered into new partnerships since April 1, 2024, including financing options to facilitate purchase of commercial vehicles, industrial equipment and home ownership, among others. For details of product launches since April 1, 2024, see *"**Our Business – Our Strategies – Further diversify our portfolio of products and services***" on page 251.

The introduction of new loan products has helped increase our AUM. Our Company was originally set up to provide financing for the purchase of products manufactured by Bajaj Auto. In Fiscal 1999, we commenced our Consumer - Sales Finance Business. Since Fiscal 2007, our Company has further diversified our product offerings and transformed into a multi-product retail financing NBFC.

We are pivoting towards lower-risk, collateral backed assets, and our portfolio mix reflects the same. In the half year ended September 30, 2026, 64.6% of consolidated AUM was from secured lending, compared to 62.8% in Fiscal 2026 which was up from 61.0% in Fiscal 2025. Mortgages have been our largest secured contributor at 32.0% of consolidated AUM in the half year ended September 30, 2026, compared to 31.8% in Fiscal 2026 and 31.1% in Fiscal 2025, and we have also reduced our exposure to relatively higher risk two wheeler and three wheeler finance which declined to 1.9% of consolidated AUM in the half year ended September 30, 2026, compared to 2.4% in Fiscal 2026 and 4.2% in Fiscal 2025.

As we continue to expand our loan product portfolio and launch new products and variants, the growth in our AUM will be dependent on their performance. Therefore, the trajectory of our AUM, financial condition, and results of operations will be determined by these innovations and the level of their success in the market.

Partnerships and Services

The introduction of new products has helped us increase our distribution income (which is included in our fee and commission income). Examples of new products with regard to partnerships and services that we have recently introduced and expanded include the following:

- Partnership with Xtelify Limited ("**Xtelify**"), through which we offer a suite of financial products and services on Xtelify's digital platform, including the co-branded Insta EMI Card, Personal Loans, Gold Loans, two-wheeler loans, loans against mutual funds and demat accounts. As of September 30, 2026, our partnership had built a customer franchise of over 900,000 customers and facilitated cumulative loan disbursements exceeding ₹ 13,500 million.

- Registered as Corporate Agent with the Insurance Regulatory and Development Authority of India ("IRDAI") for distribution of its insurance products across categories.

- Extending our personal loan and gold loan offerings on the open network for digital commerce ("**ONDC**") network, an interoperable digital network launched by the Government of India, to expand credit accessibility.

Strong pan-India presence and distribution reach

Our Company has an extensive, omnichannel pan-India distribution network. In terms of distribution footprint, among the NBFCs, our Company has the largest geographical spread (on a consolidated basis) in India as of March 31, 2026. *(Source: CRISIL Report.)* Our omnichannel distribution network comprises offline channels including branches, POS terminals and dealer points, and online channels including our Bajaj Finserv website, the Bajaj Finance App, and a multi-lingual customer data platform. As at September 30, 2026, we had a Geographic Presence in 4,091 locations spread across 27 states and six union territories with a network mix that is balanced with 2,576 Rural and 1,515 Urban locations. As at September 30, 2026, we also distributed our products through more than 253,900 points of sale, including direct selling agents and independent financial advisors primarily for sourcing fixed deposits and lending products.

Our digital platforms form an increasingly significant part of this distribution reach. As at September 30, 2026, cumulative net installs of our Bajaj Finance App stood at more than 94 million users. During the half year ended September 30, 2026, the platforms recorded 323 million website visits. Further, the Bajaj Finance App had a Play Store rating of 4.7+ as of September 30, 2026, reflecting our focus on improving customer experience through personalised journeys, enhanced product discovery and seamless onboarding. Payments remain central to customer engagement on the Bajaj Finance App. As at September 30, 2026, we had 43.9 million wallet customers, 66.1 million UPI handles and had issued 3.4 million FASTags. During the half year ended September 30, 2026, 13.2 million bill payment transactions were undertaken through our platform. For more details, see "***Our Business – Our Strengths – Strong omnichannel pan-India presence, distribution reach and customer franchise***" on page 244.

Evolving technology adoption, including Artificial Intelligence ("AI")

We have adopted AI at both consumer-facing and enterprise levels. In our consumer services, AI is being deployed to enhance customer engagement, product and service discovery, customer acquisition and cross-selling, with measurable business outcomes. AI has been a key part of increasing our total consumer franchise from 83.6 million as at March 31, 2024 to 128.8 million as at September 30, 2026, and has also improved customer satisfaction and personalisation of our product offerings. On customer engagement, 37 AI voice and text bots were live as at September 30, 2026, comprising 13 outbound and inbound AI voice bots and 24 AI text bots (as against 10 outbound and inbound AI voice bots and 17 AI text bots as at March 31, 2026); and approximately 65.0% of our customer service resolutions across Interactive Voice Response ("**IVR**") and chat bot channels were handled through AI in Fiscal 2026. On product and service discovery, we deploy AI-driven hyper-personalisation across our App and website, together with AI-generated content (comprising 1.5 million videos, 0.5 million banners and 852 podcasts in Fiscal 2026), AI summaries of our loan products and in-page search powered by vision AI, helping customers find the right products and services faster. On customer acquisition, AI voice and text bot leads drove disbursements of ₹ 55,200.0 million in Fiscal 2026, and AI-driven voice-to-data conversion of over 52 million customer interactions drove a further ₹ 6,966.0 million of disbursements in Fiscal 2026; in addition, 1.4 million EMI cards were acquired digitally and 1.6 million B2B loans originated from digital EMI cards in the half year ended September 30, 2026.

On cross-selling, we use AI to apply various filters to our existing customer franchise and identify potential cross-sell customers. Our AI-driven voice initiatives contributed approximately ₹ 33,000.0 million of pre-approved personal loan cross-sell disbursements in Fiscal 2026, representing approximately 8% of our pre-approved personal loan cross-sell business. We believe that customer insights, advanced analytics and investment in cutting-edge technologies have enabled us to offer more personalised loan products and services on our digital platforms, better product targeting at point of sale and more focused cross-selling of our loan products.

Our cross-sell customer franchise for our lending products increased from 50.8 million customers as at March 31, 2024 to 82.4 million customers as at September 30, 2026. For more details, see "***Our Business – Customer Franchise***" on page 265.

On the enterprise side, we use AI and data analytics across our operations, which is intended to improve our operating efficiency, optimise costs and support business growth. We have built, and continue to deploy, AI use cases across our functions, including content generation, new customer acquisition, cross-sell, risk management, debt management services, operations and customer service. Our AI capabilities are organised across specialised teams, enabling the deployment of AI across customer touchpoints and operational workflows at scale.

We intend to leverage our AI capabilities to improve customer experience, enhance productivity, strengthen operational efficiency and expand our customer reach. Some of the key AI-led initiatives implemented by us include:

- Automated document processing and quality checks – 45.3 million documents were subjected to automated quality checks during the half year ended September 30, 2026.

- Automation of customer service through AI voice and text bots – approximately 73% of our customer service resolutions were handled through AI voice and text bots during the half year ended September 30, 2026.

- AI-led business generation: We use AI-enabled voice and text bots to generate business leads and deepen customer engagement. During the half year ended September 30, 2026, leads generated through these bots resulted in loan disbursements of ₹ 52,955.5 million.

Net Interest Income

Our results of operations are substantially dependent upon the amount of our net interest income, which we define as interest income less finance costs ("**Net Interest Income**").

Our Net Interest Income on a consolidated basis was ₹ 259,053.0 million, ₹ 210,116.6 million, ₹ 441,100.6 million, ₹ 363,927.6 million and ₹ 295,819.1 million for the half years ended September 30, 2026 and September 30, 2025, and Fiscals 2026, 2025 and 2024, respectively.

Our Net Interest Income is primarily dependent on: (i) the amount of our loans and the effective interest rates we charge on our loans; and (ii) the amount of our borrowings and the effective interest rates we pay on our borrowings. For more information on the calculation of our Net Interest Income, please see "***Selected Statistical Information***" on page 37.

- *Interest Rates on our Loans*

Our loan products comprise fixed and floating interest rate loans. Our floating rate products are predominantly composed of loans in our Mortgage Lending vertical, Commercial Lending vertical and Loan against Securities vertical. Our lending rates are generally linked to the interest rate environment and are also influenced by our competition. As at September 30, 2026 and as at March 31, 2026, 2025 and 2024, 38.4%, 38.8%, 40.6% and 38.0% of our loans were floating rate loans.

The principal factors considered in determining lending rates across products include customer risk profile, product characteristics, tenor, competitive conditions and prevailing interest rates. Our interest income is also affected by changes in the mix of our loan portfolio across various lending businesses and products; accordingly, shifts in the relative contribution of each lending business to the overall loan portfolio may impact portfolio yield and Net Interest Income.

- *Interest Rates on our Borrowings*

We borrow funds on both fixed and floating rates. Our floating rate borrowings are primarily term loans with banks that are linked to banks' marginal cost of funds-based lending rates and some with external benchmarks. In order to manage our exposure to interest rates and liquidity risk arising out from the mismatch between interest rates and loan tenure of our borrowings and assets, we diversify our borrowing mix across borrowing instruments, tenors and a mix of fixed and floating interest rate borrowings. Interest rates on our borrowings are sensitive to many factors beyond our control, including the monetary policies of the RBI, U.S. Federal Reserve, domestic and international economic and political conditions, competitive pressures, inflation and other factors.

One of our strengths lies in our ability to raise funds at competitive rates, which to a large extent is linked to our credit ratings. We have been assigned the highest possible credit rating for our domestic borrowings. Our Company has been assigned with a long-term issuer rating at par with sovereign rating of India by S&P Global Ratings and Moody's Ratings. For details on our current credit ratings, see "***Our Business – Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***" on page 247.

We have a disciplined approach to asset liability management ("**ALM**"), with a strategy of raising long-term borrowings and maintaining a judicious mix of borrowings amongst banks, money markets, deposits, ECBs and other sources of borrowings. Our asset-liability strategy aims to ensure that there are no excessive concentrations on either side of the balance sheet. Our Company has managed to maintain a positive ALM position on a cumulative basis across all time buckets. For details on the maturity pattern of our Company's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information – Asset-Liability Gap – Our Company***" on page 40.

Furthermore, we closely monitor liquidity conditions in the market and maintain a liquidity buffer to manage liquidity risk. Our liquidity buffer (comprising free cash and liquid investments) as at September 30, 2026 was ₹199,954.9 million. As a part of our Liquidity Risk Framework, we monitor and implement our liquidity risk management policy, strategies and practices which include, liquidity coverage ratio ("**LCR**"), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework. We have historically maintained an LCR well above the RBI's stipulated norm and our LCR as at September 30, 2026 was 163.2% which was higher than the RBI's stipulated norm of 100%. BHFL has similarly maintained an LCR well above the RBI's stipulated norm, and as at September 30, 2026 BHFL's LCR was 145.9% which was higher than the RBI's stipulated norm of 100%.

Our Company has also been judicious in maintaining capital adequacy and consolidated leverage. As per applicable RBI regulations, our Company and BHFL are required to have a CRAR of 15%, including minimum Tier I capital of 10%. Our Company's CRAR as at September 30, 2026 and as at March 31, 2026, 2025 and 2024 on a standalone basis was 20.3% (Tier I Capital of 19.4%), 21.6% (Tier I Capital of 20.7%), 21.9% (Tier I Capital of 21.1%) and 22.5% (Tier I Capital of 21.5%), respectively. BHFL's CRAR as at September 30, 2026 and as at March 31, 2026, 2025 and 2024 on a standalone basis was 21.2% (Tier I Capital of 20.8%), 22.5% (Tier I Capital of 22.0%), 28.2% (Tier I Capital of 27.7%) and 21.3% (Tier I Capital of 20.7%), respectively. Our leverage ratio on a consolidated basis was 5.1, 4.8, 4.7 and 4.9 as at September 30, 2026 and March 31, 2026, 2025, and 2024, respectively.

Operating Expenses

The amount of our operating expenses has a bearing on our profit. Our operating expenses, which comprises (i) our employee benefits expense, (ii) fees and commission expense, (iii) depreciation and amortisation expenses and (iv) other expenses (collectively, "**Operating Expenses**"), represented 33.2%, 32.7%, 33.3%, 33.2% and 34.0% of our Net Total Income for the half years ended September 30, 2026 and September 30, 2025, Fiscals 2026, 2025 and 2024, respectively, on a consolidated basis.

Impairment on financial instruments

Credit quality is a key driver of our results of operations, as quality loans help to reduce the risk of losses from loan impairment. With the growth of our business, our ability to manage the credit quality of our loans will be a key driver to our results of operations. We have put in place well documented procedures regarding credit appraisal and loan disbursement and have instituted ongoing monitoring mechanisms in order to strengthen our credit quality. We have also implemented sophisticated analytics and automated credit scoring solutions for credit evaluation. For an overview of our credit appraisal and loan disbursement processes, see *"**Our Business – Our Loan Products***" on page 253.

Expected credit loss ("**ECL**") is an unbiased and probability-weighted estimate of credit losses. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive, discounted at the original effective interest rate or an approximation thereof. As ECL considers the amount and time value of money, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. While the prescribed ECL method factors in macro-economic conditions, we additionally provide a management and macro-economic overlay in our ECL.

Based on the above process, we categorise assets into Stage 1, Stage 2 and Stage 3, as described below:

- **Stage 1 Assets** includes financial assets that have not had a significant increase in credit risk since initial recognition. For such assets, expected credit losses resulting from default events that are possible in next 12 months are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit impairment allowance).

- **Stage 2 Assets** includes financial assets that have a significant increase in credit risk since initial recognition but do not have objective evidence of impairment. However, unless identified at an earlier stage, any overdue of more than 1 day past due and up to 90 days past due was considered as an indication of significant increase in credit risk for our Company and for BFSL, while for BHFL any overdue of more than 30 days past due was considered to be a stage 2 asset. For these assets, lifetime ECL towards all possible default events over the expected life of financial assets are recognised and interest revenue is calculated on the gross carrying amount of the asset.

- **Stage 3 Assets** includes financial assets that have objective evidence of impairment. Unless recognised earlier, stage 3 assets include dues from customers whose principal and /or interest are past due for more than 90 days or whose loans have been restructured where repayment terms are renegotiated as compared to original contracted terms. For these financial assets, lifetime ECL are recognised and interest income is not recognised once the asset is classified as stage-3.

As at September 30, 2026, and March 31, 2026, 2025 and 2024, our GNPA ratio was 1.1%, 1.0%, 1.0% and 0.8%, respectively, our NNPA ratio was 0.4%, 0.4%, 0.4%, and 0.4%, respectively, our PCR was 60.4%, 59.7%, 53.7% and 57.0%, respectively, on a consolidated basis.

Various factors, such as a deterioration in macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and competition, as well as customer specific factors, such as willful default and mismanagement of a customer's operations, may cause a further increase in the level of Stage 3 Assets and have an adverse impact on the quality of our loan portfolio. If our Stage 3 Assets increase, we will be required to increase our ECL provisions, which would result in our net profit being less than it otherwise would be and would adversely affect our financial condition.

The Macroeconomic Environment

Our results of operations and financial condition, in the past, have been, and will continue to be, significantly affected by factors influencing the Indian economy, which would include any downturn in the global economy. Any slowdown in economic growth in India could adversely affect our ability to grow our asset portfolio, the quality of our assets and our ability to implement our strategies. The RBI's monetary policy is influenced by the condition of the Indian economy, and changes in the monetary policy affect the interest rates of our advances and borrowings. The RBI responds to fluctuating levels of economic growth, liquidity concerns and inflationary pressures in the economy by adjusting monetary policy. The macroeconomic environment is also influenced by geopolitical developments, conditions in the banking and financial service sector and other broader economic developments. For a summary of the recent macroeconomic environment, see "***Industry Overview – Macroeconomic Scenario***" on page 142.

- *Geopolitical developments*

Geopolitical developments may have an impact on our business, particularly with respect to lending verticals whose demand is influenced by broader economic conditions. For example, according to the CRISIL Report, vehicle loan growth is expected to

moderate to around 14-15% in the near term, reflecting potential headwinds, including inflationary pressures arising from El Nino-induced monsoon disruptions, as well as persistent geopolitical and trade-related uncertainties that are keeping the crude oil and other commodity prices elevated and volatile. Further, according to the CRISIL Report, evolving geopolitical developments could affect borrower cash flows and repayment capacity which could further affect the asset quality in vehicle finance.

- *Leverage in unsecured lending*

Higher levels of borrower indebtedness in unsecured lending could adversely affect borrower cash flows and repayment capacity, particularly where borrowers have unsecured loans from multiple lenders. Any decline in borrower income, increase in household expenses or other adverse economic developments could further constrain their debt-servicing capacity. These factors could result in higher delinquencies and credit costs across unsecured lending portfolios. They could also lead lenders to tighten underwriting standards or reduce credit availability, which could adversely affect the growth and asset quality of our unsecured lending businesses.

- *Stress in the broader financial services sector*

The macroeconomic environment is influenced by geopolitical developments, and rising stress across the broader banking and financial services sector could affect the availability and cost of funding, liquidity conditions, credit growth and borrower repayment behaviour. Deterioration in asset quality or liquidity constraints affecting banks, NBFCs or other financial intermediaries could result in tighter underwriting standards, reduced credit availability and increased refinancing risks for borrowers. Such developments could adversely affect economic activity, borrower cash flows and repayment capacity and, consequently, our business, financial condition, results of operations and asset quality.

Competition

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and the private unorganised and informal financiers who principally operate in the local market, as well as other fintech players. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs. For more details, see "***Risk Factors – We face increasing competition in our business, which may result in declining market share and Net Interest Margins, among other factors, if we are unable to compete effectively.*** *"* on page 68.

The implementation of the guidelines summarised below could adversely affect our results of operations and financial condition.

Regulatory developments including those governing our business

We operate in a highly regulated industry and have to adhere to various laws, rules and regulations. Any changes in the regulatory environment under which we operate could adversely affect our results of operations and financial condition. Our results of operations and continued growth depend on stable government policies and regulation.

Our Company and BHFL are classified as "Upper Layer" NBFCs ("**NBFC-UL**") and will continue to be affected by a number of regulations promulgated by the RBI that regulate, among other things, income recognition and asset provisioning norms, priority sector and other lending stipulations and other operational restrictions. Any change in the regulatory framework affecting NBFCs and in particular those requiring NBFCs to maintain certain financial ratios, accessing funds or lending to NBFCs among others, would adversely affect our results of operations and growth.

BFinsec is registered as stockbroker and depository participants with SEBI. Any change in the regulatory framework promulgated by SEBI governing its business can have an impact on the results of our operations and growth.

SUBSIDIARIES AND ASSOCIATES INCLUDED IN THE CONSOLIDATED FINANCIAL INFORMATION

Our consolidated financial information incorporates the financial information of our Company, our Company's Subsidiaries and Associates. The table below provides details of our Company's Subsidiaries and Associates:

Name of the Company	Country of Incorporation	Proportion of our Company's ownership as on date of this Preliminary Placement Document	Consolidated as
Bajaj Housing Finance Limited	India	86.70%	Subsidiary
Bajaj Financial Securities Limited	India	100.00%	Subsidiary
Snapwork Technologies Private Limited	India	41.50%*	Associate
Pennant Technologies Private Limited	India	26.53%*	Associate

* *On fully diluted basis*

CRITICAL ACCOUNTING POLICIES

For details on our material accounting policies for Fiscal 2026, see note 3 in "***Financial Information – Audited Consolidated Financial Statements for Fiscal 2026***" on page 385. We followed the same material accounting policies for the half year ended September 30, 2026, as for Fiscal 2026.

The preparation of our financial information requires our management to make use of estimates and judgments. In view of the inherent uncertainties and the level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years/periods could differ from those on which the management's estimates are based. As noted above, we used accounting estimates and judgments in various line items in the audited consolidated financial statements as at and for the year ended March 31, 2026, including, in particular (note references below are to the notes to such financial statements in "***Financial Information***" on page 375):

- Business model assessment (refer note no. 3.3(i) and 9)
- Impairment of financial assets (refer note no. 3.3(i), 9 and 49(c))
- Provisions and contingent liabilities (refer note no. 3.7 and 43)
- Fair value of financial instrument (refer note no. 3.9 and 48)

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Total Income

Our total income comprises our revenue from operations and other income.

Revenue from Operations

Our revenue from operations comprises: (i) interest income; (ii) fees and commission income; (iii) net gain on fair value changes; (iv) sale of services; (v) income on derecognised (assigned) loans; and (vi) other operating income.

Interest Income

Our interest income comprises primarily interest income on loans, investments, on deposits with bank and other interest earning assets.

Fees and Commission Income

Our fees and commission income comprise: (i) service and administration charges, which are charges collected from customers during the tenure of the loan; (ii) fees on value added services and products, for rendering of services and products to our customers; (iii) foreclosure income; (iv) distribution income, which is the income we earn from the distribution of products and services in our Partnerships and Services; and (v) brokerage income with respect to stock broking activities.

Net Gain on Fair Value Changes

Our net gain on fair value changes comprises: (i) net gain/loss on financial instruments measured at fair value through profit or loss ("**FVTPL**"), which includes realised/unrealised gain/loss on financial instruments at FVTPL; and (ii) realised gain/loss on sale of debt instruments classified as fair value through other comprehensive income ("**FVOCI**").

Sale of Services

Our sale of services primarily comprises our service fees for management of assigned portfolio of loans.

Income on Derecognised (Assigned) Loans

Our income on derecognised (assigned) loans comprises the right of excess interest spread ("**EIS**") on de-recognition of financial assets under the direct assignment transactions.

Other Operating Income

Our other operating income primarily comprises income from marketing, branding and allied services.

Other Income

Our other income primarily comprises miscellaneous income.

Expenses

Our expenses comprise: (i) finance costs; (ii) fees and commission expenses; (iii) impairment on financial instruments; (iv) employee benefits expense; (v) depreciation and amortisation expenses; and (vi) other expenses.

Finance Costs

Our finance costs are costs of our financial liabilities measured at amortised cost on: (i) debt securities; (ii) borrowings other than debt securities; (iii) deposits; (iv) subordinated liabilities/subordinated debts; (v) lease liability; and (vi) others.

Fees and Commission Expenses

Our fees and commission expenses comprise: (i) commission and incentives, which primarily comprises payments to intermediaries for distributing our non-loan products and services; (ii) recovery costs; (iii) credit guarantee fees, paid to Credit Guarantee Fund Trust for Micro and Small Enterprises and Credit Guarantee Fund for Micro Units; and (iv) loan portfolio management service charges.

Impairment on Financial Instruments

Our impairment on financial instruments comprises impairment of loans and others. Impairment charges on financial instruments are expected credit loss provision on Stage 1, Stage 2 and Stage 3 assets including amounts written off during the year on loans measured at amortised cost and at FVOCI. Impairment on other financial instruments comprises of other sundry receivables considered doubtful of recovery.

Employee Benefits expense

Our employee benefits expense comprises employees' emoluments, contribution to provident fund and other funds, Gratuity expense, share based payment to employees and staff welfare expenses.

Other Expenses

Our other expenses primarily include (i) outsourcing/back-office expenses; (ii) advertisement, branding and promotion expenses; (iii) travelling expenses; (iv) information technology expenses; (v) rent, taxes and energy cost; (vi) communication expenses; (vii) repair, maintenance and office expenses; (viii) expenditure towards corporate social responsibility activities; and (ix) miscellaneous expenses.

RESULTS OF OPERATIONS

Half Year ended September 30, 2026 compared to Half Year ended September 30, 2025

The following table sets forth our summary statements of profit and loss on a consolidated basis for the half years ended September 30, 2026 and 2025:

(₹ in million, except percentages)

Particulars	For the half year ended September 30, 2026 (consolidated) (Unaudited)	For the half year ended September 30, 2025 (consolidated) (Unaudited)	% increase / (decrease)
Revenue from operations			
Interest income	424,491.2	349,406.2	21.5%
Fees and commission income	47,447.2	35,639.5	33.1%
Net gain on fair value changes	1,597.7	3,200.7	(50.1)%
Sale of services	92.5	130.3	(29.0)%
Income on derecognised (assigned) loans	973.8	2,849.7	(65.8)%
Other operating income	2,515.8	5,801.4	(56.6)%
Total revenue from operations	477,118.2	397,027.8	20.2%
Other income	304.2	57.2	431.8%
Total income	477,422.4	397,085.0	20.2%
Expenses			
Finance costs	165,438.2	139,289.6	18.8%
Fees and commission expense	20,627.7	16,032.1	28.7%
Impairment on financial instruments	41,595.3	43,889.6	(5.2)%
Employee benefits expense	53,354.4	42,570.2	25.3%
Depreciation and amortisation expenses	6,086.2	5,095.5	19.4%
Other expenses	23,547.0	20,491.3	14.9%
Total expenses	310,648.8	267,368.3	16.2%
Share of profit/(loss) from associate	88.4	40.4	118.8%
Profit before tax	166,862.0	129,757.1	28.6%
Tax expense:			
Current tax			
Current periods	46,319.8	34,088.4	35.9%
Earlier periods	(4.2)	(2.4)	(75.0)%

Particulars	For the half year ended September 30, 2026 (consolidated) (Unaudited)	For the half year ended September 30, 2025 (consolidated) (Unaudited)	% increase / (decrease)
Deferred tax (credit)/charge	(3,925.3)	(1459.4)	(169.0)%
Total tax expense	42,390.3	32,626.6	29.9%
Profit after tax	124,471.7	97,130.5	28.1%
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans –	73.6	(577.6)	112.7%
Tax impact on above	(18.5)	145.4	(112.7)%
Net remeasurement gains/(losses) on defined benefit plans – Share of associates	(0.9)	(0.5)	(80.0)%
Net other adjustments – Share of associates	-	(1.5)	-
Changes in fair value of fair value through OCI (FVOCI) equity instruments	389.0	12.5	3,012.0%
Tax impact on above	(55.7)	(1.8)	(2,994.4)%
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities	(381.0)	(977.2)	61.0%
Tax impact on above	95.9	246.0	(61.0)%
Net other adjustments Share of associates	-	-	-
Cash flow hedge reserve	1,614.6	(48.5)	3,429.1%
Tax impact on above	(406.4)	12.2	(3,431.1)%
Cost of hedging reserve	(43.1)	99.7	(143.2)%
Tax impact on above	159.7	25.2	533.7%
Total other comprehensive income, net of tax	1,427.2	(1,066.1)	233.9%
Total comprehensive income for the period	**125,898.9**	**96,064.4**	**31.1%**

Factors affecting comparability

During Fiscal 2026, recoveries against written-off financial assets and net realisation on sale of written-off loans, which were previously presented under "Other Operating Income", have been reclassified as a reduction from impairment on financial instruments to better reflect their relationship with credit losses. As a result, "Other Operating Income" and "Impairment on financial instruments" in half year ended September 30, 2025, as presented in the comparative column of the unaudited consolidated limited reviewed results for the half year ended September 30, 2026, varies from "Other Operating Income" and "Impairment on financial instruments" as presented in the unaudited consolidated limited reviewed results for the half year ended September 30, 2025.

Total Income

Our total income increased by 20.2% from ₹ 397,085.0 million for the half year ended September 30, 2025 to ₹ 477,422.4 million for the half year ended September 30, 2026, which increase was primarily due to a 20.2% increase in revenue from operations from ₹ 397,027.8 million for the half year ended September 30, 2025 to ₹ 477,118.2 million for the half year ended September 30, 2026. The primary reasons for this increase are discussed below.

Interest Income

Our interest income increased by 21.5% from ₹ 349,406.2 million for the half year ended September 30, 2025 to ₹ 424,491.2 million for the half year ended September 30, 2026. The following table sets forth the breakdown of our interest income.

(₹ in million except percentages)

Particulars	For the half year ended September 30, 2026 (consolidated)	For the half year ended September 30, 2025 (consolidated)	% increase / (decrease)
Interest income on loans	409,298.5	334,467.1	22.4%
Interest income on investments	8,825.0	9,954.3	(11.3)%
Interest income on deposits with bank	4,757.9	4,949.8	(3.9)%
Interest income on others	1,609.8	35.0	4,499.4%

Our revenue from operations, except distribution income, is largely dependent on changes in our Average Loans across our lending verticals ("**Average Loans**"). Set forth below is a table depicting the increase in our Average Loans across our lending verticals and sub-verticals and the major reasons for the increases, for the half years ended September 30, 2026 and September 30, 2025.

(₹ in million except percentages)

Lending Verticals	For the half year ended September 30, 2026 (consolidated)	For the half year ended September 30, 2025 (consolidated)	% increase / (decrease)
Captive 2W & 3W Finance	33,377.9	88,887.1	(62.4)%
Open Market 2W & 3W Finance	86,577.5	69,021.7	25.4%
Urban Consumer Finance	427,640.8	313,295.5	36.5%
Urban Personal Loans	1,098,613.8	921,523.4	19.2%
Rural Consumer Finance	124,759.4	83,908.7	48.7%
Rural Personal Loans	272,386.8	214,277.0	27.1%
MFI Lending Business	24,390.2	15,014.8	62.4%
Gold Loans	210,127.8	100,481.1	109.1%
MSME Lending	502,511.5	476,069.9	5.6%
CV & Tractor Finance	44,623.2	21,544.7	107.1%
Car Loans	159,651.8	125,199.0	27.5%
Commercial Lending	345,546.8	295,596.2	16.9%
Loan against Securities	375,980.2	274,427.1	37.0%
Mortgages	1,659,402.2	1,302,609.4	27.4%
Total Average Loans	**5,365,589.9**	**4,301,855.6**	**24.7%**

- Our interest income on loans is primarily influenced by growth in our Average Loans, changes in the portfolio mix and interest rates; and

- The increase in our interest income on loans was primarily due to a 24.7% increase in average loans from ₹ 4,301,855.6 million for the half year ended September 30, 2025 to ₹ 5,365,589.9 million for the half year ended September 30, 2026.

- The decrease in our interest income on investments was primarily due to 3.8% decrease in average interest bearing investments from ₹ 287,916.2 million for the half year ended September 30, 2025 to ₹ 277,062.8 million for the half year ended September 30, 2026.

Fees and Commission Income

Our fees and commission income increased by 33.1% from ₹ 35,639.5 million for the half year ended September 30, 2025 to ₹ 47,447.2 million for the half year ended September 30, 2026. The following table sets forth the breakdown of our fees and commission income.

(₹ in million except percentages)

Particulars	For the half year ended September 30, 2026 (consolidated)	For the half year ended September 30, 2025 (consolidated)	% increase / (decrease)
Service and administration charges	17,570.9	11,940.5	47.2%
Fees on value added services and products	3,683.1	4,371.7	(15.8)%
Foreclosure income	4,442.0	3,269.2	35.9%
Distribution income	20,979.4	15,491.7	35.4%
Brokerage Income	771.8	566.4	36.3%

- The increase in service and administration charges was primarily due to:

  - an increase in collection of penal and bounce charges from ₹ 9,778.4 million for the half year ended September 30, 2025 to ₹ 14,854.0 million for the half year ended September 30, 2026; and

  - an increase in collection of charges relating to our flexi loans from ₹ 2,075.5 million for the half year ended September 30, 2025 to ₹ 2,602.7 million for the half year ended September 30, 2026.

- The decrease in fees on value added services and products was primarily driven by a gradual decrease in the issuance of new EMI cards.

- The increase in foreclosure income was mainly driven by an increase in the amount of loans foreclosed during the period.

- The increase in distribution income was primarily on account of a 15.3% increase in new loans booked, from 25.7 million for the half year ended September 30, 2025 to 29.6 million for the half year ended September 30, 2026, and a 16.5% increase in our customer franchise, from 110.6 million as at September 30, 2025 to 128.9 million as at September 30, 2026.

- The increase in brokerage income was primarily due to a 39.7% increase in our broking customer base, from 1.2 million as at September 30, 2025 to 1.6 million as at September 30, 2026.

Total Expenses

Our total expenses increased by 16.2 % from ₹ 267,368.3 million for the half year ended September 30, 2025 to ₹ 310,648.8 million for the half year ended September 30, 2026. The primary reasons are discussed below:

Finance Costs

Our finance costs increased by 18.8% from ₹ 139,289.6 million for the half year ended September 30, 2025 to ₹ 165,438.2 million for the half year ended September 30, 2026. This increase was primarily due to a 23.5% increase in our Average Borrowings, from ₹ 3,793,247.9 million for the half year ended September 30, 2025 to ₹ 4,685,471.8 million for the half year ended September 30, 2026, partially offset by a decrease in the daily weighted average cost of funds from 7.7% for the half year ended September 30, 2025 to 7.4% for the half year ended September 30, 2026. Our finance cost as a percentage of Average Borrowings was 3.7% (not annualised) for the half year ended September 30, 2025, compared to 3.5% (not annualised) for the half year ended September 30, 2026.

Fees and Commission Expense

Our fees and commission expense increased by 28.7% from ₹ 16,032.1 million for the half year ended September 30, 2025 to ₹ 20,627.7 million for the half year ended September 30, 2026. This increase was primarily due to:

- a 33.5% increase in recovery costs, from ₹ 11,381.9 million for the half year ended September 30, 2025 to ₹ 15,198.5 million for the half year ended September 30, 2026; and

- a 9.8% increase in credit guarantee fees, from ₹ 4,018.7 million for the half year ended September 30, 2025 to ₹ 4,413.2 million for the half year ended September 30, 2026.

Impairment on Financial Instruments

Our impairment on financial instruments decreased by 5.2% from ₹ 43,889.6 million for the half year ended September 30, 2025 to ₹ 41,595.3 million for the half year ended September 30, 2026. During Fiscal 2026, recoveries against written-off financial assets and net realisation on sale of written-off loans, which were previously presented under 'Other Operating Income', are presented as a reduction from impairment on financial instruments to better reflect their relationship with credit losses. For regrouping, the corresponding amounts for the half year ended September 30, 2025 have been presented below on the same basis:

(₹ in million)

Particulars	For the half year ended September 30, 2025 (consolidated)
Impairment on Financial Instrument (A)	43,889.6
Recoveries against written- off financial assets (B)	3,371.0
Net realisation on sale of written-off assets (C)	25.9
Impairment on financial instruments (regrouped) (D=A-B-C)	40,492.7

On a regrouped basis, impairment on financial instruments increased by 2.7% from ₹ 40,492.7 million for the half year ended September 30, 2025 to ₹ 41,595.3 million for the half year ended September 30, 2026, primarily reflecting growth in our loan portfolio. The increase in impairment on financial instruments was significantly lower than the increase in average loans during the period, primarily due to improvement in credit performance.

Employee Benefit Expense

Our employee benefit expenses increased by 25.3% from ₹ 42,570.2 million for the half year ended September 30, 2025 to ₹ 53,354.4 million for the half year ended September 30, 2026, which was primarily due to a 12.4% increase in the number of our employees from 67,461 as at September 30, 2025 to 75,845 as at September 30, 2026, general increases in employee salaries and performance incentives, and the incremental employee benefit cost arising from changes in labour laws effective from November 21, 2025. The increase in headcount was primarily driven by the continued expansion of our business, including introduction of our newer lending verticals such as Gold Loans and MFI Lending Business.

Other Expenses

Our other expenses increased by 14.9% from ₹ 20,491.3 million for the half year ended September 30, 2025 to ₹ 23,547.0 million for the half year ended September 30, 2026. This increase was primarily due to the following reasons:

- a 27.6% increase in our expenses related to information technology expenses from ₹ 4,692.3 million for the half year ended September 30, 2025 to ₹ 5,986.7 million for the half year ended September 30, 2026;

- a 32.0% increase in our expenses related to travelling from ₹ 2,542.6 million for the half year ended September 30, 2025 to ₹ 3,356.1 million for the half year ended September 30, 2026; and

- a 38.9% increase in our expenses related to advertisement, branding and promotion from ₹ 1,973.3 million for the half year ended September 30, 2025 to ₹ 2,741.1 million for the half year ended September 30, 2026.

- a 45.3% decrease in our expenses related to outsourcing/ back office expenses from ₹ 2,607.9 million for the half year ended September 30, 2025 to ₹ 1,427.0 million for the half year ended September 30, 2026.

Tax Expense

Our total tax expense increased by 29.9% from ₹ 32,626.6 million for the half year ended September 30, 2025 to ₹ 42,390.3 million for the half year ended September 30, 2026, which increase was higher than the 28.6% increase in profit before tax from ₹ 129,757.1 million for the half year ended September 30, 2025 to ₹ 166,862.0 million for the half year ended September 30, 2026.

Profit after Tax

As a result of the above, our profit after tax increased by 28.1% from ₹ 97,130.5 million for the half year ended September 30, 2025 to ₹ 124,471.7 million for the half year ended September 30, 2026.

Fiscal 2026 compared to Fiscal 2025

The following table sets forth our summary statements of profit and loss on a consolidated basis for Fiscals 2026 and 2025:

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
Revenue from operations			
Interest income	727,760.1	611,635.5	19.0%
Fees and commission income	77,543.9	59,828.4	29.6%
Net gain on fair value changes	4,712.4	5,390.3	(12.6)%
Sale of services	157.1	271.3	(42.1)%
Income on derecognised (assigned) loans	4,654.6	5,520.4	(15.7)%
Other operating income [(1)]	4,995.7	14,189.2	(64.8)%
Total revenue from operations	819,823.8	696,835.1	17.6%
Other income	71.2	412.7	(82.7)%
Total income	819,895.0	697,247.8	17.6%
Expenses			
Finance costs	286,659.5	247,707.9	15.7%
Fees and commission expense	36,581.0	25,976.6	40.8%
Impairment on financial instruments [(1)]	94,818.5	79,660.3	19.0%
Employee benefits expense	89,785.3	75,083.4	19.6%
Depreciation and amortisation expenses	10,089.8	8,809.9	14.5%
Other expenses	41,306.8	39,391.5	4.9%
Total expenses	559,240.9	476,629.6	17.3%
Share of profit/(loss) from associates	164.6	178.1	(7.6)%
Profit before exceptional items and tax	260,818.7	220,796.3	18.1%
Exceptional Items	(2,652.2)	-	
Profit before tax	258,166.5	220,796.3	16.9%
Tax expense:			
Current tax			
- Current year	68,740.8	56,648.6	21.3%
- Earlier years	0.8	(2,751.2)	100.0%
Deferred tax (credit)/charge	(3,898.7)	(895.9)	(335.2)%
Total tax expense	64,842.9	53,001.5	22.3%
Profit after tax	193,323.6	167,794.8	15.2%
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans	353.8	(248.5)	242.4%
Tax impact on above	(89.1)	62.5	(242.6)%
Net remeasurement gains/(losses) on defined benefit plans – Share of associates	(1.5)	(3.2)	53.1%
Net other adjustments – Share of associates	-	(1.0)	100.0%

Particulars	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
Changes in fair value of fair value through OCI (FVOCI) equity instruments	(207.1)	(954.9)	78.3%
Tax impact on above	29.5	252.2	(88.3)%
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities	(4,087.4)	1,407.9	(390.3)%
Tax impact on above	1,028.8	(354.5)	390.2%
Net other adjustments – Share of associates	(0.2)	-	(100.0)%
Cash flow hedge reserve	2,863.0	(1,171.4)	344.4%
Tax impact on above	(720.6)	294.8	(344.4)%
Cost of hedging reserve	148.4	59.9	147.7%
Tax impact on above	77.2	(14.4)	636.1%
Total other comprehensive income for the year (net of tax)	(605.2)	(670.6)	9.8%
Total comprehensive income	192,718.4	167,124.2	15.3%

Note:

(1) During Fiscal 2026 certain components under "Other Operating Income", i.e., "recoveries against written off financial assets" and "net realisation on sale of written off loans" have been moved to "impairment of financial instruments", to provide a more meaningful representation as these recoveries are related to impairment of financial instrument. As a result, "Other Operating Income" in Fiscal 2025 was ₹ 5,411.2 million as presented in the comparative column of the Fiscal 2026 Audited Consolidated Financial Statements compared to ₹ 14,189.2 million as presented in the Fiscal 2025 Audited Consolidated Financial Statements, and "Impairment of financial instrument" in Fiscal 2025 was ₹ 70,882.3 million as presented in the comparative column of the Fiscal 2026 Audited Consolidated Financial Statements compared to ₹ 79,660.3 million as presented in the Fiscal 2025 Audited Consolidated Financial Statements.

Factors affecting comparability

During Fiscal 2026, recoveries against written-off financial assets and net realisation on sale of written-off loans, which were previously presented under 'Other Operating Income', have been reclassified as a reduction from impairment on financial instruments to better reflect their relationship with credit losses.

Total Income

Our total income increased by 17.6% from ₹ 697,247.8 million for Fiscal 2025 to ₹ 819,895.0 million for Fiscal 2026, which increase was primarily due to a 17.6% increase in our revenue from operations from ₹ 696,835.1 million for Fiscal 2025 to ₹ 819,823.8 million for Fiscal 2026. The primary reasons for this increase are discussed below.

Interest Income

Our interest income increased by 19.0% from ₹ 611,635.5 million for Fiscal 2025 to ₹ 727,760.1 million for Fiscal 2026. The following table sets forth the breakdown of our interest income.

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
Interest income on loans	697,847.1	584,113.0	19.5%
Interest income on investments	19,267.9	17,961.2	7.3%
Interest income on deposits with bank	7,661.6	5,927.1	29.3%
Interest income on others	2,983.5	3,634.2	(17.9)%

Our revenue from operations, except distribution income, is largely dependent on changes in our Average Loans across our lending verticals. In addition, the larger our Average Loans, generally, the more borrowings we need to fund those loans and the more employees we need to run our business, so increases in our Average Loans will also generally increase our total expenses.

Set forth below is a table depicting the increase in our Average Loans across our lending verticals and sub-verticals and the major reasons for the increases.

(₹ in million except percentages)

Lending Verticals	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
Captive 2W & 3W Finance	74,898.6	131,806.7	(43.2)%
Open Market 2W & 3W Finance	74,761.1	53,496.3	39.8%
Urban Consumer Finance	332,697.3	262,787.5	26.6%
Urban Personal Loans	960,909.2	768,942.3	25.0%
Rural Consumer Finance	92,516.3	70,767.3	30.7%
Rural Personal Loans	227,213.2	187,737.9	21.0%

Lending Verticals	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
MFI Lending Business	17,278.2	6,820.0	153.3%
Gold Loans	130,688.4	64,529.2	102.5%
MSME Lending	477,136.7	423,780.9	12.6%
CV & Tractor Finance	27,639.5	8,363.3	230.5%
Car Loans	134,438.3	94,818.8	41.8%
Commercial Lending	307,992.8	249,868.1	23.3%
Loan against Securities	293,120.8	236,798.9	23.8%
Mortgages	1,382,648.0	1,110,170.1	24.5%
Total Average Loans	**4,533,938.4**	**3,670,687.3**	**23.5%**

- Our interest income on loans is primarily influenced by the growth in our average loans, changes in the portfolio mix and interest rate change.

- The increase in our interest income on loans was primarily due to an increase in average loans by 23.5% from ₹ 3,670,687.3 million for Fiscal 2025 to ₹ 4,533,938.4 million for Fiscal 2026.

- The increase in our interest income on investments was primarily attributable to the composition of our investment portfolio, while average interest-bearing investments remained broadly stable from ₹ 274,005.5 million for the year ended March 31, 2025 to ₹ 282,002.0 million for the year ended March 31, 2026.

Fees and Commission Income

Our fees and commission income increased by 29.6% from ₹ 59,828.4 million for Fiscal 2025 to ₹ 77,543.9 million for Fiscal 2026. The following table sets forth the breakdown of our fees and commission income.

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	% increase / (decrease)
Service and administration charges	27,579.2	21,348.4	29.2%
Fees on value added services and products	8,243.2	8,820.4	(6.5)%
Foreclosure income	7,302.1	5,105.7	43.0%
Distribution income	33,235.5	23,330.6	42.5%
Brokerage income	1,183.9	1,223.3	(3.2)%

- The increase in service and administration charges was primarily due to:

  - an increase in collection of penal and bounce charges from ₹ 17,358.3 million for Fiscal 2025 to ₹ 22,890.8 million for Fiscal 2026; and

  - an increase in collection of charges pertaining to our flexi loans from ₹ 3,726.2 million for Fiscal 2025 to ₹ 4,544.5 million for Fiscal 2026.

- The decrease in fees from value-added services and products was primarily attributable to the discontinuation of certain value-added services, partially offset by higher issuance of new EMI cards during the period.

- The increase in foreclosure income was mainly driven by an increase in the amount of loans foreclosed during the period.

- The increase in distribution income was primarily on account of a 21.0% increase in new loans booked, from 43.4 million for Fiscal 2025 to 52.5 million for Fiscal 2026, and a 17.2% increase in our customer franchise, from 101.8 million as at March 31, 2025 to 119.3 million as at March 31, 2026.

Total Expenses

Our total expenses increased by 17.3% from ₹ 476,629.6 million for Fiscal 2025 to ₹ 559,240.9 million for Fiscal 2026. The primary reasons for this increase are discussed below:

Finance Costs

Our finance costs increased by 15.7% from ₹ 247,707.9 million for Fiscal 2025 to ₹ 286,659.5 million for Fiscal 2026. This increase was primarily due to a 21.7% increase in our Average Borrowings, from ₹ 3,272,972.4 million for Fiscal 2025 to ₹ 3,981,805.7 million for Fiscal 2026, partially offset by a decrease in the daily weighted average cost of funds from 8.0% for Fiscal 2025 to 7.5% for Fiscal 2026. Our finance cost as a percentage of Average Borrowings was 7.6% for Fiscal 2025, compared to 7.2% for Fiscal 2026.

Fees and Commission Expense

Our fees and commission expense increased by 40.8% from ₹ 25,976.6 million for Fiscal 2025 to ₹ 36,581.0 million for Fiscal 2026. This increase was primarily due to:

- a 30.3% increase in recovery costs, from ₹ 19,735.9 million for Fiscal 2025 to ₹ 25,715.8 million for Fiscal 2026; and
- an 85.9% increase in credit guarantee fees, from ₹ 5,087.6 million for Fiscal 2025 to ₹ 9,457.7 million for Fiscal 2026.

Impairment on Financial Instruments

Our impairment on financial instruments increased by 19.0% from ₹ 79,660.3 million for Fiscal 2025 to ₹ 94,818.5 million for Fiscal 2026. During Fiscal 2026, recoveries against written-off financial assets and net realisation on sale of written-off loans, which were previously presented under 'Other Operating Income', are presented as a reduction from impairment on financial instruments to better reflect their relationship with credit losses. For regrouping, the corresponding amounts for Fiscal 2025 have been presented below on the same basis:

(₹ in million)

Particulars	For the year ended March 31, 2025 (consolidated)
Impairment on Financial Instrument (A)	79,660.3
Recoveries against written- off financial assets (B)	7,149.0
Net realisation on sale of written-off assets (C)	1,629.0
Impairment on financial instruments (regrouped) (D=A-B-C)	70,882.3

On a regrouped basis, impairment on financial instruments increased by 33.8% from ₹ 70,882.3 million for the Fiscal 2025 to ₹ 94,818.5 million for Fiscal 2026. This increase was primarily due to the implementation of a minimum Loss Given Default ("LGD") floor in ECL modelling across all businesses, which was adopted to strengthen our provisioning framework in response to a volatile global macroeconomic environment and resulted in an accelerated expected credit loss provision of ₹ 14,060.0 million in Fiscal 2026. Excluding ₹ 14,060.0 million charge in Fiscal 2026, impairment of financial instruments increased by 13.9% from ₹ 70,882.3 million for Fiscal 2025 to ₹ 80,758.5 million for Fiscal 2026.

Employee Benefits Expense

Our employee benefits expense increased by 19.6% from ₹ 75,083.4 million for Fiscal 2025 to ₹ 89,785.3 million for Fiscal 2026, which was primarily due to an 11.7% increase in the number of our employees from 64,092 as at March 31, 2025 to 71,613 as at March 31, 2026, general increases in employee salaries and performance incentives, and the incremental employee benefit cost arising from changes in labour laws effective from November 21, 2025.

Other Expenses

Our other expenses increased by 4.9% from ₹ 39,391.5 million for Fiscal 2025 to ₹ 41,306.8 million for Fiscal 2026. This increase was primarily due to:

- a 27.5% increase in information technology expenses, from ₹ 7,719.7 million for Fiscal 2025 to ₹ 9,839.2 million for Fiscal 2026;
- a 34.5% increase in communication expenses, from ₹ 1,868.2 million for Fiscal 2025 to ₹ 2,512.1 million for Fiscal 2026; and
- a 7.5% increase in travelling expenses, from ₹ 5,048.1 million for Fiscal 2025 to ₹ 5,425.2 million for Fiscal 2026.
- a 20.9% decrease in outsourcing/ back office expenses, from ₹ 5,640.6 million for Fiscal 2025 to ₹ 4,461.9 million for Fiscal 2026.

Exceptional Items

On November 21, 2025, the Government of India notified four new Labour Codes, consolidating 29 existing labour laws. The implementation of the new Labour Codes resulted in an estimated additional past service cost towards gratuity of ₹ 2,652.2 million. Given the non-recurring nature of this impact, the Company has presented the one-time charge as an "Exceptional Item".

Tax Expense

Our total tax expense increased by 22.3% from ₹ 53,001.5 million for Fiscal 2025 to ₹ 64,842.9 million for Fiscal 2026, compared with a 16.9% increase in profit before tax from ₹ 220,796.3 million for Fiscal 2025 to ₹ 258,166.5 million for Fiscal 2026. The relatively higher increase in tax expense was primarily attributable to a tax benefit of ₹ 3,481.9 million recognised

in Fiscal 2025 following the reassessment of certain income-tax positions based on favourable judicial orders, comprising a reversal of prior-year tax expense of ₹ 2,490.1 million and a reduction in tax provision of ₹ 991.8 million.

Profit after Tax

Our profit after tax increased by 15.2% from ₹ 167,794.8 million for Fiscal 2025 to ₹ 193,323.6 million for Fiscal 2026.

Fiscal 2025 compared to Fiscal 2024

The following table sets forth our summary statements of profit and loss on a consolidated basis for Fiscals 2025 and 2024:

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)	% increase / (decrease)
Revenue from operations			
Interest income	611,635.5	483,066.0	26.6%
Fees and commission income	59,828.4	52,671.7	13.6%
Net gain on fair value changes	5,390.3	3,082.9	74.8%
Sale of services	271.3	499.7	(45.7)%
Income on derecognised (assigned) loans	5,520.4	133.3	4,041.3%
Other operating income	14,189.2	10,241.3	38.5%
Total revenue from operations	**696,835.1**	**549,694.9**	**26.8%**
Other income	412.7	130.2	217.0%
Total income	**697,247.8**	**549,825.1**	**26.8%**
Expenses			
Finance costs	247,707.9	187,246.9	32.3%
Fees and commission expense	25,976.6	19,315.0	34.5%
Impairment on financial instruments	79,660.3	46,307.0	72.0%
Employee benefits expense	75,083.4	63,960.1	17.4%
Depreciation and amortisation expenses	8,809.9	6,833.2	28.9%
Other expenses	39,391.5	33,143.6	18.9%
Total expenses	**476,629.6**	**356,805.8**	**33.6%**
Share of profit/(loss) from associates	178.1	76.4	133.1%
Profit before tax	**220,796.3**	**193,095.7**	**14.3%**
Tax expense:			
Current tax			
- Current year	56,648.6	49,577.2	14.3%
- Earlier years	(2,751.2)	-	
Deferred tax (credit)/charge	(895.9)	(993.2)	9.8%
Total tax expense	**53,001.5**	**48,584.0**	**9.1%**
Profit after tax	**167,794.8**	**144,511.7**	**16.1%**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans	(248.5)	(616.5)	59.7%
Tax impact on above	62.5	155.2	(59.7)%
Net remeasurement gains/(losses) on defined benefit plans – Share of associates	(3.2)	(1.0)	(220.0)%
Net other adjustments – Share of associates	(1.0)	0.1	(1,100.0)%
Changes in fair value of fair value through OCI (FVOCI) equity instruments	(954.9)	1,516.2	(163.0)%
Tax impact on above	252.2	(298.2)	184.6%
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities	1,407.9	394.5	256.9%
Tax impact on above	(354.5)	(99.3)	(257.0)%
Cash flow hedge reserve	(1,171.4)	(208.0)	(463.2)%
Tax impact on above	294.8	52.4	462.6%
Cost of hedging reserve	59.9	-	
Tax impact on above	(14.4)	-	
Total other comprehensive income for the year (net of tax)	**(670.6)**	**895.4**	**(174.9)%**
Total comprehensive income	**167,124.2**	**145,407.1**	**14.9%**

Our revenue from operations, except distribution income, is largely dependent on changes in our Average Loans across our lending verticals. In addition, the larger our Average Loans, generally, the more borrowings we need to fund those loans and the more employees we need to run our business, so increases in our Average Loans will also generally increase our total expenses.

Set forth below is a table depicting the increase in average loans across our lending verticals and sub-verticals and the major reasons for the increases:

(₹ in million except percentages)

Lending Verticals	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)	% increase / (decrease)
Captive 2W & 3W Finance	131,806.7	143,244.9	(8.0)%
Open Market 2W & 3W Finance	53,496.3	20,358.0	162.8%
Urban Consumer Finance	262,787.5	206,536.2	27.2%
Urban Personal Loans	768,942.3	587,190.8	31.0%
Rural Consumer Finance	70,767.3	53,903.8	31.3%
Rural Personal Loans	187,737.9	170,787.1	9.9%
MFI Lending Business	6,820.0	530.6	1,185.3%
Gold Loans	64,529.2	36,996.7	74.4%
MSME Lending	423,780.9	341,054.0	24.3%
CV & Tractor Finance	8,363.3	127.8	6,444.1%
Car Loans	94,818.8	49,247.3	92.5%
Commercial Lending	249,868.1	189,198.7	32.1%
Loan against Securities	236,798.9	185,654.7	27.5%
Mortgages	1,110,170.1	857,980.7	29.4%
Total Average Loans	**3,670,687.3**	**2,842,811.3**	**29.1%**

Total Income

Our total income increased by 26.8% from ₹ 549,825.1 million for Fiscal 2024 to ₹ 697,247.8 million for Fiscal 2025, which increase was primarily due to a 26.8% increase in our revenue from operations from ₹ 549,825.1 million for Fiscal 2024 to ₹ 696,835.1 million for Fiscal 2025. The primary reasons for this increase are discussed below.

Interest Income

Our interest income increased by 26.6% from ₹ 483,066.0 million for Fiscal 2024 to ₹ 611,635.5 million for Fiscal 2025. The following table sets forth the breakdown of our interest income.

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)	% increase / (decrease)
Interest income on loans	584,113.0	466,278.0	25.3%
Interest income on investments	17,961.2	13,517.7	32.9%
Interest income on deposits with bank	5,927.1	3,239.5	83.0%
Interest income on others	3,634.2	30.8	

- Our interest income on loans is primarily influenced by the growth in our average loans, changes in the portfolio mix and interest rate change.

  The increase in our interest income on loans was primarily due to an increase in average loans by 29.1% from ₹ 2,842,811.3 million for Fiscal 2024 to ₹ 3,670,687.3 million for Fiscal 2025.

- The increase in our interest income on investments was primarily due to 24.9% increase in average interest bearing investments from ₹ 219,317.3 million for the year ended March 31, 2024 to ₹ 274,005.5 million for the year ended March 31, 2025.

Fees and Commission Income

Our fees and commission income increased by 13.6% from ₹ 52,671.7 million for Fiscal 2024 to ₹ 59,828.4 million for Fiscal 2025. The following table sets forth the breakdown of our fees and commission income.

(₹ in million, except percentages)

Particulars	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)	% increase / (decrease)
Service and administration charges	21,348.4	17,727.5	20.4%
Fees on value added services and products	8,820.4	6,532.4	35.0%

Particulars	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)	% increase / (decrease)
Foreclosure income	5,105.7	4,395.9	16.1%
Distribution income	23,330.6	22,991.2	1.5%
Brokerage income	1,223.3	1,024.7	19.4%

- The increase in service and administration charges was primarily due to:
  - an increase in collection of penal and bounce charges from ₹ 13,991.6 million for Fiscal 2024 to ₹ 17,358.3 million for Fiscal 2025; and
  - an increase in collection of charges relating to our flexi loans from ₹ 3,247.9 million for Fiscal 2024 to ₹ 3,726.2 million for Fiscal 2025.
- The increase in fees from value-added services and products was primarily driven by an increase in the issuance of new EMI cards and a higher EMI card base for renewal fees.
- The increase in foreclosure income was mainly driven by an increase in the amount of loans foreclosed during the period.
- The increase in distribution income was primarily on account of a 19.9% increase in new loans booked, from 36.2 million for Fiscal 2024 to 43.4 million for Fiscal 2025, and a 21.8% increase in our customer franchise, from 83.6 million as at March 31, 2024 to 101.8 million as at March 31, 2025.

Total Expenses

Our total expenses increased by 33.6% from ₹ 356,805.8 million for Fiscal 2024 to ₹ 476,629.6 million for Fiscal 2025. The primary reasons for this increase are discussed below.

Finance Costs

Our finance costs increased by 32.3% from ₹ 187,246.9 million for Fiscal 2024 to ₹ 247,707.9 million for Fiscal 2025. This increase was primarily due to a 28.3% increase in our Average Borrowings, from ₹ 2,550,181.6 million for Fiscal 2024 to ₹ 3,272,972.4 million for Fiscal 2025, together with an increase in the daily weighted average cost of funds from 7.7% for Fiscal 2024 to 8.0% for Fiscal 2025. Our finance cost as a percentage of Average Borrowings was 7.3% for Fiscal 2024, compared to 7.6% for Fiscal 2025.

Fees and Commission Expense

Our fees and commission expense increased by 34.5% from ₹ 19,315.0 million for Fiscal 2024 to ₹ 25,976.6 million for Fiscal 2025. This increase was primarily due to:

- a 21.5% increase in recovery costs, from ₹ 16,245.4 million for Fiscal 2024 to ₹ 19,735.9 million for Fiscal 2025; and
- a 169.1% increase in credit guarantee fees, from ₹ 1,890.6 million for Fiscal 2024 to ₹ 5,087.6 million for Fiscal 2025.

Impairment on Financial Instruments

Our impairment on financial instruments increased by 72.0% from ₹46,307.0 million for Fiscal 2024 to ₹79,660.3 million for Fiscal 2025. This increase was primarily due to (i) a 29.1% increase in average loans from ₹ 2,842,811.3 million for Fiscal 2024 to ₹ 3,670,687.3 million for Fiscal 2025, (ii) an additional expected credit loss provision of ₹ 3,590.0 million on account of the annual redevelopment of our expected credit loss model, incorporating higher flow-forward rates observed for Fiscal 2025, and (iii) macroeconomic factors, including increasing leverage in unsecured loans and rising stress across the broader banking industry.

Employee Benefits Expense

Our employee benefits expense increased by 17.4% from ₹ 63,960.1 million for Fiscal 2024 to ₹ 75,083.4 million for Fiscal 2025, which was primarily due to a 19.2% increase in the number of our employees from 53,782 as at March 31, 2024 to 64,092 as at March 31, 2025, together with general increases in employee salaries and performance incentives.

Other Expenses

Our other expenses increased by 18.9% from ₹ 33,143.6 million for Fiscal 2024 to ₹ 39,391.5 million for Fiscal 2025. This increase was primarily due to:

- a 12.9% increase in travelling expenses, from ₹ 4,472.6 million for Fiscal 2024 to ₹ 5,048.1 million for Fiscal 2025;

- a 1.7% increase in outsourcing/ back office expenses, from ₹ 5,547.8 million for Fiscal 2024 to ₹ 5,640.6 million for Fiscal 2025;
- a 36.7% increase in advertisement, branding and promotion expenses, from ₹ 3,491.8 million for Fiscal 2024 to ₹ 4,772.3 million for Fiscal 2025; and
- a 37.2% increase in bank charges, from ₹ 1,613.3 million for Fiscal 2024 to ₹ 2,213.9 million for Fiscal 2025.

Tax Expense

Our total tax expense increased by 9.1% from ₹ 48,584.0 million for Fiscal 2024 to ₹ 53,001.5 million for Fiscal 2025, compared with a 14.3% increase in profit before tax from ₹ 193,095.7 million for Fiscal 2024 to ₹ 220,796.3 million for Fiscal 2025. The relatively lower rate of increase in tax expense was primarily attributable to a tax benefit of ₹ 3,481.9 million recognised in Fiscal 2025 following the reassessment of certain income-tax positions based on favourable judicial orders, comprising a reversal of prior-year tax expense of ₹ 2,490.1 million and a reduction in tax provision of ₹ 991.8 million.

Profit after Tax

Our profit after tax increased by 16.1% from ₹ 144,511.7 million for Fiscal 2024 to ₹ 167,794.8 million for Fiscal 2025.

FINANCIAL CONDITION

Total Assets

The table below sets forth the principal components of our total assets as at the dates specified:

(₹ in million)

Assets	As at September 30, 2026 (consolidated) (unaudited)	As at March 31, 2026 (consolidated)	As at March 31, 2025 (consolidated)	As at March 31, 2024 (consolidated)
Financial Assets:				
Cash and cash equivalents	18,151.1	18,969.0	36,424.6	40,345.1
Bank balances other than cash and cash equivalents	137,628.9	138,584.2	99,010.8	65,895.0
Derivative financial instruments	28,316.7	23,918.6	2,505.6	278.4
Trade receivables	21,459.0	19,080.8	19,131.1	17,334.9
Loans	5,741,744.4	4,989,435.4	4,078,441.4	3,262,933.2
Investments	317,440.3	305,778.0	344,408.4	308,806.5
Other financial assets	56,057.3	43,004.1	24,449.9	14,318.8
Sub-total – Financial Assets	**6,320,797.7**	**5,538,770.1**	**4,604,371.8**	**3,709,911.9**
Non-Financial Assets:				
Current tax assets (net)	2,658.5	2,295.9	4,807.7	2,909.2
Deferred tax assets (net)	19,289.3	15,600.7	11,412.0	10,174.3
Property, plant and equipment	32,793.1	28,510.6	26,888.9	23,583.2
Capital work-in-progress	757.4	618.3	267.4	253.5
Intangible assets under development	1,724.0	575.8	145.5	181.1
Goodwill	32.7	32.7	32.7	32.7
Other intangible assets	9,668.8	10,922.3	10,880.1	8,883.1
Other non-financial assets	6,703.7	2,197.2	2,462.2	1,487.2
Sub-total – Non-Financial Assets	**73,627.5**	**60,753.5**	**56,896.5**	**47,504.3**
Total Assets	**6,394,425.2**	**5,599,523.6**	**4,661,268.3**	**3,757,416.2**

Total Liabilities and Equity

Our total liabilities and Equity as at the specified dates are set out below:

(₹ in million)

Liabilities	As at September 30, 2026 (consolidated) (unaudited)	As at March 31, 2026 (consolidated)	As at March 31, 2025 (consolidated)	As at March 31, 2024 (consolidated)
Financial Liabilities:				
Derivative financial instruments	4,670.0	615.8	371.3	21.2
Payables:				
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	28.5	9.1	18.0	7.3

Liabilities	As at September 30, 2026 (consolidated) (unaudited)	As at March 31, 2026 (consolidated)	As at March 31, 2025 (consolidated)	As at March 31, 2024 (consolidated)
Total outstanding dues of creditors other than micro enterprises and small enterprises	25,455.9	21,036.2	18,762.4	20,633.1
Other payables				
Total outstanding dues of micro enterprises and small enterprises	21.7	3.3	4.2	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,337.0	11,734.7	9,304.9	7,645.8
Debt Securities	2,448,309.5	1,931,319.0	1,546,397.3	1,179,995.4
Borrowings (other than debt securities)	1,866,723.9	1,706,425.3	1,321,022.5	1,116,174.7
Deposits	697,537.0	685,327.5	714,031.3	601,509.2
Subordinated liabilities/ Subordinated debts	7,248.2	28,053.1	31,035.4	35,779.0
Other financial liabilities	40,199.4	27,961.6	19,482.0	18,443.9
Sub-total – Financial Liabilities	**5,102,531.1**	**4,412,485.6**	**3,660,429.3**	**2,980,209.6**
Non-Financial Liabilities:				
Current tax liabilities (net)	11,232.6	2,602.4	1,006.3	1,086.4
Provisions	9,612.7	7,489.4	5,142.8	4,218.9
Other non-financial liabilities	7,396.2	7,090.8	5,321.0	4,947.8
Sub-total – Non-Financial Liabilities	**28,241.5**	**17,182.6**	**11,470.1**	**10,253.1**
Equity:				
Equity share capital	6,223.9	6,217.9	1,241.7	1,236.0
Other equity	1,225,573.6	1,133,772.3	965,687.0	765,717.5
Equity attributable to owners of the Company	**1,231,797.5**	**1,139,990.2**	**966,928.7**	**766,953.5**
Non-controlling interest	31,855.1	29,865.2	22,440.2	-
Sub-total – Equity	**1,263,652.6**	**1,169,855.4**	**989,368.9**	**766,953.5**
Total Liabilities and equity	**6,394,425.2**	**5,599,523.6**	**4,661,268.3**	**3,757,416.2**

LIQUIDITY AND CAPITAL RESOURCES

Capital Requirements

We fund our operations through equity share capital, other equity, which includes retained profits, and borrowings. Our primary source of funding is borrowings. Our strategy is to raise long-term borrowings and maintain a judicious mix of borrowings between banks, money markets, deposits and others.

Our Company's dividend distribution policy states that subject to profit, the Board shall endeavor to maintain a dividend payout (including dividend distribution tax, if any) in the range of 15.0% to 25.0% of profits after tax on standalone financials, to the extent possible.

Our objective is to maintain appropriate levels of capital to support our business strategy taking into account the regulatory, economic and commercial environment. We aim to maintain a strong capital base to support the risks inherent to our business and growth strategies.

Our assessment of our capital requirements is aligned to our planned growth, which forms part of an annual operating plan, which is approved by the Board and also a long-range strategy. These growth plans are aligned to assessment of risks, which include credit, liquidity and interest rate.

Our Company and BHFL endeavor to maintain their respective CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for our growth.

Our Company and BHFL monitor their respective CRAR on a monthly basis through their respective Assets Liability Management Committees.

Capital to Risk (Weighted) Assets Ratio

CRAR of our Company

The table below sets forth details of our Company's CRAR as at September 30, 2026, March 31, 2026, 2025 and 2024 on a standalone basis.

(₹ in million, except percentages)

Particulars	As at September 30, 2026 (standalone)	As at March 31, 2026 (standalone)	As at March 31, 2025 (standalone)	As at March 31, 2024 (standalone)
Risk Weighted Assets	5,341,574.1	4,633,234.1	3,899,810.9	3,151,498.5
Tier I Capital	1,037,818.1	957,512.7	822,338.6	677,961.1
Tier II Capital	48,194.0	40,914.8	32,846.4	31,666.1
CRAR%	20.3%	21.6%	21.9%	22.5%
Tier I Capital %	19.4%	20.7%	21.1%	21.5%
Tier II Capital %	0.9%	0.9%	0.8%	1.0%

CRAR of BHFL

The table below sets forth details of the CRAR of BHFL as at September 30, 2026, March 31, 2026, 2025 and 2024 on a standalone basis.

(₹ in million, except percentages)

Particulars	As at September 30, 2026 (standalone)	As at March 31, 2026 (standalone)	As at March 31, 2025 (standalone)	As at March 31, 2024 (standalone)
Risk Weighted Assets	1,125,064.6	999,063.2	701,883.9	573,518.3
Tier I Capital	234,393.1	219,946.7	194,561.2	118,572.4
Tier II Capital	4,560.9	4,449.3	3,670.9	3,484.5
CRAR%	21.2%	22.5%	28.2%	21.3%
Tier I Capital %	20.8%	22.0%	27.7%	20.7%
Tier II Capital %	0.4%	0.5%	0.5%	0.6%

Borrowings

Our primary source of funding is borrowings. Due to our high credit ratings and the fact that our Company can accept deposits, we have access to diversified sources of cost-effective borrowings. Our total borrowings were ₹ 5,019,818.6 million as at September 30, 2026, with borrowings from banks, money market, deposits and others representing 29.6%, 51.9%, 13.9% and 4.6% of that amount, respectively. As at September 30, 2026, we had outstanding bank borrowings of ₹ 1,485,630.3 million from 30 banks, at consolidated level.

We have progressively diversified our funding mix, with the share of money market borrowings (comprising principally non-convertible debentures ("**NCDs**") and commercial paper) in our total borrowings increasing, which is influenced by the prevailing interest rates. The table below sets forth our total borrowings by type of borrowing and as a percentage of total borrowings as at September 30, 2026 and March 31, 2026, 2025 and 2024:

Particulars	As at September 30, 2026 (Consolidated) (Unaudited)		As at March 31, (Consolidated)					
			2026		2025		2024	
	(₹ in million)	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*	*(₹ in million)*	*% of total borrowings*
Bank Borrowings* (A)	**1,485,630.3**	**29.6%**	**1,327,878.8**	**30.5%**	**1,011,220.6**	**28.0%**	**898,400.6**	**30.6%**
Money Market Borrowing*(B)**	**2,604,780.9**	**51.9%**	**2,109,248.9**	**48.5%**	**1,733,498.3**	**48.0%**	**1,373,364.0**	**46.8%**
of which:								
*Non-convertible debentures **	2,011,350.3	40.1%	1,599,058.0	36.8%	1,271,793.0	35.2%	931,700.2	31.8%
Borrowing by issue of Commercial paper – Unsecured	436,959.2	8.7%	332,261.0	7.6%	274,604.3	7.6%	248,295.2	8.5%
Privately placed subordinated (Tier II) redeemable non-convertible debentures	7,248.2	0.1%	28,053.1	0.6%	31,035.4	0.9%	35,779.0	1.2%
Triparty repo dealing and settlement (TREPs) against Government securities	100,196.1	2.0%	86,369.3	2.0%	116,767.8	3.2%	157,589.6	5.4%
Repurchase agreement borrowings (Repo)	49,027.1	1.0%	63,507.5	1.5%	39,297.8	1.1%	-	-
Deposits (public and other deposits) (C)	**697,537.0**	**13.9%**	**685,327.5**	**15.7%**	**714,031.3**	**19.8%**	**601,509.2**	**20.5%**
Others (External Commercial Borrowing) (D)	**231,870.4**	**4.6%**	**228,669.7**	**5.3%**	**153,736.3**	**4.2%**	**60,184.5**	**2.1%**
Total Borrowings (E=A+B+C+D)	**5,019,818.6**	**100.0**	**4,351,124.9**	**100.0%**	**3,612,486.5**	**100.0%**	**2,933,458.3**	**100.0%**

*** Bank Borrowings:**

Particulars	As at September 30, 2026 (Consolidated) (unaudited)	As at March 31, 2026 (Consolidated)	As at March 31, 2025 (Consolidated)	As at March 31, 2024 (Consolidated)
Borrowing (Other than debt securities) :				
- Term loans from banks	1,090,422.8	973,336.5	848,446.1	792,582.7
- Term loan from National Housing Bank (NHB)	108,868.4	103,408.8	83,724.0	68,375.9
- Cash Credit/Overdraft facility	9,596.8	57,919.7	37,837.9	6,813.1
- Working capital demand loans	43,495.3	42,726.7	23,675.8	30,628.9
- Term loans from Development Financial Institutions	166,866.7	82,809.1	-	-
- Securitisation liabilities	66,380.3	67,678.0	17,536.8	-
Total - Bank Borrowing	**1,485,630.3**	**1,327,878.8**	**1,011,220.6**	**898,400.6**

**** Non-convertible debentures:**

Particulars	As at September 30, 2026 (Consolidated)	As at March 31, 2026 (Consolidated)	As at March 31, 2025 (Consolidated)	As at March 31, 2024 (Consolidated)
Debt Securities:				
Redeemable non-convertible debenture :				
- Secured and fully paid	1,910,286.5	1,503,544.7	1,182,846.2	8,48,962.8
- Unsecured and partly paid	-	14,913.3	26,414.9	20,148.2
- Unsecured and fully paid	101,063.8	80,600	62,531.9	62,589.2
Total - Non-convertible debentures	**2,011,350.3**	**1,599,058.0**	**1,271,793.0**	**931,700.2**

***** Money Market Borrowings:**

Particulars	As at September 30, 2026 (Consolidated) (Unaudited)	As at March 31, 2026 (Consolidated)	As at March 31, 2025 (Consolidated)	As at March 31, 2024 (Consolidated)
Non-convertible debentures	2,011,350.3	1,599,058.0	1,271,793.0	931,700.2
Borrowing by issue of Commercial paper – Unsecured	436,959.2	332,261.0	274,604.3	248,295.2
Privately placed subordinated (Tier II) redeemable non-convertible debentures	7,248.2	28,053.1	31,035.4	35,779.0
Triparty repo dealing and settlement (TREPs) against Government securities	100,196.1	86,369.3	116,767.8	157,589.6
Repurchase agreement borrowings (Repo)	49,027.1	63,507.5	39,297.8	-
Total - Money Market Borrowing	**2,604,780.9**	**2,109,248.9**	**1,733,498.3**	**1,373,364.0**

Restrictive Covenants

Our financing agreements include various conditions and covenants that require us to obtain lender consents, or serve prior intimation notices on such lenders prior to carrying out certain activities and entering into certain transactions. For details, see "***Risk Factors – If we do not comply with covenants and conditions under our borrowing arrangements, it could lead to termination of our credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided, and the trigger of cross default provisions. Any of the above actions taken by the relevant lender could have a material adverse effect on our credit ratings, financial condition, results of operations and cash flows***" on page 83.

We are currently in compliance with the financial covenants contained in our financing agreements.

CASH FLOWS

The following table summarises our consolidated statements of cash flows for the periods presented:

(₹ in million)

Particulars	For the half year ended September 30, 2026 (consolidated) (Unaudited)	For the half year ended September 30, 2025 (consolidated) (Unaudited)	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)
Net cash used in operating activities (**A**)	(646,753.0)	(295,851.5)	(657,898.0)	(681,544.7)	(727,601.4)
Of which;					
Cash generated from operations before working capital changes	221,308.1	200,710.9	399,308.9	319,634.5	238,423.2

Particulars	For the half year ended September 30, 2026 (consolidated) (Unaudited)	For the half year ended September 30, 2025 (consolidated) (Unaudited)	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)
(increase)/ decrease in working capital, excluding (increase) in loans (as tabulated below) [(1)]	(20,319.0)	28,232.6	45,344.3	(41,817.7)	(33,169.9)
(Increase) in loans	(809,709.2)	(501,270.8)	(1,037,942.7)	(899,882.5)	(881,874.8)
Income taxes paid (net of refunds)	(38,032.9)	(23,524.2)	(64,608.5)	(59,479.0)	(50,979.9)
Net cash generated from/(used in) investing activities (**B**)	14,452.1	(25,299.3)	(33,886.3)	(27,650.2)	(71,711.8)
Net cash generated from financing activities (**C**)	631,483.0	301,540.2	674,328.7	705,274.4	824,150.8
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(817.9)**	**(19,610.6)**	**(17,455.6)**	**(3,920.5)**	**24,837.6**
Cash and cash equivalents at beginning of the period / year	**18,969.0**	**36,424.6**	**36,424.6**	**40,345.1**	**15,507.5**
Cash and cash equivalents at end of the period / year	**18,151.1**	**16,814.0**	**18,969.0**	**36,424.6**	**40,345.1**

Note:

[(1)] Changes in working capital excluding (increase) / decrease in loans.

Particulars	For the half year ended September 30, 2026 (consolidated) (Unaudited)	For the half year ended September 30, 2025 (consolidated) (Unaudited)	For the year ended March 31, 2026 (consolidated)	For the year ended March 31, 2025 (consolidated)	For the year ended March 31, 2024 (consolidated)
(Increase)/decrease in bank balances other than cash and cash equivalents	3,350.0	(5,564.3)	(41,242.6)	(30,959.5)	(35,891.3)
(Increase)/decrease in trade receivables	(2,464.7)	2,825.8	(520.3)	(2,063.1)	(4,575.4)
(Increase)/decrease in other financial assets	(3,040.9)	36.5	7,365.2	5,315.7	(3,063.3)
(Increase)/decrease in investments classified as FVTPL	(29,135.3)	31,169.2	62,125.3	(14,291.6)	-
(Increase)/decrease in other non-financial assets	(4,421.8)	(1,621.3)	338.1	(1,167.0)	(336.0)
(Increase)/decrease in derivative financial instruments (net)	(603.1)	368.6	1,051.2	565.4	(248.6)
Increase/(decrease) in trade payables	4,439.2	1,761.8	2,264.9	(1,860.0)	6,119.1
Increase/(decrease) in other payables	620.8	(324.8)	2,428.9	1,663.3	1,252.6
Increase/(decrease) in other financial liabilities	8,500.3	648.6	7,241.8	(74.8)	1,253.3
Increase/(decrease) in provisions	2,136.7	62.5	2,509.9	673.1	898.1
Increase/(decrease) in other non-financial liabilities	299.8	(1,130.0)	1,781.9	380.8	1,421.6
(Increase)/ decrease in working capital, excluding (increase) in loans	**(20,319.0)**	**28,232.6**	**45,344.3**	**(41,817.7)**	**(33,169.9)**

Operating Activities

For the half year ended September 30, 2026, our cash generated from operations before working capital changes was ₹ 221,308.1 million, which was used to fund (i) an increase in working capital excluding increase in loans of ₹ 20,319.0 million; (ii) an increase in loans of ₹ 809,709.2 million; and (iii) income tax paid (net of refunds) of ₹ 38,032.9 million, resulting in net cash used in operating activities of ₹ 646,753.0 million.

For the half year ended September 30, 2025, our cash generated from operations before working capital changes was ₹ 200,710.9 million, augmented by a decrease in working capital excluding increase in loans of ₹ 28,232.6 million, which was utilised towards (i) an increase in loans of ₹ 501,270.8 million; and (ii) income tax paid (net of refunds) of ₹ 23,524.2 million, resulting in net cash used in operating activities of ₹ 295,851.5 million.

For Fiscal 2026, our cash generated from operations before working capital changes was ₹ 399,308.9 million, augmented by a decrease in working capital excluding increase in loans of ₹ 45,344.3 million, which was utilised towards (i) an increase in loans of ₹ 1,037,942.7 million; and (ii) income tax paid (net of refunds) of ₹ 64,608.5 million, resulting in net cash used in operating activities of ₹ 657,898.0 million.

For Fiscal 2025, our cash generated from operations before working capital changes was ₹ 319,634.5 million, which was used to fund (i) an increase in working capital excluding increase in loans of ₹ 41,817.7 million; (ii) an increase in loans of ₹

899,882.5 million; and (iii) income tax paid (net of refunds) of ₹ 59,479.0 million, resulting in net cash used in operating activities of ₹ 681,544.7 million.

For Fiscal 2024, our cash generated from operations before working capital changes was ₹ 238,423.2 million, which was used to fund (i) an increase in working capital excluding increase in loans of ₹ 33,169.9 million; (ii) an increase in loans of ₹ 881,874.8 million; and (iii) income tax paid (net of refunds) of ₹ 50,979.9 million, resulting in net cash used in operating activities of ₹ 727,601.4 million.

Investing Activities

Net cash generated from investing activities of ₹ 14,452.1 million for the half year ended September 30, 2026 was primarily due to (a)(i) proceeds from liquidation of investments measured at amortised cost of ₹ 502,854.4 million, partially offset by purchase of investments measured at amortised cost of ₹ 502,625.8 million; (ii) proceeds from liquidation of investments classified as FVOCI of ₹ 136,727.9 million, partially offset by purchase of investments classified as FVOCI of ₹ 117,345.0 million; (iii) proceeds from sale of equity investments designated under FVOCI of ₹ 426.4 million, partially offset by purchase of equity investments designated under FVOCI of ₹ 201.9 million; and (iv) dividend received of ₹ 5.2 million, which was offset by (b)(i) purchase of property, plant and equipment and capital work-in-progress of ₹ 3,735.4 million, partially offset by sale of property, plant and equipment and other intangible assets of ₹ 355.2 million; and (ii) purchase of other intangible assets and intangible assets under development of ₹ 2,008.9 million.

Net cash used in investing activities of ₹ 25,299.3 million for half year ended September 30, 2025 was primarily due to (a)(i) purchase of property, plant and equipment and capital work-in-progress of ₹ 2,259.3 million, partially offset by sale of property, plant and equipment and other intangible assets of ₹ 347.4 million; (ii) purchase of other intangible assets and intangible assets under development of ₹ 1,502.5 million; (iii) purchase of investments classified as FVOCI of ₹ 236,998.9 million, partially offset by proceeds from liquidation of investments classified as FVOCI of ₹ 215,113.8 million; and (iv) purchase of equity investments designated under FVOCI of ₹ 647.2 million, partially offset by proceeds from sale of equity investments designated under FVOCI of ₹ 991.5 million, which was offset by (b)(i) proceeds from liquidation of investments measured at amortised cost of ₹ 234,461.5 million, partially offset by purchase of investments measured at amortised cost of ₹ 233,825.5 million; and (ii) dividend received of ₹ 11.4 million.

Net cash used in investing activities of ₹ 33,886.3 million for Fiscal 2026 was primarily due to (a)(i) purchase of property, plant and equipment and capital work-in-progress of ₹ 5,600.3 million, partially offset by sale of property, plant and equipment and other intangible assets of ₹ 652.5 million; (ii) purchase of other intangible assets and intangible assets under development of ₹ 4,010.7 million; (iii) purchase of investments classified as FVOCI of ₹ 448,316.4 million, partially offset by proceeds from liquidation of investments classified as FVOCI of ₹ 424,401.1 million; and (iv) purchase of equity investments designated under FVOCI of ₹ 3,081.4 million, partially offset by proceeds from sale of equity investments designated under FVOCI of ₹ 991.5 million, which was offset by (b)(i) proceeds from liquidation of investments measured at amortised cost of ₹ 594,466.7 million, partially offset by purchase of investments measured at amortised cost of ₹ 593,400.7 million; and (ii) dividend income of ₹ 11.4 million.

Net cash used in investing activities of ₹ 27,650.2 million for Fiscal 2025 was primarily due to (a)(i) purchase of property, plant and equipment and capital work-in-progress of ₹ 5,840.6 million, partially offset by sale of property, plant and equipment and other intangible assets of ₹ 363.9 million; (ii) purchase of other intangible assets and intangible assets under development of ₹ 4,977.6 million; (iii) purchase of investments classified as FVOCI of ₹ 315,941.8 million, partially offset by proceeds from liquidation of investments classified as FVOCI of ₹ 297,459.6 million; and (iv) purchase of equity investments designated under FVOCI of ₹ 350.0 million, which was offset by (b)(i) proceeds from liquidation of investments measured at amortised cost of ₹ 164,326.1 million, partially offset by purchase of investments measured at amortised cost of ₹ 162,702.6 million; and (ii) dividend income of ₹ 12.8 million.

Net cash used in investing activities of ₹ 71,711.8 million for Fiscal 2024 was primarily due to (a)(i) purchase of property, plant and equipment and capital work-in-progress of ₹ 6,036.2 million, partially offset by proceeds from sale of property, plant and equipment and other intangible assets of ₹ 388.9 million; (ii) purchase of other intangible assets and intangible assets under development of ₹ 4,341.6 million; (iii) purchase of investments measured at amortised cost of ₹ 64,294.3 million, partially offset by proceeds from liquidation of investments measured at amortised cost of ₹ 62,016.2 million; (iv) purchase of investments classified as FVOCI of ₹ 233,106.8 million, partially offset by proceeds from liquidation of investments classified as FVOCI of ₹ 152,318.0 million; (v) purchase of equity investments designated under FVOCI of ₹ 5,149.6 million; and (vi) investment in associates of ₹ 2,674.7 million, which was offset by (b)(i) proceeds from liquidation of investments classified as FVTPL of ₹ 1,130,129.2 million, partially offset by purchase of investments classified as FVTPL of ₹ 1,110,400.8 million; and (ii) interest received on investments of ₹ 9,439.9 million.

Financing Activities

Net cash generated from financing activities of ₹ 631,483.0 million for the half year ended September 30, 2026 was due to (a)(i) long-term borrowings availed of ₹ 852,451.1 million, partially offset by long-term borrowings repaid of ₹ 260,703.6 million; (ii) short-term borrowings availed (net) of ₹ 67,132.6 million; (iii) deposits received (net) of ₹ 8,290.9 million; (iv) an issue of equity share capital (including securities premium) of ₹ 2,952.0 million; and (v) issue of equity share capital of a subsidiary

(including securities premium) of ₹ 18.5 million, in each case partially offset by (b)(i) dividends paid of ₹ 37,303.6 million; and (ii) payment of lease liability of ₹ 1,354.9 million.

Net cash generated from financing activities of ₹ 301,540.2 million for half year ended September 30, 2025 was due to (a)(i) long term borrowings availed of ₹ 553,398.2 million, partially offset by long term borrowings repaid of ₹ 221,167.5 million; (ii) short term borrowings availed/(repaid) (net) of ₹ 28,333.1 million; and (iii) an issue of equity share capital (including securities premium) of ₹ 3,119.7 million, which was offset by (b) (i) deposits received (net) of ₹ 26,185.8 million; (ii) dividends paid of ₹ 34,758.2 million; (iii) payment of lease liability of ₹ 1,164.4 million, and (iv) share issue expenses of ₹ 34.9 million.

Net cash generated from financing activities of ₹ 674,328.7 million for Fiscal 2026 was due to (a)(i) long-term borrowings availed of ₹ 1,133,366.7 million, which was partially offset by long-term borrowings repaid of ₹ 521,238.4 million; (ii) short-term borrowings availed (net) of ₹ 118,847.8 million; (iii) an issue of equity share capital (including securities premium) of ₹ 4,359.2 million; (iv) issue of equity share capital of subsidiary (including securities premium) of ₹ 28.1 million; and (v) proceeds from dilution of stake in subsidiary (net of expenses and tax) of ₹ 13,802.2 million, which were partially offset by (b)(i) deposits received (net) of ₹ 37,610.8 million; (ii) dividends paid of ₹ 34,766.1 million; (iii) payment of lease liability of ₹ 2,425.3 million; and (iv) share issue expenses of ₹ 34.7 million.

Net cash generated from financing activities of ₹ 705,274.4 million for Fiscal 2025 was due to (a)(i) long-term borrowings availed of ₹ 849,671.4 million, partially offset by long-term borrowings repaid of ₹ 390,265.6 million; (ii) deposits received (net) of ₹ 105,272.2 million; (iii) short-term borrowings availed (net) of ₹ 87,876.3 million; (iv) an issue of equity share capital (including securities premium) of ₹ 12,514.4 million; and (v) proceeds from dilution of stake in a subsidiary (net of IPO expenses) of ₹ 64,605.0 million, in each case partially offset by (b)(i) dividends paid of ₹ 22,252.4 million; (ii) payment of lease liability of ₹ 2,145.7 million; and (iii) share issue expenses of ₹ 1.2 million.

Net cash generated from financing activities of ₹ 824,150.8 million for Fiscal 2024 was due to (a)(i) long-term borrowings availed of ₹ 726,663.1 million, partially offset by long-term borrowings repaid of ₹ 343,759.1 million; (ii) deposits received (net) of ₹ 147,599.3 million; (iii) short-term borrowings availed (net) of ₹ 220,235.0 million; (iv) an issue of equity share capital (including securities premium) of ₹ 90,671.7 million; and (v) issue of share warrants of ₹ 2,972.1 million, in each case partially offset by (b)(i) dividends paid of ₹ 18,145.8 million; (ii) payment of lease liability of ₹ 1,740.0 million; and (iii) share issue expenses of ₹ 345.5 million.

Maturity Pattern of Assets and Liabilities

For details on the maturity pattern of our Company's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information – Asset-Liability Gap – Our Company***" on page 40.

For details on the maturity pattern of our BHFL's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information – Asset-Liability Gap – BHFL***" on page 40.

CAPITAL EXPENDITURES

Our capital expenditures consist principally of branch network expansion as well as investments in technology and communication infrastructure. In addition, our capital expenditure includes expenditure for the purchase of a portion of land where we intend to set up our new corporate office. We incurred aggregate capital expenditures on (a) purchase of property, plant and equipment and capital work-in-progress of ₹ 3,735.4 million and ₹ 2,259.3 million; and (b) purchase of intangible assets and intangible assets under development of ₹ 2,008.9 million and ₹ 1,502.5 million, during the half years ended September 30, 2026 and September 30, 2025, respectively. In Fiscal 2026 and Fiscal 2025, we incurred aggregate capital expenditures on (a) purchase of property, plant and equipment and capital work-in-progress of ₹ 5,600.3 million and ₹ 5,840.6 million, respectively; and (b) purchase of other intangible assets and intangible assets under development of ₹ 4,010.7 million and ₹ 4,977.6 million, respectively. In Fiscal 2024, we incurred aggregate capital expenditures on (a) purchase of property, plant and equipment and capital work-in-progress of ₹ 6,036.2 million; and (b) purchase of other intangible assets and intangible assets under development of ₹ 4,341.6 million.

CONTINGENT LIABILITIES AND COMMITMENTS

As at September 30, 2026, we had contingent liabilities as per Ind AS 37 on "*Provisions, Contingent Liabilities and Contingent Assets*" not provided for amounting to ₹ 49,194.9 million on a consolidated basis, the details of which are set forth in the table below:

(₹ in million)

Particulars	As at September 30, 2026 (Consolidated)
Disputed claims against our Group not acknowledged as debts	2,961.6
PF matters under appeal	1,107.6
VAT matters under appeal	43.1
ESI matters under appeal	51.4
Bank Guarantees	7.5
Service tax / Goods and Service Tax matters under appeal	

Particulars	As at September 30, 2026 (Consolidated)
- on interest subsidy	26,170.3
- on interest collected upfront	9,670.1
- on additional reversal of credit on investment activity	6,727.4
- on reversal of input tax credit on credit note by the customer	243.7
- on excess claim ITC and difference in GSTR-1 vs GSTR 3B	338.4
- on others	48.8
Income tax matters	
- appeals by the Group	1,544.3
- appeals by the Income Tax Department	280.7
Total	**49,194.9**

We are of the opinion that the above demands are not tenable and we expect to succeed in our appeals/defense. For details in relation to the service tax matters under appeal, see "***Risk Factors – As at September 30, 2026, we had contingent liabilities of ₹35,840.4 million for service tax matters under appeal on interest subsidy, and a GST demand raised an order dated January 21, 2025 on upfront interest collected from certain customers. These amounts are subject to incremental interest and if we were to lose these cases, it would have a material adverse effect on our reputation, financial condition, results of operations and cash flows.***" on page 72.

The table below sets forth our capital and other commitments as at September 30, 2026:

(₹ in million)

Particulars	As at September 30, 2026 (Consolidated)
Capital commitments (Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances))	
- Tangible	1,549.4
- Intangible	834.6
Other commitments	
- Towards partially disbursed / un-encashed loans	442,514.2
- Towards investment	19.1
- Towards future corporate social responsibility spend	3,062.8
Total	**447,980.1**

OFF-BALANCE SHEET ARRANGEMENTS

Except for loans that are assigned by us to banks and other financial institutions, we have no other off-balance sheet arrangements that materially affect our financial condition or results of operations. For details of assignment transactions undertaken by our Company and BHFL during the half year ended September 30, 2026 and 2025 and Fiscals 2026, 2025 and 2024, see "***Selected Statistical Information – Details of Assignment Transactions***" on page 38.

RELATED PARTY TRANSACTIONS

For details in relation to related parties' transactions entered by us on a consolidated basis during the Fiscals 2026, 2025 and 2024, as per the requirements, see "***Related Party Transactions***" on page 57.

CONTRACTUAL OBLIGATIONS

Our significant leasing arrangements are in respect of leases for office premises, which are renewable on mutual consent at agreed terms. Agreements provide for cancellations by either party after lock-in period and certain agreements contain clauses for escalation of lease payments. Our Company follows Ind AS 116 for accounting of leases. Accordingly, the present value of future lease rentals is recognised as lease liability in the financial statement.

INTEREST COVERAGE RATIO

The following table sets forth our interest coverage ratio during the half year ended September 30, 2026 and 2025 and Fiscals 2026, 2025 and 2024 on a consolidated basis. This ratio is typically used to measure the debt servicing ability of a corporate and is not relevant to an NBFC.

Assets	For the half year ended September 30,		For the year ended March 31,		
	2026	2025	2026	2025	2024
Interest coverage ratio[(1)]	178.9%	173.4%	171.0%	171.3%	180.8%

Note:

(1) Our interest coverage ratio is our profit after tax for the period/year adjusted for finance costs and depreciation and amortisation expenses and divided by finance costs.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISKS

For details on our qualitative market risks, see "***Our Business – Risk Management***" on page 266. For details on our qualitative and quantitative disclosure about market risks as at March 31, 2026, prepared in accordance with Ind AS 107, see note 49 of the notes to the audited consolidated financial statements as at and for the year ended March 31, 2026, included in "***Financial Information - Audited Consolidated Financial Statements for Fiscal 2026***" on page 375.

NON-GAAP FINANCIAL MEASURES

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively, "**Non-GAAP Financial Measures**" and each, a "**Non-GAAP Financial Measure**"). These Non-GAAP Financial Measures presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that is not required, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. While these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP, we believe that the presentation of these Non-GAAP Financial Measures provides additional useful information to potential investors regarding our performance and trends related to our financial condition and results of operations. Accordingly, we believe that when Non-GAAP Financial Measures are viewed together with Ind AS financial information, as applicable, potential investors are provided with a more meaningful understanding of our financial condition and results of operations.

We use a variety of financial and operational performance indicators to measure and analyse our operational performance from period to period, and to manage our business. We also use other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian NBFC sector to evaluate our financial and operating performance. In addition, because we have historically reported certain Non-GAAP Financial Measures to investors, we believe that the inclusion of Non-GAAP Financial Measures provides consistency in our financial reporting. For these reasons, we have included certain Non-GAAP Financial Measures in this Preliminary Placement Document, including Net Interest Income, leverage ratio, fee income as a percentage of profit before tax, total tax expenses as a percentage of profit before tax, impairment on financial instruments as a percentage of average loans, as well as certain other metrics based on or derived from those Non-GAAP Financial Measures. For further details, see "***Selected Statistical Information***" on page 37. These Non-GAAP Financial Measures have limitations as analytical tools since these are not standardised terms, hence a comparison of these Non- GAAP Financial Measures between companies may not be possible since other companies may calculate these Non-GAAP Financial Measures differently from us, limiting their usefulness as a comparative measure. As a result, Non-GAAP Financial Measures should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported under Ind AS and presented in our financial information. Further, these Non-GAAP Financial Measures are not defined under Ind AS and therefore should not be viewed as substitutes for performance or profitability measures under Ind AS. While these Non-GAAP Financial Measures may be used by other NBFCs and financial institutions operating in the Indian financial services industry, they may not be comparable to similar financial or performance indicators used by other NBFCs or financial institutions due to potential inconsistencies in the method of calculation and differences due to items subject to interpretation.

See "***Selected Statistical Information – Reconciliations for Non-GAAP Financial Information to Ind AS***" on page 44 for a reconciliation of Non-GAAP Financial Measures presented in this Preliminary Placement Document to their most directly comparable measure under Ind AS.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in *"**Management's Discussion and Analysis of Financial Conditions and Results of Operations— Significant Factors affecting our Results of Operations and Financial Condition***" and the uncertainties described in "***Risk Factors***" on pages 114 and 58, respectively. Except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income.

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATION

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in *"**Management's Discussion and Analysis of Financial Condition and Results of Operations —Significant Factors affecting our Results of Operations and Financial Condition***" and the uncertainties described in "***Risk Factors***" on pages 114 and 58, respectively.

RECENT ACCOUNTING PRONOUNCEMENTS

As on the date of this Preliminary Placement Document, there are no recent accounting pronouncements, which we believe would have a material effect on our financial condition or results of operations.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as described in this Preliminary Placement Document, we have not publicly announced any new products or business segments nor have there been any material increases in our revenues due to increased disbursements and the introduction of new products.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "***Risk Factors***", "***Business*** *" and "****Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 58, 241 and 112, respectively, there are no known factors that will have a material adverse impact on our operations and financial condition.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections, "***Our Business***", "***Industry Overview***", "***Risk Factors — We face increasing competition in our business, which may result in declining market share and Net Interest Margins, among other factors, if we are unable to compete effectively.***" and *"****Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors affecting our Results of Operations and Financial Condition – Competition***" on pages 241, 142, 68 and 114, respectively.

SEASONALITY/CYCLICALITY OF BUSINESS

Our business may be affected by seasonal trends in the Indian economy.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2026 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed below and elsewhere in this Preliminary Placement Document, no circumstances have arisen since September 30, 2026 that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. On October 21, 2026, the Debenture Allotment Committee of our Company allotted 212,000 secured, rated, listed, redeemable, non-convertible debentures of a face value of ₹ 1 lakh each, aggregating to ₹ 21,200.00 million, on a private placement basis (the "**NCDs**"). The NCDs were issued on a zero coupon basis, have a tenure of 1,826 days with a date of maturity of October 21, 2031, and are proposed to be listed on the Wholesale Debt Market Segment of BSE Limited. The NCDs are secured by a first *pari passu* charge on identified book debts and loan receivables of our Company, with a security cover of not less than 1.00 times the aggregate outstanding value of debentures issued under the Shelf Placement Memorandum dated June 29, 2026.

2. Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.

INDUSTRY OVERVIEW

*Unless stated otherwise, the industry and market data throughout this Preliminary Placement Document has been obtained from the report titled "Analysis of NBFC Sector in India" dated November 2026 (the "**CRISIL Report**"), which is a report exclusively commissioned and paid for by our Company and prepared by CRISIL Intelligence (formerly CRISIL Market Intelligence & Analytics) pursuant to an engagement letter dated October 7, 2026 in connection with the Issue. See "**Industry and Market Data**" and "**Risk Factors– Internal Risk Factors – Risks relating to our business – We have referred to the data derived from the CRISIL Report commissioned from CRISIL Intelligence (formerly CRISIL Market Intelligence & Analytics)**" on pages 13 and 89, respectively.*

Macroeconomic Scenario

Global economy is expected to grow at 3.1% and 3.4% for CY26 and CY27 respectively

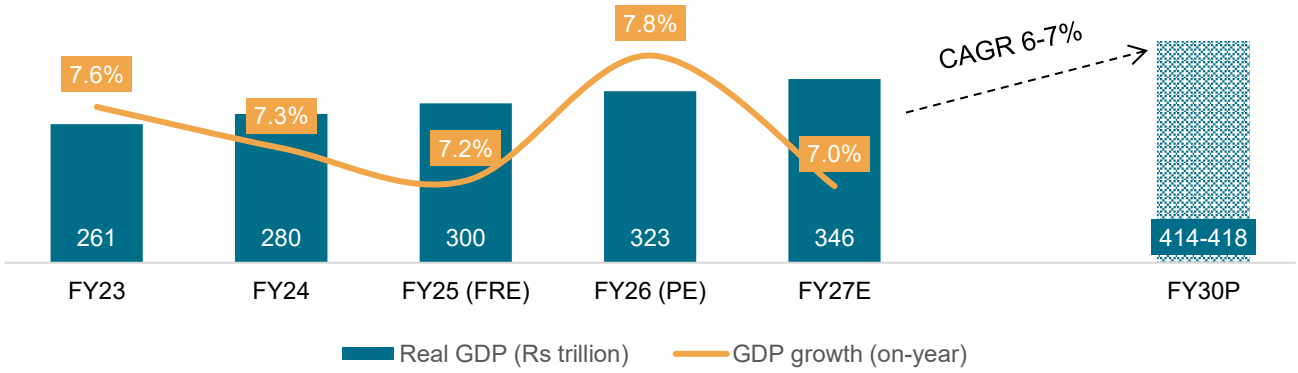
According to the International Monetary Fund's (IMF) World Economic Outlook of October 2026, the global economy has remained resilient despite heightened geopolitical tensions arising from the conflict in the Middle East and the resurgence of inflationary pressures. While disruptions to energy markets, global supply chains and trade routes have weighed on economic activity, these challenges have been partly offset by strong technology-led growth, driven by rapid advances in artificial intelligence (AI), robust technology-related investments and resilient consumer demand. Reflecting the interplay of these opposing forces, the IMF projects global real GDP growth to moderate from 3.5% in calendar year 2025 to 3.1% in calendar year 2026, before recovering to 3.4% in calendar year 2027 as geopolitical disruptions gradually subside and technology-driven economic momentum continues to support global activity. South Asia Region (SAR) is expected to remain the strongest-performing EMDE (Emerging Market & Developing Economies) region in 2026 and over the forecast horizon, anchored by India's robust growth thereby making India one of the major contributors to the performance of emerging market and developing economies.

Past GDP growth and projections

GDP projected to grow at 7.0% in fiscal 2027

Crisil Intelligence projects India's GDP growth at 7.0% in fiscal 2027, supported by underlying economic resilience despite emerging external headwinds. The forecast incorporates an upward revision in the average crude oil price outlook, with prices expected to average USD 88-93 per barrel during the current fiscal, compared with USD 70.3 per barrel in the previous fiscal. The disruption is not limited to energy markets. It is also exerting pressure on freight rates, insurance premiums, supply chains, and fertiliser availability, creating a broad-based cost and supply shock with macroeconomic consequences. The sharp rise in crude oil and natural gas prices, combined with ongoing global supply chain dislocation, is expected to weigh on domestic growth, with import-dependent manufacturing sectors particularly exposed.

India's real GDP is expected to grow at 7.0% in fiscal 2027



Note:
1. *FRE: First Revised Estimate, PE: Provisional Estimate, E: Estimated, P: Projected*
2. *GDP growth rate of FY23 is on base year 2011-12, while from FY24 the base year is 2022-23*
3. *Fiscals 2027 GDP growth rate is based on Crisil estimates*
4. *Fiscal 2027-30 growth is based on IMF estimates*

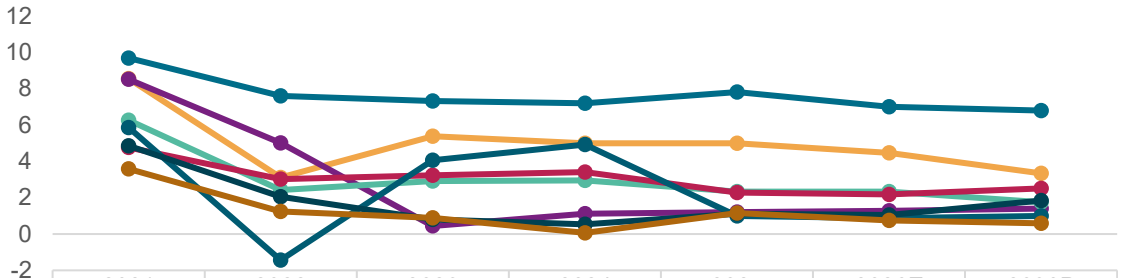
Source: MoSPI, NSO, IMF, Crisil Intelligence

At the same time, softening external demand and continued global trade disruption are likely to constrain export performance in fiscal 2027. On the domestic front, agriculture and the rural economy are likely to be adversely impacted by the unfavourable monsoon and El Nino conditions, potentially amplifying food supply pressures and rural economic vulnerability. The momentum of the southwest monsoon has stalled, with the all-India cumulative deficit at 15% of LPA as of September 2026. Despite these headwinds, overall growth is expected to remain supported by fiscal policy measures, which should provide an important countercyclical buffer against external and domestic shocks. Over the medium term, India's economy is projected to maintain healthy momentum, with GDP expected to expand at a CAGR of 6-7% between fiscals 2026 and 2030.

Domestic demand and policy support to anchor India's growth amid global headwinds

According to IMF, advanced economies, growth is projected to be slightly rise at 2.1% in 2026 (vs. 2.0% in 2025), with the Euro Area expected to slow to 1.1% in 2026 (vs. 1.2% in 2025) owing to higher energy prices and weak consumer confidence, alongside the slowdown in other advanced economies (Japan, United Kingdom and Canada). Emerging market and developing economies are also expected to experience a slowdown in growth to 3.7% in 2026 (vs. 4.5% in 2025) reflecting greater exposure to higher commodity prices, capital flow volatility, and currency pressures. India is positioned to remain the fastest-growing large economy, with domestic demand acting as the principal counterweight to global volatility. Revival in private capital expenditure and continued government spending in form of government-led infrastructure push is expected to provide stability and impetus to growth.

India's real GDP fastest-growing among major economies (on-year %)



	2021	2022	2023	2024	2025	2026E	2030P
India*	9.7	7.6	7.3	7.2	7.8	7.0	6.8
China	8.6	3.1	5.4	5.0	5.0	4.5	3.3
UK	8.5	5.0	0.4	1.1	1.2	1.3	1.4
US	6.3	2.4	2.9	3.0	2.3	2.3	1.8
Brazil	4.8	3.0	3.2	3.4	2.3	2.2	2.5
Russia	5.9	-1.4	4.1	4.9	1.0	0.9	1.0
South Africa	4.9	2.1	0.8	0.5	1.1	1.0	1.8
Japan	3.6	1.2	0.9	0.1	1.2	0.8	0.6

Note:
1. E: Estimated, P: Projected
2. Data for calendar years, except for India which pertains to fiscal years
Source: International Monetary Fund (IMF World Economic Outlook Update, October 2026), Crisil Intelligence

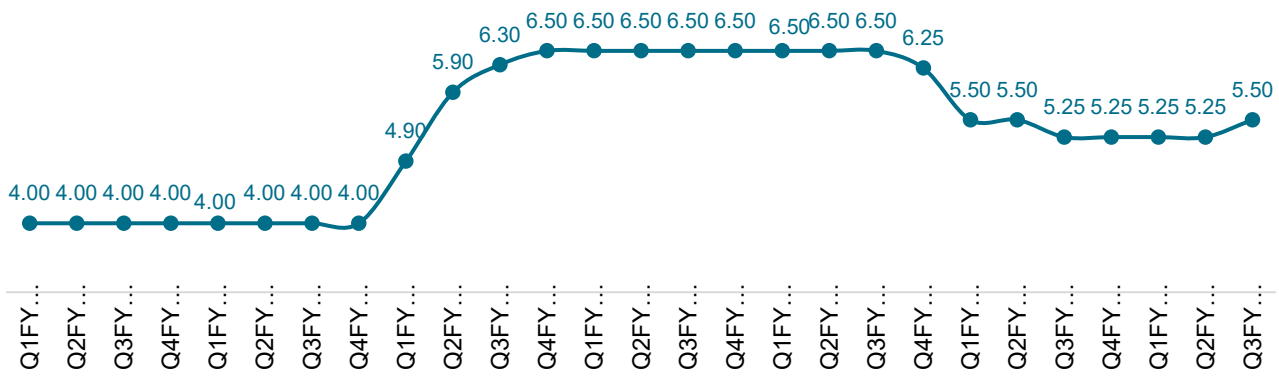
RBI raised the policy repo rate to 5.50% in October 2026, shifting its stance to 'calibrated tightening'

The RBI initiated a monetary easing cycle during CY2025 through calibrated repo rate cuts, supported by a benign inflation environment, favourable monsoon conditions, and structural reforms such as GST rationalisation. The accommodative policy stance improved systemic liquidity and reduced borrowing costs across the financial sector, thereby supporting credit growth, investment activity, and domestic demand. Given NBFCs' significant dependence on bank borrowings and market-based funding, the lower interest rate environment also provided a favourable funding backdrop. The decline in the repo rate during CY2025 helped reduce funding costs for NBFCs, improved access to liquidity, and supported credit expansion and profitability. Lower borrowing rates also enhanced credit demand across retail and business segments, contributing to stronger loan growth and overall sectoral momentum.

However, inflationary pressures resurfaced in 2026 amid an unfavourable macroeconomic environment. Uneven and deficient rainfall, driven by persistent El Nino-related weather disruptions, adversely affected agricultural output and led to higher food inflation. At the same time, elevated global crude oil prices, fuelled by the prolonged conflict in West Asia, exerted upward pressure on fuel inflation, further aggravating headline inflation. Against this backdrop, the Monetary Policy Committee (MPC), at its October 2026 meeting, raised the repo rate to 5.50% and shifted its policy stance to 'calibrated tightening'. The move reflected policymakers' growing concerns over rising inflationary pressures, particularly after wholesale price inflation surged to a near double-digit 9.9% in August 2026. These pressures have increasingly begun to transmit to retail inflation as well, with core inflation showing signs of firming up, indicating broader price pressures across the economy.

Higher policy rates typically translate into rising government and corporate bond yields, increasing the cost of market borrowings and potentially moderating credit demand, especially in interest-sensitive segments such as housing, vehicle finance, and MSME lending. Elevated borrowing costs may also weaken repayment capacity for certain borrower segments, posing asset quality risks. In such an environment, well-capitalised NBFCs with diversified funding sources, strong liability management, and prudent asset-liability practices are likely to be better positioned to sustain growth and profitability.

Repo rate trend in India (%)



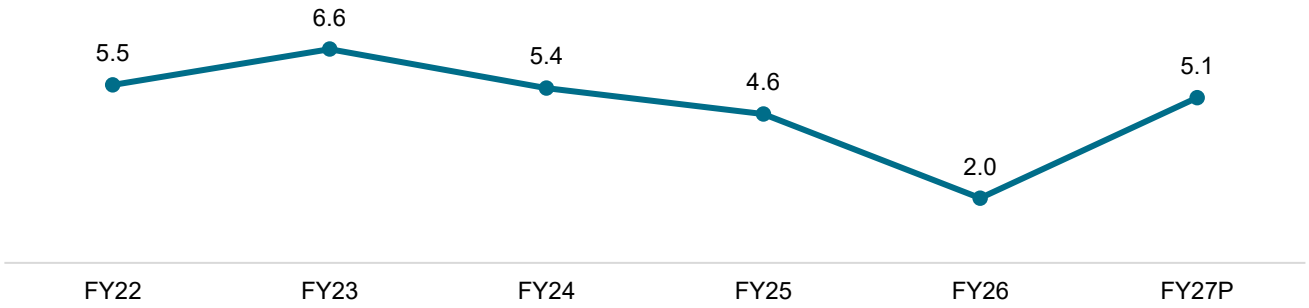
Source: RBI, Crisil Intelligence

CPI inflation to average at 5.1% in fiscal 2027 owing to the West-Asia conflict

Inflation based on the revised Consumer Price Index (CPI) series, with calendar year 2024 as the base year, rose to 4.82% in August 2026 from 4.45% in July 2026, reflecting broad-based pressures across both food and non-food categories. The increase was driven by a rise in food inflation to 5.7% in August 2026 from 5.2% in July 2026. Fuel-related inflation also accelerated sharply to 5.2% from 4.6% over the same period, driven by rise in inflation in PNG and LPG. Producer price pressures have intensified and are increasingly being transmitted to consumers. Wholesale Price Index (WPI)-based inflation accelerated to 9.9% in August 2026 from 9.8% in July 2026, driven primarily by high food inflation.

The substantial divergence between WPI and CPI inflation reflects the fact that wholesale prices are more directly exposed to commodity and energy shocks, while consumer prices tend to adjust with a lag due to administered pricing mechanisms, distribution margins, and incomplete pass-through of input costs. As these elevated producer costs gradually feed through supply chains, retail inflation is expected to rise further. Crisil Intelligence projects CPI inflation to average 5.1% in fiscal 2027 compared with 2.0% in fiscal 2026 as the direct as well as indirect effects of higher transportation fuel prices reverberate through the economy. Additionally, the spatial monsoon rainfall amid strengthening El Niño conditions that can hurt agricultural production and exert further pressure on food inflation.

CPI general index trend (%)



Note: P: Projected; Source: Crisil Intelligence

Trends in key macroeconomic indicators

Macro variables	FY25	FY26	FY27P	Rationale for FY27 outlook
Real GDP^ (y-o-y)	7.2%	7.8%	7.0%	The spike in crude and natural gas prices, coupled with global supply chain disruptions are expected to hit growth – particularly manufacturing that is heavily import dependent. Weaker global demand and global trade disruptions will further hit exports this fiscal. The onset of El-Nino poses a downside risk to agricultural output and rural demand, while also increasing upside risks to food inflation. However, growth will continue to be supported by fiscal policy.
Consumer Price Index (CPI) inflation (average, on year %)	4.6%	2.0%	5.1%	While the government has limited rise in retail fuel inflation so far, a persistent rise in global prices could see retail fuel prices for cooking and transportation climb up further. Additionally, a sharp rise in energy and other input costs, as well as those for trade and transportation, is expected to be passed by producers to consumers, raising core inflation. El-Nino and heatwaves are expected to put pressure on food inflation.
10-year government security (G-sec) yield (March average, %)	6.7%	6.7%	7.0%	The West Asia conflict would exert greater fiscal pressure due to the absorption of higher energy and fertilizer prices, compounded by high market borrowings by the Centre. Furthermore, higher inflation would reduce monetary policy space. Weaker foreign capital flows into debt (as global yields rise and capital chases safe-haven assets) could exert upward pressure.
Current Account Balance (% of GDP)	-0.6%	-0.6%	-1.5%	The spike in international crude, gas and fertilizer prices is expected to raise import bill significantly while exports are expected to be hit by a global trade disruption and weakening global demand. Remittances face a risk from continuing tensions in West Asia, which accounts for ~38% of remittances to India.
Exchange rate (March average, Rs/$)	86.6	92.8	93.5	A higher current account deficit in fiscal 2027 will likely put pressure on the rupee. A prolonged West Asia conflict and escalating geopolitical uncertainties could keep FPI flows volatile, adding to the pressure. As a result, the rupee is expected to remain volatile in the near term. Crisil expects the rupee to strengthen from its current lows by the end of fiscal 2027, assuming the conflict abates.

Note:
1. *P: Projected*
2. *A new national accounts series has been released with 2022-23 as the base year, superseding the 2011-12 series, with growth numbers available FY24 onwards*

Source: Reserve Bank of India (RBI), National Statistics Office (NSO), Budget documents, Crisil Intelligence

Structural drivers for growth continue to strengthen India's economic outlook

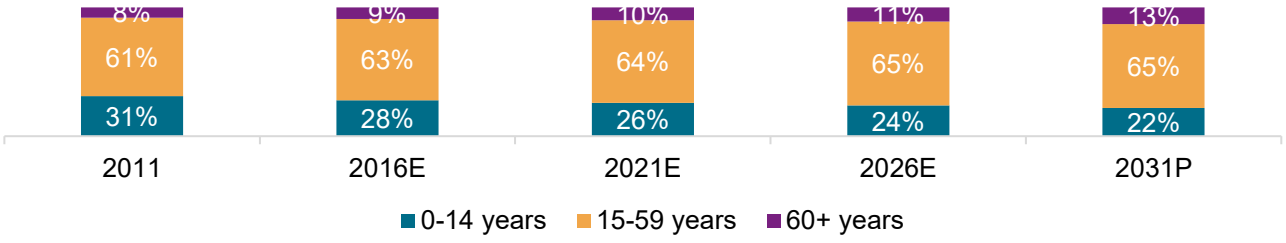
India has the largest population in the world

As per the report published by the National Commission on Population, Ministry of Health and Family Welfare, India's population stood at 1.25 billion in 2011, comprising nearly 187 million households. While the decadal population growth rate is estimated to have moderated from 17% during 2001-2011 to 12% during 2011-2021 and is expected to decline further to 9% during 2021-2031, India's population is projected to reach approximately 1.52 billion by 2031. Furthermore, according to the United Nations Department of Economic and Social Affairs, India surpassed China as the world's most populous country in April 2023. Despite the gradual moderation in population growth, India's large and expanding population base is expected to continue providing a significant long-term demand opportunity.

Favourable demographics

India is also one of the countries with the largest youth population, with a median age of 28 years. About 90% of Indians are aged below 60 years. It is estimated that 65% of this population is aged between 15 and 59 years in 2026. Crisil Intelligence expects the existence of a large share of working population, coupled with rapid urbanisation and rising affluence, will propel growth of the Indian financial services sector.

India's demographic division (share of different age groups in India's population)

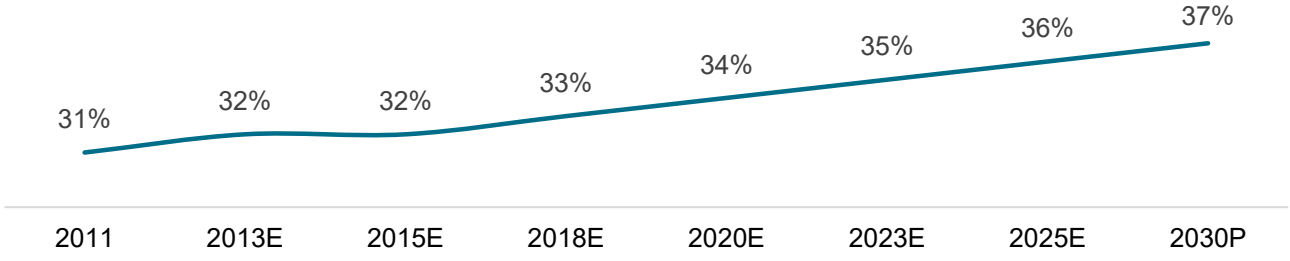


Note: E: Estimated; P: Projected
Source: Census of India 2011, Ministry of Health and family welfare, Crisil Intelligence

Rise in urbanisation

Urbanisation is a key growth driver for India, as it leads to faster infrastructure development, job creation, development of modern consumer services, and the city's ability to mobilise savings. The share of urban population in total population has been consistently rising over the years and is estimated to have reached 36% by 2025 from 31% in 2011, spurring more demand. Urban consumption in India has shown signs of improvement and given the country's favourable demographics, coupled with rising disposable incomes, the trend is likely to continue and drive domestic economic growth.

Urbanisation in India



Note: E: Estimated, P: Projected
Source: Census of India 2011, Ministry of Health and family welfare, Crisil Intelligence

Key structural reforms providing heft to the economy

- **Rationalisation of GST**: The GST rationalisation measures introduced from September 2025, including simplified tax rates, streamlined compliance, and enhanced digitalisation, have strengthened tax efficiency and revenue buoyancy. These reforms have supported robust GST collections, improved ease of doing business, reduced transaction costs, and are expected to further boost economic efficiency and growth over the medium term.

- **Pradhan Mantri Awas Yojana (PMAY):** The PMAY aims to achieve housing for all, with a target of 49.5 million houses in rural areas by 2029. Under the scheme, eligible families receive financial assistance including Rs 0.25 million in urban areas and up to Rs 0.12 million in rural areas, along with concessional loans and additional support such as toilet construction assistance and liquified petroleum gas connections to support housing construction and upgradation.

- **Pradhan Mantri Jan Dhan Yojana (PMJDY) l**: The Pradhan Mantri Jan Dhan Yojana (PMJDY) has been a key driver of financial inclusion, offering zero-balance accounts, RuPay debit cards with insurance benefits, overdraft facilities, and access to social security schemes. As of July 8, 2026, over 587 million beneficiary accounts had been opened across banks, underscoring the scheme's wide reach and continued success in expanding access to formal financial services.

- **Reintroduction of Credit-Linked Subsidy Scheme:** The Special Credit Linked Capital Subsidy Scheme (SCLCSS) for SC/ST MSMEs, implemented under the National SC-ST Hub, aims to support capacity expansion and technology upgradation of existing SC/ST-owned MSMEs. Under the scheme, eligible enterprises can avail a 25% capital subsidy on institutional finance used for the purchase of plant and machinery/equipment, subject to a maximum subsidy of ₹25 lakh, with no sector-specific restrictions.

- **Emergency Credit Line Guarantee Scheme (ECLGS 5.0):** The ECLGS 5.0, approved in May 2026, was introduced to alleviate liquidity stress arising from the West Asia crisis by providing credit guarantee support of up to Rs 2.55 trillion, including a dedicated allocation for the aviation sector. As of July 2026, the issuance of over 4.1 lakh guarantees covering Rs 1.55 trillion reflects strong uptake, highlighting the scheme's effectiveness in supporting business continuity and strengthening lender confidence amid external uncertainties.

- **Other government initiatives include:** India's digital public infrastructure initiatives have significantly advanced financial inclusion, digital governance, and service delivery. The JAM (Jan Dhan-Aadhaar-Mobile) trinity has enabled efficient direct benefit transfers, reducing leakages and improving welfare delivery, while India Stack has expanded access to formal financial services through digital platforms such as Aadhaar, UPI, Digi Locker, e-KYC, and e-Sign. Additionally, platforms such as UMANG, along with Common Service Centres (CSCs) and Village Level Entrepreneurs (VLEs), have enhanced access to government, financial, healthcare, and digital services, particularly in rural and underserved regions, thereby strengthening inclusion, improving service efficiency, and supporting broader economic growth.

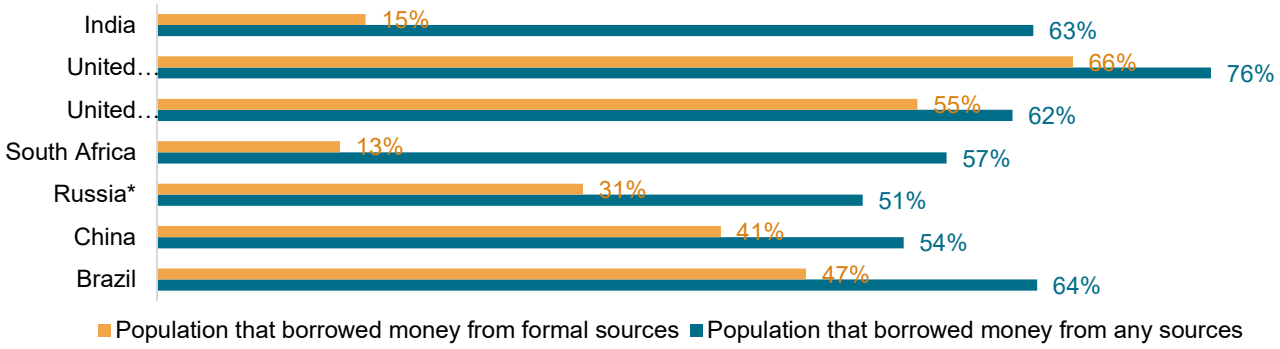
Under-penetration of the Indian banking sector provides opportunities

According to the Global Findex Database 2025, 1.3 billion adults globally remain outside the formal financial system, with nearly 650 million unbanked adults concentrated across eight countries, including India. While India has made significant

progress in advancing financial inclusion, with 89% of adults owning a financial account in 2024, a sizable proportion of account holders remain under-engaged, with 14% of adults reporting inactive accounts. This highlights a substantial opportunity for banks, NBFCs and fintech institutions to deepen financial inclusion by increasing account usage, expanding access to formal credit and enhancing the adoption of digital financial services. Furthermore, India continues to exhibit relatively low penetration of formal borrowing compared with several major economies, underscoring the significant potential for growth in formal credit and financial intermediation over the medium to long term.

A substantial segment of India's self-employed and informal workforce continues to have limited access to formal credit, primarily due to the lack of income documentation and formal credit history. As a result, credit penetration in India remains lower than in many developed economies, where higher levels of formal employment and more mature credit ecosystems support broader access to credit.

Only 15% of the population in India borrowed money from formal sources (CY24)



* *Data is for calendar year 2021*

Notes:

1. *Global Findex data for India excludes northeastern states, remote islands and selected districts*
2. *Data is for the population in the age group of 15+ years*
3. *Money borrowed from formal sources includes money borrowed from banks, NBFCs and through credit cards*

Digitalisation aided by technology to be pivotal to economic growth

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. The country has seen a tremendous rise in fintech adoption in the past few years. For the past few years, India is witnessing deeper penetration of lending businesses through various innovative methods through online platforms by various persons/entities and e-commerce players and is no longer limited to banks or financial institutions. Among many government initiatives, the UPI has been vital to deepen financial inclusion. It provides a single-click digital interface across systems for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. In addition to digital lending platform, India is also witnessing lending businesses taking place on social media platforms. Volume of digital transactions has also surged in the past few years, driven by increased adoption of the UPI. Apart from financial services, other industries like retail are also digitalising, increasing their role in the economic growth.

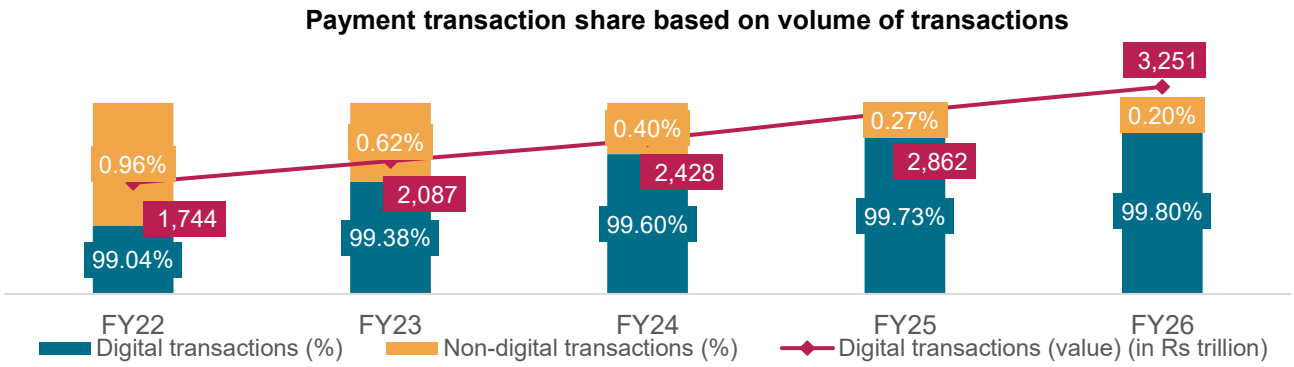
India's digital leap: 5G adoption and mobile penetration drive financial inclusion

India had ~1,162 million wireless subscribers at the end of fiscal 2026. The expanding reach of mobile networks, internet connectivity and electricity is extending subscriber access to remote areas, driving higher smartphone and internet penetration. Also, ~25 million subscribers migrated to 5G services following its launch in fiscal 2023, with the number estimated to have risen to over 314 million by the end of fiscal 2026. In fiscal 2027, 5G subscribers are expected to reach 421 million, on the back of rising data consumption across over-the-top platforms, education, banking, healthcare and gaming. NBFC businesses can capitalise on this trend by offering innovative, digitally enabled financial services that cater to the growing demand for online and mobile-based transactions. This could lead to increased financial inclusion, improved customer engagement, and expanded business opportunities for NBFCs.

Rapid growth in digital payments supports financial inclusion and economic formalisation

India’s digital payments ecosystem has witnessed significant expansion, driven by deepening smartphone penetration, improved internet connectivity, a robust digital public infrastructure and increasing adoption of electronic payment platforms. The value of digital payment transactions logged a CAGR of 17% between fiscal 2022 and fiscal 2026, increasing from Rs 1,744 trillion to Rs 3,251 trillion between the period, while share of digital transactions consistently improved for over 99% of total payment volumes. The continued shift towards digital modes of payment has enhanced financial inclusion, improved transaction efficiency and supported the formalisation of economic activity. Going forward, increasing digital adoption, supported by government initiatives and expanding digital infrastructure, is expected to further strengthen financial intermediation, transparency and consumption-led economic growth.

Trend in value and volume of payments



Note: Digital payments include RTGS payments, credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), debit transfers (BHIM, ECS Dr, NACH Dr, NETC), card payments (debit and credit cards) and prepaid payments instruments; Source: RBI, Crisil Intelligence

Government-Led Digital Public Infrastructure Enhancing Financial Inclusion & Credit Penetration

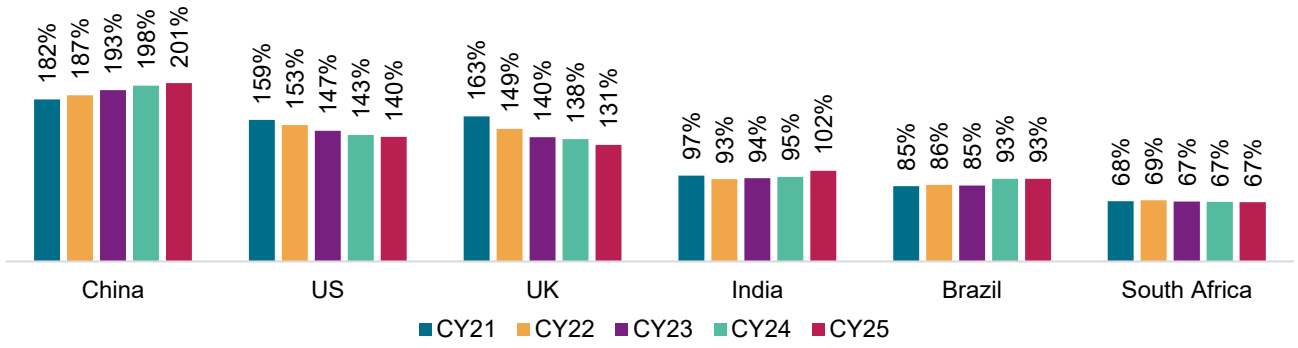
India's digital public infrastructure (DPI) initiatives have emerged as a key enabler of financial inclusion, credit deepening, and economic formalisation. Built around platforms such as Aadhaar, UPI, DigiLocker, e-Sign, e-KYC, the Account Aggregator (AA) framework, and the Open Credit Enablement Network (OCEN), the digital ecosystem has enhanced transparency, reduced onboarding costs, and improved access to formal financial services.

Initiatives such as OCEN and Account Aggregators have enabled consent-based data sharing and cash flow-based credit assessments, allowing lenders to extend credit to MSMEs and individuals with limited formal credit histories. The introduction of pre-sanctioned credit lines through UPI has further expanded access to small-ticket digital credit. Meanwhile, fintech innovation, digital payments, and e-KYC adoption have accelerated the formalisation of economic activity and generated richer data for credit underwriting. Additionally, emerging technologies such as generative AI are improving customer engagement, fraud detection, risk assessment, and operational efficiency. Collectively, these reforms are strengthening the credit ecosystem, widening the borrower base, and supporting sustained growth in India's financial sector and economy.

India's modest credit to GDP to offer strong runway for credit growth

With an overall credit-to-GDP ratio of 102% in CY25, India remains underpenetrated relative to major global economies, including the United Kingdom (131%), United States (140%), and China (201%). The comparatively lower level of credit penetration highlights substantial untapped lending potential and suggests significant scope for expansion of the formal credit ecosystem. Although India has surpassed certain emerging markets such as Brazil (93%) and South Africa (67%), the large gap with more credit-mature economies reflects ample runway for growth. This structural headroom, supported by increasing financialisation, improving access to formal credit, and a growing retail borrower base, is expected to underpin long-term expansion in the country's credit market.

Trend in credit to GDP ratio



Note: Credit refers to total credit to the private non-financial sector
Source: Bank of International Settlements, Crisil Intelligence

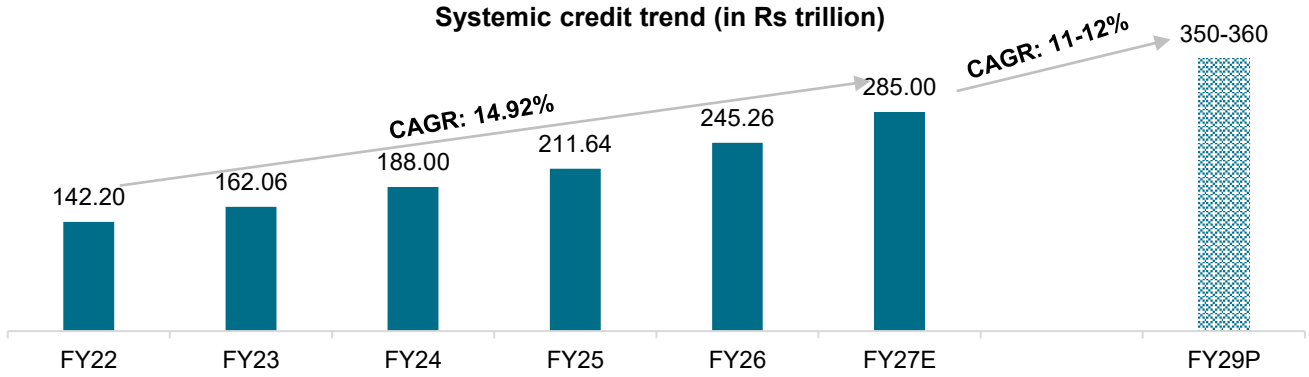
Evolution of India's credit ecosystem

Indian credit ecosystem has expanded significantly alongside economic growth and increasing financialisation

India's financial system has expanded significantly over the past few years, underpinned by economic growth, increasing formalisation of economy, technology-led innovation and increasing penetration of formal financial services. While the Banks and NBFCs have played a central role in expansion of credit across the country, emerging segments such as Neobanks / Fintech's have accelerated financial inclusion (through confluence of payments and lending) by lowering customer acquisition costs, reducing turnaround times, and broadening reach across diverse borrower segments.

As a result, systemic credit is estimated to grow at a CAGR of 14.92% to reach ~ Rs 285.00 trillion in fiscal 2027, from Rs 142.20 trillion in fiscal 2022. Retail credit remained the key driver of systemic credit growth in fiscal 2026, supported by the continued focus of banks and NBFCs on portfolio expansion. Consequently, retail credit growth continued to outpace non-retail segments, reflecting an evolving assessment of risk-return dynamics and growth opportunities across the financial sector. Crisil Intelligence expects the overall credit market to sustain a healthy CAGR of 11-12% between fiscal 2027 and fiscal 2029, thereby reaching Rs 350-360 trillion by the end of fiscal 2029.

Systemic credit to grow at 11-12% CAGR between fiscals 2026-29



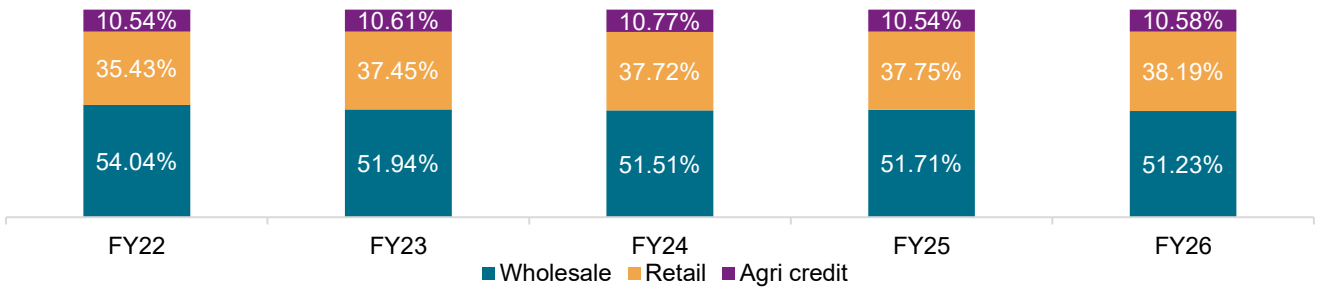
Note:
1. *E: Estimated, P: Projected*
2. *Market size of Banks and NBFCs/HFCs is considered for calculation of systemic credit*
3. *Banking credit excludes bank lending to NBFCs and international credit*

Source: RBI, Company reports, Crisil Intelligence

Increasing retailisation is changing the composition of credit market in India

Retail credit continues to represent a significant growth opportunity for FIs, supported by rising disposable incomes, evolving consumption patterns and increasing discretionary spending across both urban and rural markets. This has led to its share increasing from 35.4% in fiscal 2022 to 38.2% in fiscal 2026, while the share of wholesale credit has been declining. Going forward, Crisil expects the demand for financing across retail categories such as vehicles, housing and personal consumption will continue to remain healthy as consumers seek greater purchasing power and financial flexibility. This is also supported by a large working age population, and relatively low levels of retail credit penetration provide substantial headroom for growth.

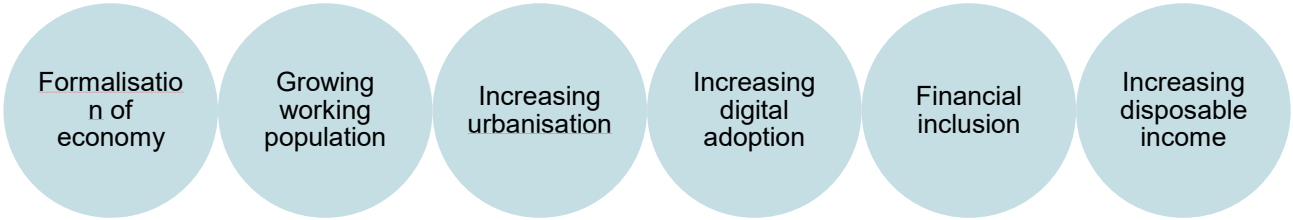
Retail credit's share in the systemic credit continues to increase



Note:
1. *Market size of Banks and NBFCs/HFCs is considered for calculation of systemic credit, it excludes bank lending to NBFCs*
2. *Wholesale credit for Banks includes, Industrial and services credit excluding Bank lending to NBFCs and for NBFCs it includes Infrastructure, MSME, Corporate / Real estate and Construction equipment*
3. *NBFCs retail portfolio comprises housing finance, auto finance, gold finance, microfinance, personal loans, consumer durable loans and education loans*

Source: RBI, Company reports, Crisil Intelligence

Strong growth in retail credit

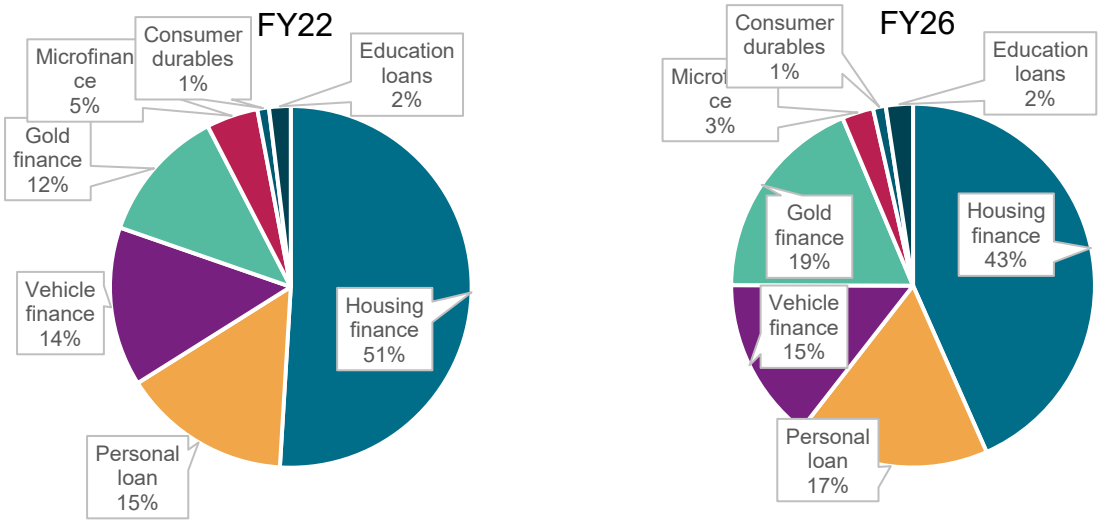


Source: Crisil Intelligence

The Indian retail credit market is poised for significant growth, driven by increasing disposable incomes, changing lifestyles and a shift towards discretionary spending. This trend is evident in both rural and urban India, with the share of discretionary items in the consumption basket growing between fiscals 2012 and 2024 as per Household Consumption Expenditure Survey (HCES) 2023-24 by Ministry of Statistics and Programme Implementation (MoSPI). With improving financial health, consumers are seeking credit to finance purchases, such as vehicles and homes, creating a sizable market for lenders.

Government initiatives to promote digitalisation and financial inclusion have improved access to credit for underserved segments such as MSMEs and low-income households. Despite rapid growth, retail credit penetration remains low, presenting an opportunity for lenders to expand their customer base and increase market share. India's demographic dividend, with a large working-age population, is expected to drive consumption and credit demand, fuelling the growth of the retail credit market. The young population's aspirations for a better lifestyle and increased access to credit are expected to contribute to a sustained growth trajectory, offering lenders opportunities.

Trend in retail credit portfolio by segment



Note:
1. *Retail credit includes credit deployed by banks and NBFCs*
2. *Retail includes housing, vehicles, gold, microfinance, personal, consumer durables and education loans*

Source: RBI, Ministry of Finance, Company reports, MFIN, Crisil Intelligence

Rising disposable incomes, strong credit demand in smaller cities, branch expansions in Tier II and III cities, entry of new players in the space and rollout of government schemes to support the housing sector helped the Indian housing finance sector (banks and non-banks) clock a breezy run in the past five years. Between fiscals 2022 and 2026, housing credit outstanding clocked a CAGR of 12.78%. While housing loans remained the largest component of total retail credit, accounting for over 50% of total retail credit outstanding in fiscal 2022, their share is estimated to have moderated to around 43% in fiscal 2026. This decline is primarily attributable to financial institutions increasingly diversifying their credit deployment towards other retail lending segments like gold finance, personal loans and vehicle finance. During the next two fiscals Crisil Intelligence projects the total housing credit outstanding of banks and HFCs/NBFCs to grow 12-13% on year, supported by the normalisation of pricing competition across lenders, pick-up in housing demand.

The personal loan segment has remained a key growth driver of India's retail credit market, recording a robust CAGR of ~21% between fiscals 2022 and 2026. Growth was supported by rising urbanisation, increasing digitalisation and a sustained shift towards discretionary consumer spendings. The segment is expected to sustain its growth momentum, expanding by 16-18% in fiscal 2027 on the back of broader customer reach, healthy household consumption patterns, continued digital expansion, AI-enabled underwriting and increasing availability of instant personal loan products that are improving credit access and customer experience.

Between fiscals 2022 and 2026, the vehicle finance credit outstanding clocked a healthy CAGR of 17.95%. This expansion was supported by improved market sentiment, renewed momentum in vehicle sales, and policy-led affordability measures, including GST rationalisation and interest rate cuts, which meaningfully revived buyer sentiment. Growth was witnessed across all major segments. Looking ahead, Crisil Intelligence expects vehicle loan growth to moderate to around 14-15% in the near term. This reflects potential headwinds, including inflationary pressures arising from El Nino-induced monsoon disruptions, as well as persistent geopolitical and trade-related uncertainties that are keeping the crude oil and other commodity prices elevated and volatile.

The gold loan credit outstanding for NBFCs and banks increased by ~49% in fiscal 2026. The portfolio is estimated to have clocked a CAGR of 30.80% between fiscals 2022 and 2026. Consequently, the share of gold loans in total retail credit outstanding is estimated to have risen from around 12% in fiscal 2022 to 19% in fiscal 2026. The sharp rise in gold prices and high collateral values supported larger loan disbursals, while growing household monetisation of gold for business, working capital and consumption needs further boosted market activity. Gold loan growth to stabilise in fiscal 2027, lenders to focus on quality and balanced expansion.

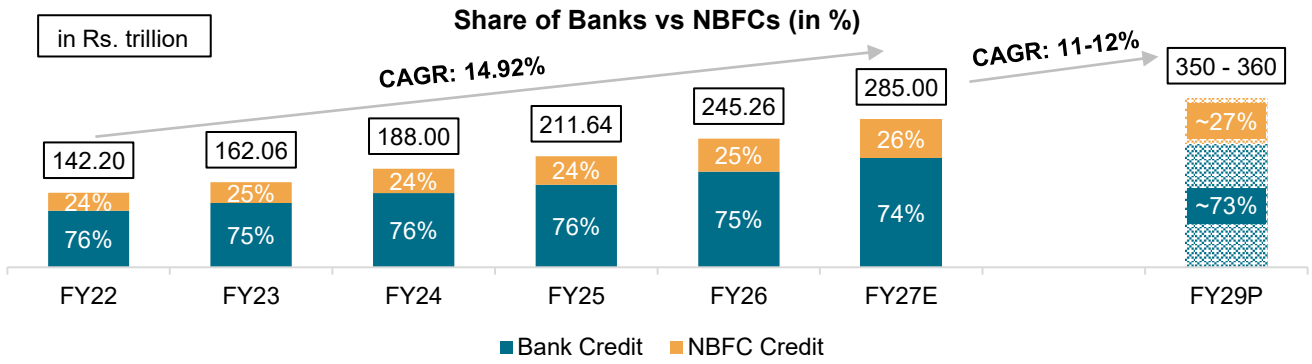
The overall microfinance industry grew at a muted CAGR if 3.31% during the fiscal 2022-26 period. The sector has transitioned from a phase of rapid growth to one of recalibration, with aggregate portfolios declining in fiscal 2025 and fiscal 2026 after strong expansion through fiscal 2024. This slowdown was driven by rising borrower leverage, multiple-lender exposure, tighter underwriting norms, and deliberate portfolio rationalisation by lenders. The credit outstanding contracted by ~13% in fiscal 2026. Looking ahead, the industry is expected to recover meaningfully in fiscals 2027, with overall credit outstanding projected to grow by 18-22% in fiscal 2027. The recovery is expected to be driven by stronger disbursement momentum, lower borrower overleveraging, improving portfolio quality, gradual seasoning of the new book and an increasing share of new-to-credit customers from fiscal 2027 onwards.

Overview of NBFC Sector in India

NBFC-led credit expansion is widening financial inclusion

Banks continue to account for ~75% of the systemic credit. However, over the past decade, credit growth has been increasingly driven by retail and MSME lending, supported by the expanding role of NBFCs. Historically, access to formal credit has remained constrained in rural and semi-urban regions, particularly among first-time borrowers, MSMEs and customers lacking established credit histories, a gap which NBFCs have bridged through their extensive distribution networks, flexible underwriting frameworks and ability to leverage alternative data for credit assessment, thereby extending formal credit to previously underserved segments of the economy.

India's credit market witnesses sustained growth



Note:
1. *E: Estimated, P: Projected*
2. *Banking credit excludes bank lending to NBFCs and international credit*

Source: RBI, Company reports, Crisil Intelligence

The credit growth of NBFCs has consistently outpaced India's gross domestic product (GDP) growth, and this trend is expected to persist. NBFCs have shown remarkable resilience and have emerged as a vital component of the financial ecosystem. Their assets under management (AUM) expanded from less than Rs 2 trillion in 2000 to ~Rs 63 trillion by the end of fiscal 2026.

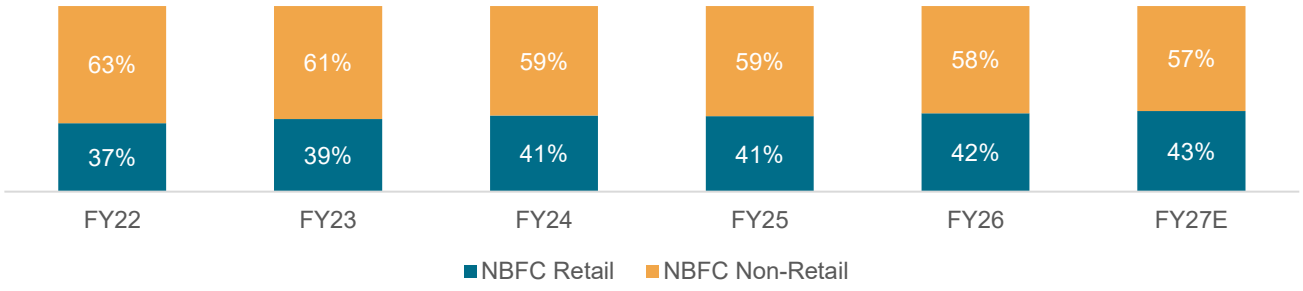
During the fiscal 2027-29 period, NBFCs are projected to outpace banks in credit deployment due to their higher growth potential, greater flexibility in lending to underserved segments, and focus on niche markets. NBFCs are expected to continue to gain market share over banks due to their ability to provide flexible lending solutions and tailored services, focused approach to tap underserved and niche customer segments, ability to penetrate deeper into geographies, leveraging technology to reimagine the lending process, strong origination skills and shorter turnaround time.

NBFCs drive financial inclusion

While banks cater to customers which are either part of their banking relationship or have superior credit profile, NBFCs have huge opportunity to penetrate the self-employed and the informal segment, thereby leading to greater financial inclusion. Compared with that of banks, NBFC credit to the retail segment formed more than 42% of its portfolio in fiscal 2026, indicating greater focus on retail customers, with rural and semi-urban areas presenting vast market opportunity for NBFCs.

MSMEs often lack easy access to formal credit from banks due to limited credit history, insufficient collateral or lack of financial documentation. NBFCs bridge this gap by offering customised solutions. Their stronger presence in rural and semi-urban areas where MSMEs are prominent helps them to serve the under-penetrated segments.

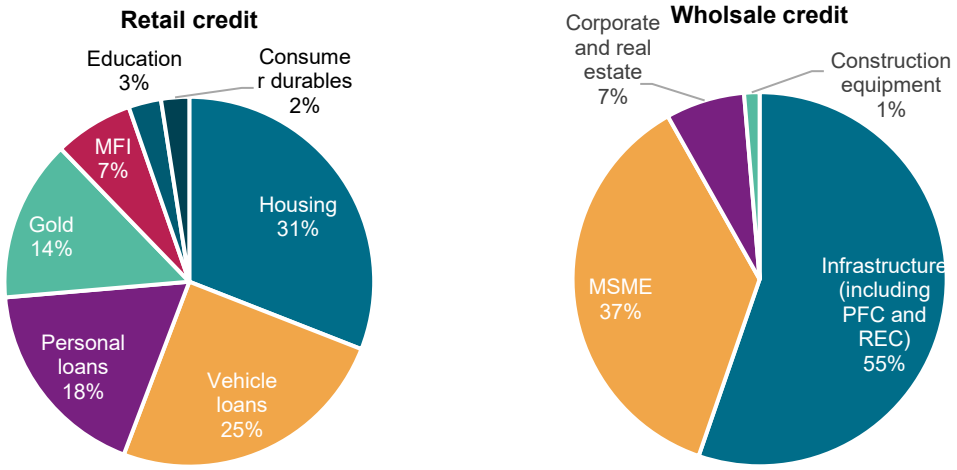
Share of retail credit stood at ~42% of overall NBFC credit in fiscal 2026



Note:
1. *E: Estimated*
2. *Retail includes housing, vehicles, gold, microfinance, personal, consumer durables and education loans*
3. *Non-Retail (Wholesale) includes MSME, real estate and large corporate, infrastructure and construction equipment loans. Indian Railway Finance Corporation (IRFC) has been added to infrastructure loans segment due to its diversification beyond conventional railway financing. Accordingly, previous numbers have been adjusted for a like-to-like comparison*

Source: Company reports, Crisil Intelligence

Composition of NBFC retail and wholesale credit portfolio by asset class (FY26)



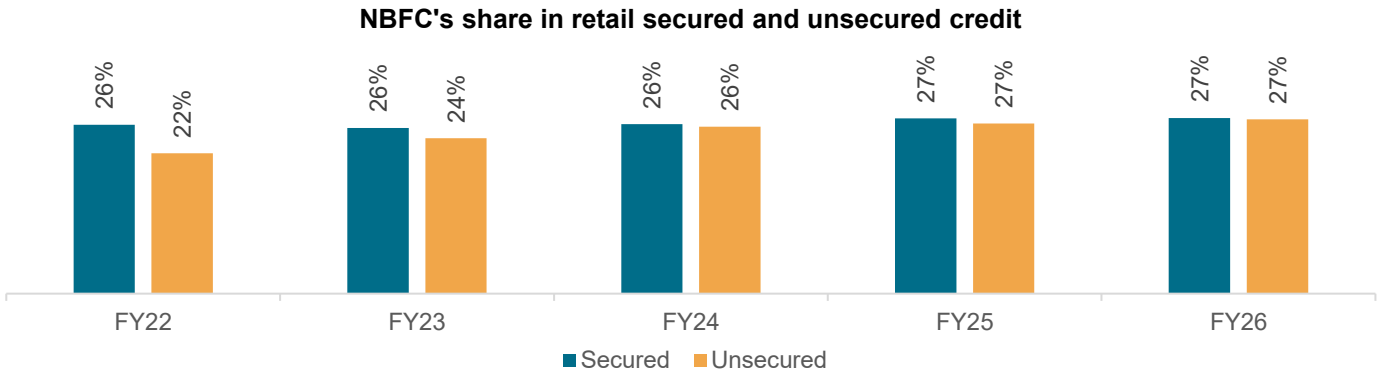
Note: Source: RBI, Company reports, Crisil Intelligence

The NBFC sector has evolved considerably over the years in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. NBFC credit is estimated to have clocked a CAGR of 14.21% between fiscals 2020 and 2026, driven by the retail segment, which is estimated to have witnessed a CAGR of 16.62%, while non-retail credit is estimated to have witnessed a growth of 12.47% during the same period.

The unsecured segment within the retail portfolio grew rapidly over the past five fiscals, raising concerns about potential risks. In response, the RBI issued a circular in November 2023 mandating higher capital buffers for such exposures. This resulted in a slowdown of credit growth in the latter half of fiscal 2024, which persisted into fiscal 2025. Consequently, NBFCs reduced unsecured loan exposure in 2025 to maintain asset quality and began gradually expanding again in fiscal 2026. Going forward, the NBFC retail segment is expected to see an 18-19% growth from fiscal 2026 to fiscal 2029, which will support overall NBFC credit growth.

Secured and unsecured credit growth trends for retail NBFCs portfolio

NBFCs have increased their share in the retail unsecured credit portfolio to 27% by fiscal 2026



Note: For the calculation of unsecured retail loans offered by NBFCs, segments such as personal, microfinance, consumer durable loans and the unsecured proportion of education loans have been considered, whereas banks' unsecured retail loans offered by banks include consumer durables, outstanding credit card, and other unsecured personal loans
Source: RBI, Microfinance Institutions Network (MFIN), Company reports and Crisil Intelligence

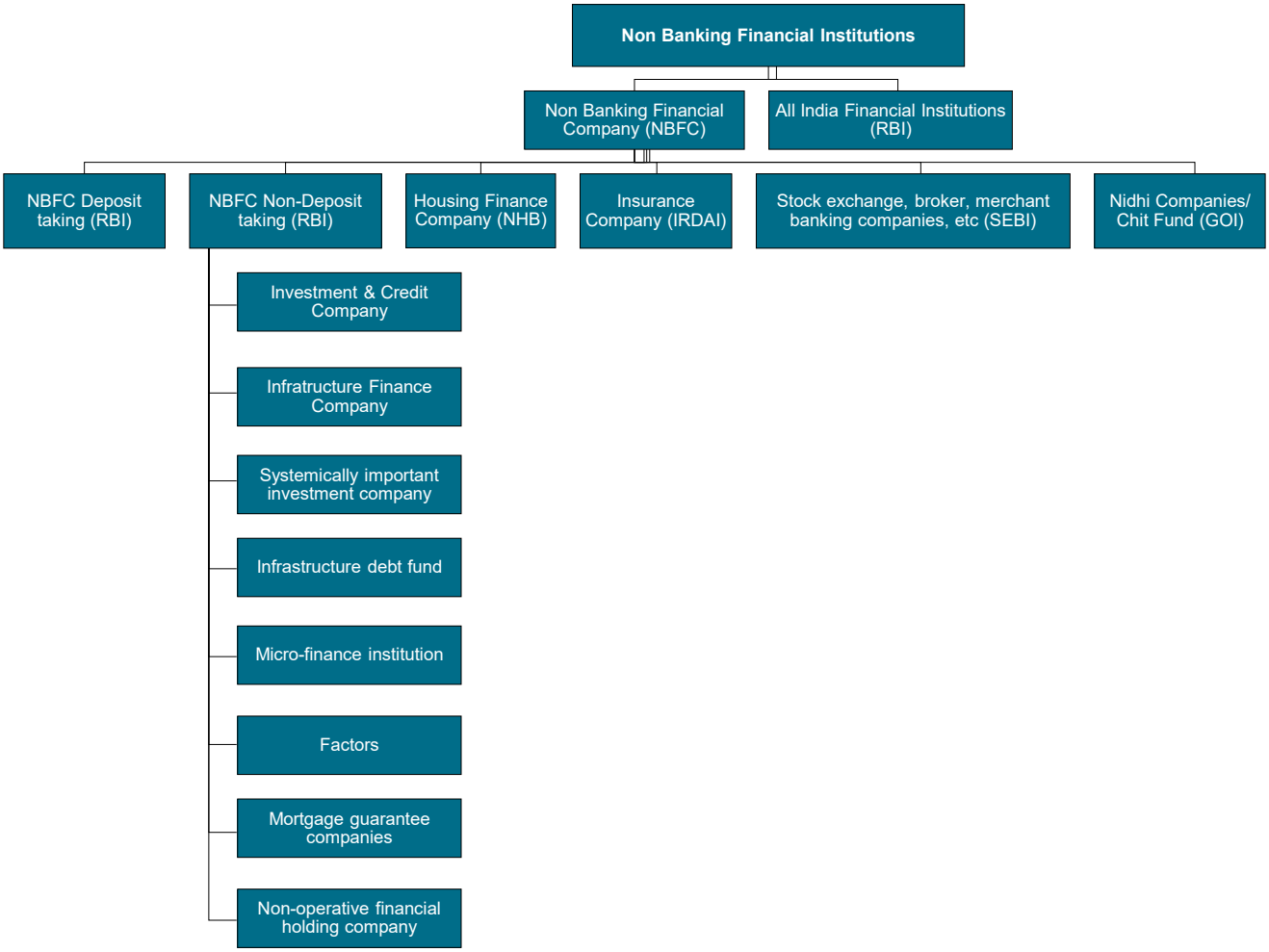
NBFCs accounted for 27% each of the secured and unsecured retail credit portfolio in fiscal 2026, indicating that banks continue to dominate the retail lending landscape, with the NBFCs' overall market share witnessing limited expansion. Nevertheless, NBFCs are expected to remain key driver to growth in India's retail credit market. Over the past few years, they have expanded their relevance in personal loans, consumer durable finance, microfinance and unsecured business loans by catering to underserved borrower segments and leveraging relatively agile credit assessment frameworks.

Within the secured lending portfolio, growth in housing finance, vehicle finance and gold loans is expected to strengthen in fiscal 2027 as competitive intensity from banks gradually normalises and credit demand remains healthy. Gold loans are likely to retain strong momentum, supported by favourable collateral dynamics and increasing acceptance among retail borrowers, while housing and vehicle finance are expected to benefit from improving affordability and steady consumption demand.

In the unsecured segment, growth is expected to recover gradually following the moderation witnessed over the past few quarters. Asset quality pressures in select portfolios are showing signs of stabilisation, which should support a measured revival in microfinance and unsecured business lending. The microfinance sector is expected to return to growth after the contraction observed in fiscal 2026 as borrower cash flows improve and portfolio stress moderates.

Structure of non-banking financial institutions in India

NBFIs play a vital role in India's financial system by offering credit, investment, insurance, and other financial services outside the traditional banking framework. They include entities such as NBFCs and All India Financial Institutions, each catering to specific market and developmental needs. Regulated by bodies like the RBI, SEBI, and IRDAI, these institutions operate under distinct frameworks based on their activities.



Note: The regulatory authority for the respective institution is indicated within the brackets; All-India Financial Institutions include NABARD, SIDBI, EXIM Bank
Source: RBI, Crisil Intelligence

Regulatory structure under the Scale Based Regulations (SBR)

The main objective of the SBR framework is to lay down regulations governing NBFCs and their supervision as a function of their size, activity and perceived riskiness. The SBR approach ensures that regulatory oversight intensifies as the size and complexity of an NBFC increases. The Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025, provides framework for NBFCs.

As per the scale-based classification, NBFCs are categorised into four layers based on their size, activity and perceived riskiness. The degree of regulations increases as a company moves from lower to higher layers. NBFCs in the lowest layer are NBFCs-BL, those in the middle layer NBFCs-ML and those in the upper layer NBFCs-UL. As per the existing SBR framework for NBFCs, the upper layer NBFCs are identified by way of a parametric scoring methodology comprising quantitative and qualitative parameters, with weightages of 70% and 30%, respectively. Moreover, the top 10 NBFCs by assets are automatically categorised as the upper layer under the SBR framework. With the amendment directions coming into force with immediate effect as on July 1, 2026, the RBI has replaced the existing methodology for identifying NBFCs-UL with an asset size-based criterion, whereby NBFCs with an asset size of Rs 1 trillion and above shall be classified as NBFCs-UL. As of 6th august 2026, the RBI has categorised 17 NBFCs as the upper layer NBFCs.

Details of NBFCs in various layers

Layer Name	Asset Size Threshold	Deposit-Taking Status	NBFC Types Included	Government-Owned NBFC Placement	Identification Methodology
Base Layer (BL)	Asset size below Rs 10 billion	Non-deposit taking	Non-deposit taking NBFCs with asset size below Rs 10 billion, Peer to Peer Lending Platforms (NBFC-P2P), Account Aggregators (NBFC-AA), Non-Operative Financial Holding Companies (NOFHC),	Not specified	Based on asset size and activity type as per RBI guidelines

Layer Name	Asset Size Threshold	Deposit-Taking Status	NBFC Types Included	Government-Owned NBFC Placement	Identification Methodology
			NBFCs not availing public funds and not having customer interface		
Middle Layer (ML)	Asset size of Rs 10 billion and above	Deposit-taking and non-deposit taking	All deposit-taking NBFCs (NBFC-D), Non-deposit taking NBFCs with asset size of Rs 10 billion and above, Housing Finance Companies (HFCs), Infrastructure Debt Funds (IDFs), Core Investment Companies (CICs), Standalone Primary Dealers (SPDs), NBFCs undertaking factoring business	Placed in Middle Layer, unless specifically mentioned otherwise	Based on asset size, deposit-taking status, and type of NBFC as per RBI guidelines
Upper Layer (UL)	Asset size of Rs 1 trillion and above	Both deposit-taking and non-deposit taking	IFCs and NBFCs (including deposit and non-deposit taking NBFC-ICCs, HFCs) identified as systemically significant by RBI based on asset size	Placed in Upper Layer if identified as systemically significant by RBI	Identified by RBI based on scoring methodology and supervisory judgment

Source: RBI, Crisil Intelligence

Phygital distribution model

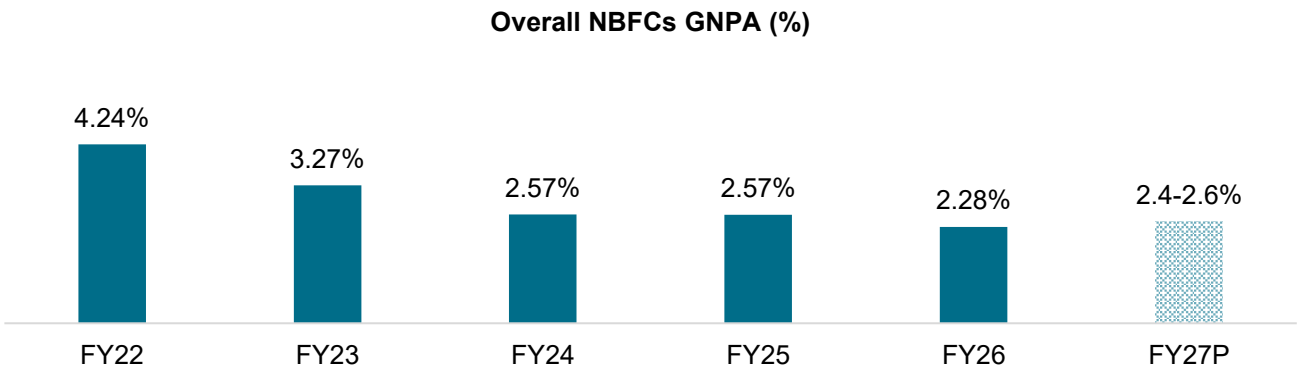
The phygital distribution model is emerging as a key growth enabler for NBFCs by combining relationship led customer engagement with the scalability, speed and efficiency of digital platforms. This approach allows lenders to deepen penetration across underserved, rural and semi-urban markets where physical presence remains important for customer acquisition, verification and trust building. By integrating field operations with digital capabilities, NBFCs can expand their reach, improve customer engagement and scale operations more efficiently.

The digital lending model strengthens the NBFC lending value chain by leveraging technology and data-driven processes to improve underwriting, risk management, operational efficiency, and customer experience. By enabling holistic customer assessment, faster credit decision-making, enhanced compliance, and improved field force productivity, digital platforms support scalable growth while maintaining strong risk controls. The combination of automation and personalized engagement helps NBFCs reduce costs, improve portfolio quality, and deliver a seamless customer experience, thereby supporting sustainable business growth and financial inclusion.

Asset quality of NBFCs

The steady decline in gross NPAs for overall NBFCs during the last few fiscals has been driven by a combination of cyclical recovery and structural strengthening of credit practices. Following the pandemic, improvement in economic activity and borrower cash flows led to a sharp recovery in collection efficiency and repayment behaviour. Simultaneously, NBFCs tightened underwriting standards through greater use of data-driven credit assessment, enhanced risk monitoring frameworks, and stricter borrower selection, which helped reduce incremental slippages. Additionally, many lenders recalibrated their portfolios towards relatively secured retail asset classes such as housing finance, vehicle finance, and loans against property, supporting overall asset quality trends.

Overall NBFCs asset quality to witness marginal uptick in fiscal 2027



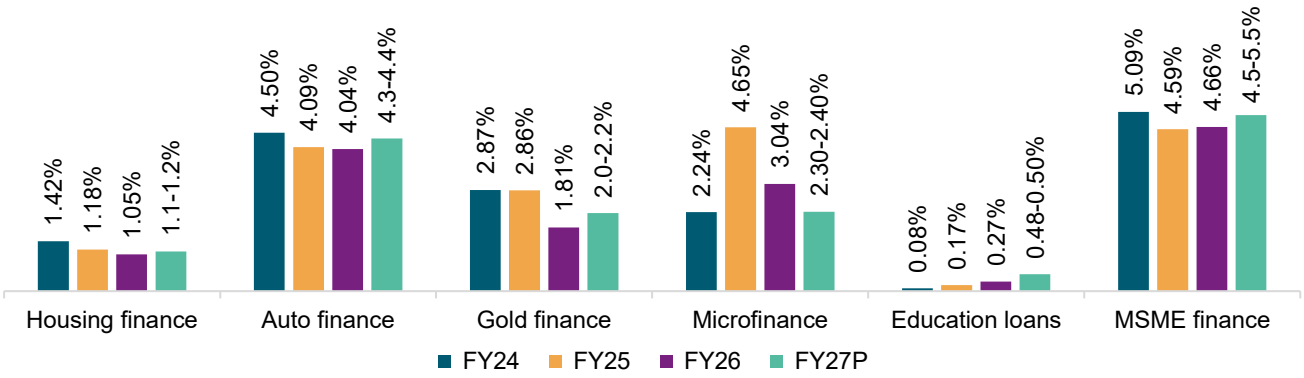
Note:
1. *P: Projected*
2. *The analysis is based on the data of 130+ NBFCs (including HFCs), which collectively accounted for gross loans and advances of Rs 40,300 billion as on March 31, 2026. These NBFCs account for more than 90% of the total loans and advances outstanding of the NBFC sector (excluding infrastructure*

finance companies). The infrastructure financing is largely dominated by government owned infrastructure financing companies, serving as the nodal agency for key government initiatives.
Source: RBI, Company reports, Crisil Intelligence

The decline in GNPA ratios was further aided by active balance sheet clean-up measures, including recoveries, one-time settlements, write-offs, and sales of stressed assets. Strong credit growth across retail lending segments also supported headline asset quality metrics. Consequently, the NBFC sector's asset quality improved steadily, with the overall GNPA ratio declining to around 2.28% during fiscal 2026**.**

Looking ahead in fiscal 2027, Crisil Intelligence projects the GNPA to witness a slight uptick as risks from El Nino, inflationary pressures, oil price volatility, and potential slowdown from geopolitical tensions may continue to weigh on borrowers' repayment capacity. While secured lending segments are expected to remain resilient, stress in unsecured lending and certain small-ticket retail portfolios could result in a modest increase in fresh delinquencies. Evolving geopolitical uncertainties and the impact of adverse weather conditions will remain key monitorable for asset quality trends during fiscal 2027.

Secured lending segments witnessed better asset quality trends during the previous fiscals



Note: P: Projected
Source: RBI, Company \|reports, Crisil Intelligence

Asset quality stress in unsecured lending segments, particularly microfinance, witnessed moderation during fiscal 2026; however, delinquency levels continue to remain elevated relative to the pre-overleveraging period. The gradual improvement has been supported by regulatory interventions, tighter underwriting practices, and corrective measures undertaken by lenders to address borrower leverage and portfolio stress. While collection efficiencies have improved, asset quality in the segment is expected to remain a key monitorable over the near term.

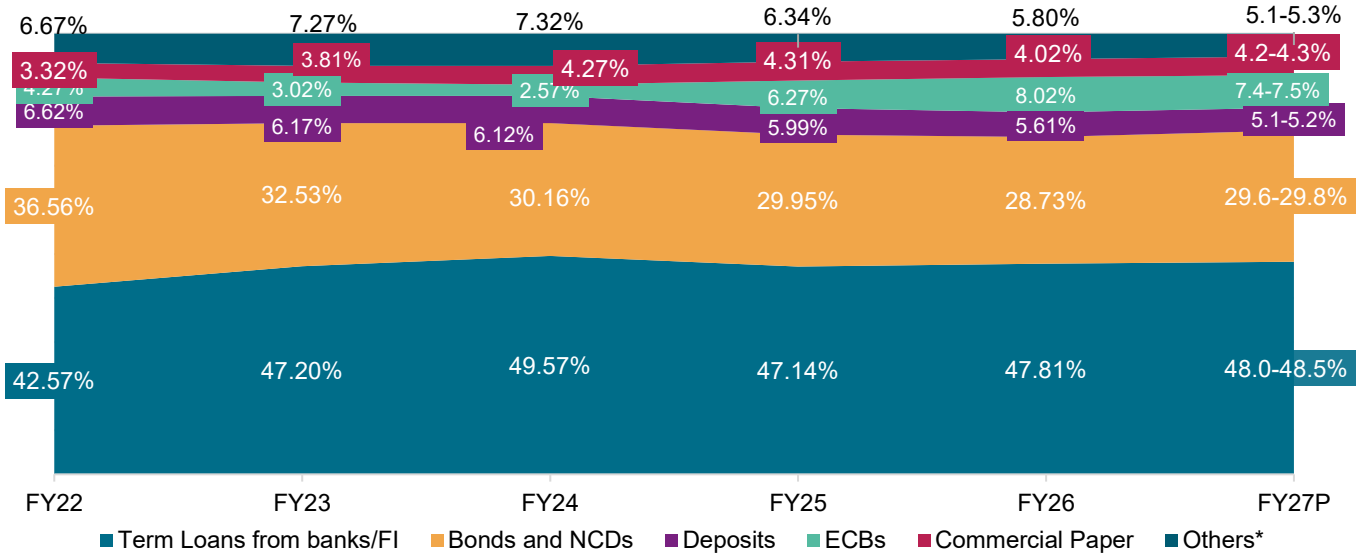
In the gold loan segment, GNPA levels could witness a marginal uptick, driven potential volatility in gold prices, which may impact borrower behaviour and loan to value (LTV) dynamics. Similarly, asset quality in vehicle finance may witness some moderation amid macroeconomic uncertainties, including adverse weather conditions, inflationary pressures, fluctuations in fuel prices, and evolving geopolitical developments that could affect borrower cash flows and repayment capacity.

Going forward, Crisil Intelligence expects asset quality across key lending segments to likely remain under pressure due to impact of deficient rainfall on income of rural borrowers, higher crude oil prices, inflationary pressures and impact from re-escalation of West Asia conflict. Nevertheless, asset quality expected to remain at manageable levels, supported by prudent underwriting practices, seasoning of loan portfolios and adequate risk management frameworks across leading NBFCs.

Funding environment expected to improve with easing regulatory and liquidity constraints

Funding conditions for NBFCs remained relatively tight during fiscal 2025 due to higher borrowing costs and the RBI's increase in risk weights on unsecured lending and bank exposures to NBFCs, which moderated credit growth. However, the rollback of the additional 25 bps risk weight on bank lending to NBFCs from April 2025 supported credit offtake during the second half of fiscal 2026. NBFCs have also diversified their funding profile, with the share of ECBs increasing steadily, providing access to alternative funding sources, longer tenors, and potentially lower borrowing costs. Additionally, the introduction of the Credit Guarantee Scheme for Microfinance Institutions (CGSMFI 2.0) in March 2026 strengthened credit flow to the microfinance sector by providing guarantee support for lending to NBFC-MFIs and other MFIs.

Borrowing mix of NBFCs



Note:

1. *The analysis is based on the data of 130+ NBFCs (including HFCs), which collectively accounted for gross loans and advances of Rs 40,300 billion as on March 31, 2026. These NBFCs account for more than 90% of the total loans and advances outstanding of the NBFC sector (excluding infrastructure finance companies). The infrastructure financing is largely dominated by government owned infrastructure financing companies, serving as the nodal agency for key government initiatives*
2. **Others include refinance from NHB, subordinated debt, securitisation, and working capital loans*
3. *ECB: External commercial borrowings*

Source: Company reports, Crisil Intelligence

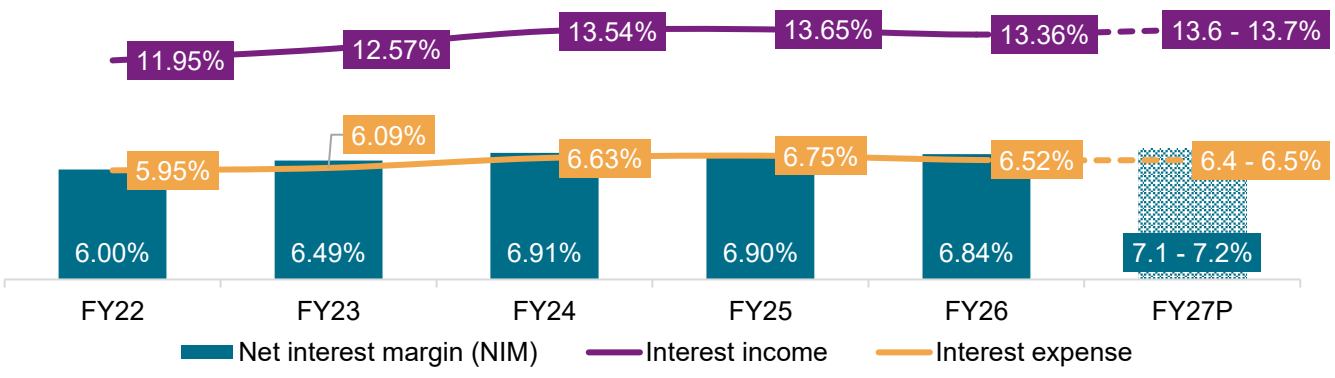
IRDAI's proposed distribution reforms: Implications for NBFCs

The proposed overhaul of insurance distribution economics by IRDAI is expected to significantly reshape value creation and revenue sharing across insurers, banks, NBFCs, brokers, and digital insurance platforms. The impact is likely to be most significant for NBFC-led insurance distribution models. The proposed framework signals a structural shift in the economics of insurance cross-selling within the lending ecosystem. Going forward, NBFCs may need to reposition their insurance distribution strategy away from high-commission, loan-linked products toward voluntary protection offerings, where customer adoption rates may be lower and profitability increasingly reliant on the strength of the core lending franchise rather than ancillary distribution income.

Profitability for overall NBFCs

Between fiscals 2022-25, interest income on average assets increased from 11.95% to 13.65%, primarily driven by the Reserve Bank of India's decision to raise the repo rate to 6.50% in February 2023. Subsequently, the cumulative 125 bps reduction in the policy rate between February and December 2025 exerted downward pressure on lending rates. Consequently, interest income on average assets is expected to moderate to around 13.60-13.70% in fiscals 2026 and 2027. The moderation, however, is expected to be partly offset by the microfinance segment, where elevated delinquencies and interest reversals during fiscal 2026 weighed on portfolio yields. With portfolio performance expected to stabilise and asset quality pressures gradually easing, yields in the microfinance segment are likely to normalise, supporting a modest improvement in aggregate interest income across NBFCs.

Net interest margins to remain range bound in fiscal 2027



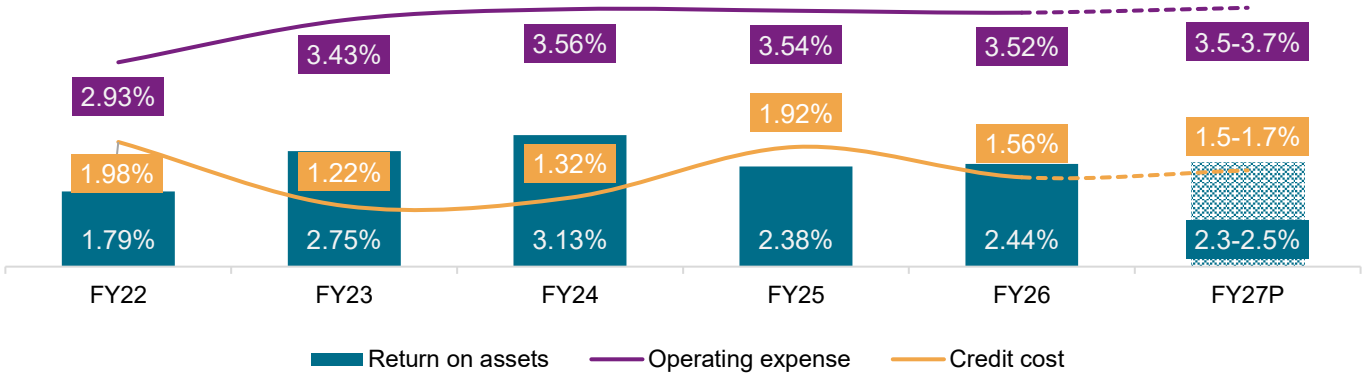
Note:

1. *P: Projected*

2. All ratios are calculated on average total assets
3. It covers companies in following segment Housing finance, Vehicle finance, Microfinance, Gold loans, Education loans and MSME finance
Source: Company documents, Crisil Intelligence

While yields are expected to remain largely range-bound, interest expense on average assets is projected to moderate marginally from 6.52% in fiscal 2026 to 6.40-6.50% in fiscal 2027, supported by easing funding costs and gradual transmission of policy rate cuts. Consequently, the overall net interest margin (NIM) profile of NBFCs is expected to remain broadly stable in fiscal 2027.

Credit cost to remain elevated during fiscal 2027



Note:
1. All ratios are calculated on average total assets
2. It covers companies in following segment Housing finance, Vehicle finance, Microfinance, Gold loans, Education loans and MSME finance
3. P: Projected
Source: Company documents, Crisil Intelligence

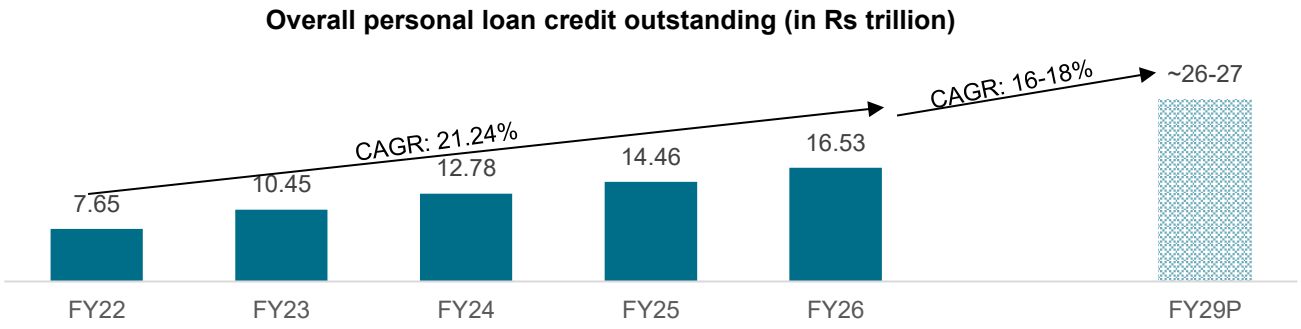
NBFCs' return on assets (RoA) is expected to remain below historical averages in the near term due to elevated credit costs, particularly in the microfinance segment. Although sizeable write-offs and provisioning associated with stressed MFI portfolios are expected to reduce credit costs from the peak levels witnessed in fiscal 2026, credit costs are unlikely to revert to the benign levels seen during fiscals 2023 and 2024. Furthermore, ongoing geopolitical uncertainties and elevated crude oil prices could indirectly affect borrower repayment capacity by sustaining inflationary pressures and moderating disposable incomes, particularly among retail and small business borrowers. Consequently, while credit costs are expected to moderate from the elevated levels witnessed in fiscal 2026, they are likely to remain above historical averages. Supported by modest improvement in NIMs, RoA is expected to remain broadly range-bound, with profitability recovering gradually across the NBFC sector.

Personal loans industry in India

Indian personal loan industry has expanded rapidly, expected to grow at 16-18% CAGR between fiscal 2026 and fiscal 2029

The personal loan market has emerged as a rapidly growing segment within India's expanding retail credit market, with its share increasing from 15.10% in fiscal 2022 to 17.16% in fiscal 2026 in overall systemic credit. The personal loan market in India has reached Rs.16.53 trillion in fiscal 2026 and is projected to grow at a CAGR of 16-18% between fiscals 2026-29, supported by increasing urbanisation, rising discretionary consumption, improving financial inclusion and rapid digitalisation of lending processes. Growing demand for unsecured credit to fund consumption, lifestyle purchases, travel, healthcare, and other personal requirements, coupled with rising internet penetration and smartphone adoption, is also expected to broaden the addressable borrower base across both urban and semi-urban markets.

Overall personal loans credit growth to maintain healthy momentum in the near term



Note:
P: Projected
1. Market sizing is based on Crisil Intelligence estimates
Source: Company reports, Crisil Intelligence

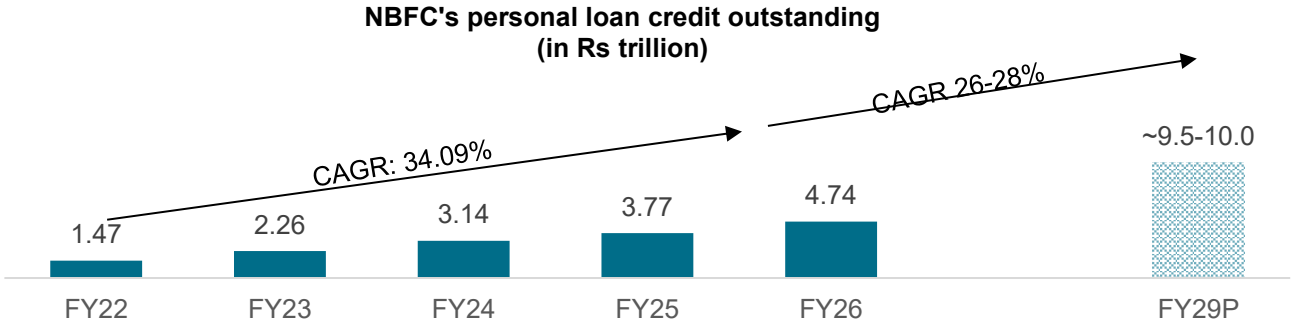
Key growth drivers

- **Changing consumer lifestyles and rising credit acceptance:** Increasing Urbanisation, higher disposable incomes and growing aspirational spending continue to drive demand for personal loans, while increasing acceptance of formal credit has expanded the borrower base across customer segments.
- **Digitalisation and faster turnaround times:** Digital lending platforms, eKYC and automated processing have streamlined loan origination, enabling faster approvals, improved customer experience and wider penetration of personal loans.
- **AI-led underwriting and alternative data adoption:** Lenders are increasingly leveraging AI, machine learning and alternative data to enhance credit assessment, improve risk-based pricing and extend credit access to underserved borrowers.
- **Product innovation and personalised offerings:** Competition among banks, NBFCs and fintechs is driving customised loan products with flexible tenures, ticket sizes and repayment structures, supporting customer acquisition and retention.

NBFCs have emerged as an important growth engine, consistently outpacing the broader industry

The personal loan portfolio for NBFCs increased from Rs. 1.47 trillion in fiscal 2022 to Rs. 4.74 trillion in fiscal 2026, representing a CAGR of 34.09%, compared with 17.50% for Banks and 21.24% for the overall industry. However, following the RBI's regulatory measures in fiscal 2024 to strengthen risk management in unsecured lending, lenders adopted a more calibrated approach to portfolio growth. This was reflected in an approximately two times increase in the NBFCs' overall average ticket size from estimated Rs. 35,000-40,000 in fiscals 2024 and to estimated Rs. 70,000-80,000 in fiscal 2026, along with a sharper focus on salaried customers and existing borrowers. The shift indicates a clear preference for better-credit-quality borrowers, more predictable cash flows and sustainable portfolio expansion.

NBFCs balance growth with disciplined lending practices; expected to grow at 26-28% CAGR over fiscal 2026-29

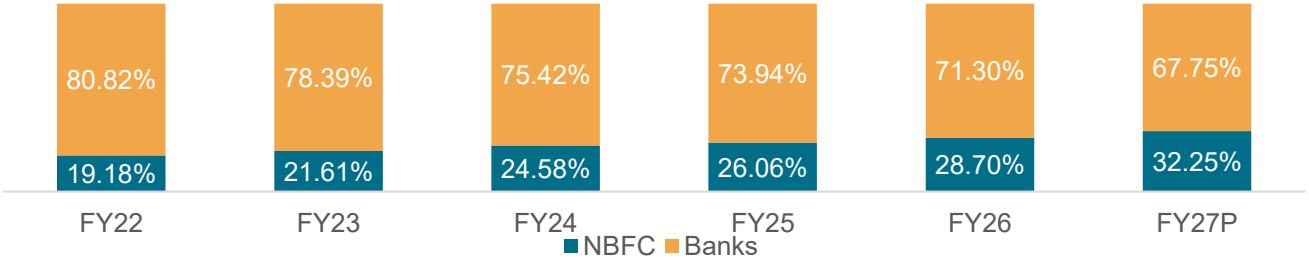


Note:
1. *P: Projected*
2. *Market sizing is based on Crisil Intelligence estimates*

Source: Company reports, Crisil Intelligence

Going ahead, Crisil Intelligence expects the personal loan portfolio of NBFCs to sustain the healthy growth momentum expanding at a CAGR of 26-28% between fiscals 2026-29, supported by favourable demographic trends, strong household consumption, continued digitalisation and increasing availability of instant and personalised innovative credit solutions.

NBFCs continue to increase their share in personal loan outstanding



Note: P: Projected

Source: Company reports, Crisil Intelligence

As adoption of artificial intelligence (AI), machine learning-based underwriting models and alternative data analytics has enabled lenders to improve customer acquisition, strengthen credit assessment and expand formal credit access to new-to-credit and underserved customer segments, Crisil believes that this has shifted the competitive advantage of NBFCs from the ability to originate loans rapidly towards the ability to acquire customers efficiently while maintaining credit quality and sustainable risk adjusted returns.

Shift towards data-driven underwriting and AI-enabled credit decisioning transforming the personal lending value chain

AI is increasingly becoming a core enabler across the personal lending value chain. Supported by digital adoption, alternative data and advances in AI/ML, lenders are leveraging AI to enhance customer acquisition, credit assessment, fraud detection, portfolio monitoring and collections. Compared with traditional underwriting models that rely on bureau scores and income documents, AI-driven platforms use diverse data sources to enable faster, more accurate and scalable lending decisions.

In customer acquisition, AI-powered analytics help lenders identify potential borrowers by analysing transaction patterns, spending behaviour and digital engagement, enabling targeted marketing, personalised offers and improved conversion rates.

Underwriting is increasingly supported by AI and alternative data sources, enabling real-time credit assessment, fraud detection and risk-based pricing, while expanding credit access and strengthening risk management. Also, the increasing availability of data and longer performance track records have enhanced the accuracy and maturity of AI-led underwriting models, improving borrower segmentation, credit penetration, and portfolio quality. AI is also enhancing portfolio monitoring and collections through early stress detection, borrower segmentation and automated engagement, improving operational efficiency and recovery outcomes. Overall, AI-driven credit assessment is becoming a key enabler of growth, supporting faster decision-making, better underwriting accuracy and wider credit penetration.

Adoption of AI and GenAI across the lending industry has accelerated significantly, with leading banks, NBFCs, and fintech lenders moving beyond pilot initiatives to embed these technologies across the credit lifecycle. For instance, several lenders have developed in-house AI-powered loan origination platforms that integrate multiple systems, APIs, business services, and data sources to enhance scalability, improve customer experience, and reduce turnaround times. AI and agentic technologies are increasingly being deployed across the lending value chain to automate workflows, enhance productivity, accelerate

decision-making and improve customer servicing efficiency. Over time, these capabilities are expected to support improved profitability, stronger risk management, and better asset quality outcomes.

Usage of AI across the Personal loan value chain

Lending stage	Customer actions	AI/ML enabled approach	Data inputs for decisioning	Key business benefits
Customer Discovery & Acquisition	Customer searches for credit or receives a pre-approved offer through digital channels	AI-powered customer segmentation, propensity modelling, recommendation engines, digital marketing optimisation	Demographics, bureau profile, transaction behaviour, digital engagement, ecosystem data	Improved lead quality, personalised offers, higher conversion rates and lower acquisition costs
Digital Application & Onboarding	Customer completes application through mobile app or web portal	AI-enabled OCR, e-KYC, facial recognition, liveness detection, document extraction and automated validation	Aadhaar, PAN, CKYC, DigiLocker, device intelligence and video KYC	Paperless onboarding, reduced turnaround time, seamless customer experience
Consent-based Data Aggregation	Customer provides consent to access financial information	API-based data aggregation and AI-driven data validation	Account Aggregator, bank statements, bureau, UPI transactions, employment and telecom data	Comprehensive borrower profile with richer financial insights
Credit Underwriting	Creditworthiness is assessed in real time	Machine learning credit models, affordability assessment, explainable AI, fraud analytics and risk scoring	Bureau score, banking cash flows, repayment behaviour, alternate data and behavioural signals	Faster credit decisions, improved underwriting precision and enhanced financial inclusion
Risk Based Pricing	Loan amount, tenure and pricing are determined	AI-powered pricing engines and expected loss modelling	Probability of Default (PD), Loss Given Default (LGD), customer lifetime value, affordability and risk appetite	Personalised pricing, improved portfolio quality and optimised risk-adjusted returns
Digital Loan Disbursement	Loan documentation is completed and funds are disbursed	Straight-through processing (STP), workflow automation, e-signatures and digital documentation	Loan agreement, bank verification and compliance checks	Instant loan disbursement with minimal manual intervention
Portfolio Monitoring	Customer continues servicing the loan	Early Warning Systems (EWS), behavioural analytics, portfolio surveillance and predictive monitoring	Repayment behaviour, banking activity, bureau refresh, account conduct and transaction trends	Early identification of stress and proactive portfolio risk management
Collections & Customer Engagement	Customer receives repayment reminders or restructuring support	Predictive collections, payment propensity models, conversational AI, omnichannel engagement and intelligent routing	Delinquency trends, communication history, repayment behaviour and engagement analytics	Higher recovery rates, reduced collection costs and improved customer experience

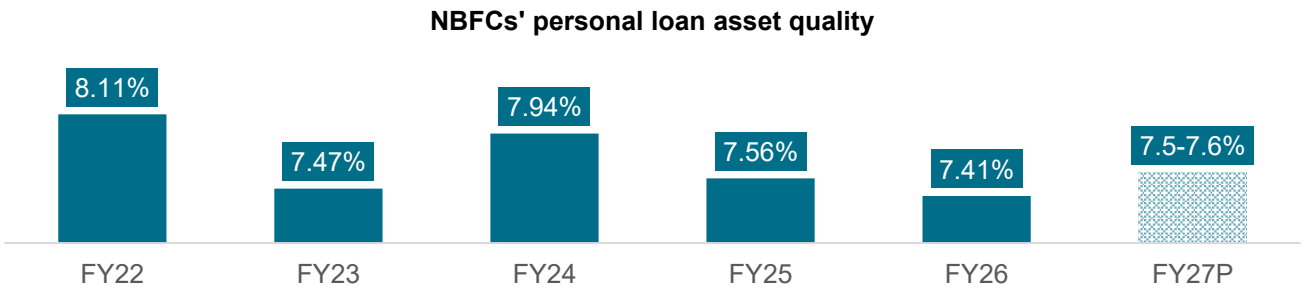
Source: Crisil Intelligence

Credit quality issues persist amid rising borrower leverage

Asset quality remains a key consideration for the personal lending industry due to the unsecured nature of loans and borrowers' sensitivity to income volatility and rising leverage. Regulatory scrutiny has increased around practices such as loan netting-off and refinancing, given their implications for borrower indebtedness and portfolio risk. While the GNPA ratio for NBFC personal loan portfolios improved from 7.94% in FY24 to 7.56% in fiscal 2025 and an estimated 7.41% in fiscal 2026, credit costs, write-offs, and borrower leverage continue to indicate persistent underlying credit quality pressures.

Delinquency trends, however, continue to vary across ticket-size cohorts and borrower segments. While early-stage delinquency indicators, such as 30+ DPD and 60+ DPD, had increased in prior fiscals amid rapid growth in unsecured retail lending, these metrics showed signs of moderation during fiscal 2026 as underwriting standards became more calibrated and portfolios seasoned. Notably, lenders with a higher share of larger-ticket personal loans have generally demonstrated relatively better credit performance, supported by a greater proportion of salaried borrowers, existing customer relationships, and stronger borrower credit profiles. This highlights the importance of portfolio composition and customer selection in determining asset quality outcomes within the broader personal loan segment.

Asset quality improving on tightened underwriting standards and quality borrower selection



P: Projected
Source: Company reports, Crisil Intelligence

In response, NBFCs have adopted a more calibrated growth strategy, with greater emphasis on borrower selection, repayment capacity assessment, and portfolio monitoring. Lenders have also moderated exposure to higher-risk customer segments and strengthened risk management practices. Crisil Intelligence expects the GNPA ratio for NBFCs to remain broadly range-bound at 7.50 – 7.60% in fiscal 2027, with asset quality likely to stabilise thereafter, supported by seasoning of recent loan originations and prudent portfolio management. Borrower leverage, write-off trends, and collection efficiency will remain key monitorable over the medium term.

Threats and challenges

Unsecured nature of loans may lead to asset quality concerns

Personal loans, being unsecured, pose significant risk for lenders with high default rates, leading to difficulties in loan recovery and elevated NPAs. This impacts lenders' profitability, necessitating caution for non-bank lenders due to elevated GNPAs. With rapid growth in unsecured loans, lenders must be careful in approving loans for weaker credit profiles to avoid deteriorating asset quality. Additionally, inflation and stagnant income levels may hinder borrowers' repayment capacity.

Exuberant growth and entailing risks

While the personal loan product has witnessed strong growth, the segment remains vulnerable to borrower overleveraging and aggressive sale of product by loan sellers. Rapid credit expansion, particularly among new-to-credit and lower-ticket borrowers, can elevate repayment stress and asset quality risks if not supported by prudent underwriting and portfolio monitoring.

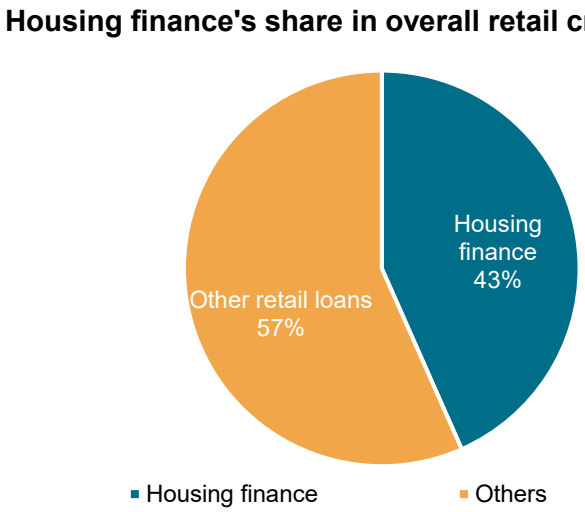
Evolving regulatory landscape and AI adoption present emerging risks

Digital lending regulations and AI-enabled credit assessment remain key monitorable risk for the industry. The Reserve Bank of India's evolving regulatory framework for digital lending, particularly around LSP partnerships, customer protection and data governance, may increase compliance requirements and operational complexity. Additionally, the growing adoption of AI-driven underwriting models may heighten model governance, transparency and explainability risks, necessitating stronger risk management and oversight frameworks.

Housing Finance Industry in India

Housing finance is a largest component of India's retail credit market, supported by structural housing demand

Housing finance plays an important role in India's financial services ecosystem by facilitating homeownership and supporting demand across residential real estate and related sectors. The market comprises scheduled commercial banks, housing finance companies (HFCs), non-banking financial companies (NBFCs), and other eligible lending institutions, which cater to borrowers across income categories, geographic markets and employment profiles. The housing finance market has expanded over the past decade, supported by urbanisation, growth in household incomes, increasing demand for residential property and greater availability of formal credit. The expansion of digital distribution channels, improvements in credit assessment practices and government initiatives aimed at promoting affordable housing have also contributed to market development.



Note:
Overall retail credit includes both banks and non-banks. Other retail loans include auto finance, gold finance, microfinance, personal loans, consumer durable loans and education loans
Source: Company reports, RBI, Crisil Intelligence

Supply constraints and the persistent housing shortage is creating a long-term structural opportunity

Despite sustained demand, India continues to face a structural housing shortage, particularly in urban areas and within economically weaker and lower-income segments. Historical assessments of housing demand and supply indicate that most of this shortage is concentrated in the affordable housing category, highlighting a mismatch between what is supplied and what is required by the population.

Estimated shortage in 2025 and 2030

Housing shortage in India in 2025 and 2030		
In Million	**CY 2025E**	**CY2030E**
Population	1,408.00	1,525.10
Household size	4.00	4.00
No. of houses (A)	290.90	317.30
Required houses (B)	352.00	381.30
Overall shortage (B-A)	**61.10**	**64.00**

Note: E: Estimated; Required houses = Population/household size
Source: Census 2011, RBI, Crisil Intelligence

Crisil Intelligence estimates the housing shortage for 2025 at 61.10 million housing units, growing to approx. 64.00 million by 2030. Government-run schemes such as PMAY have enabled the completion of ~40 million houses between CY 2019 and CY 2025 (rural and urban). However, the shortfall of 61.10 million houses in CY 2025 is estimated to increase marginally to 64.00 million units by CY 2030, despite additional housing supply through such government-run schemes. Additionally, the allocation of Rs. 35 billion towards the PMAY Interest Subsidy Scheme in the Union Budget 2025-26 and the launch of the second tranche of the Rs. 150 billion Special Window for Affordable and Mid-Income Housing (SWAMIH) fund are expected to facilitate the completion of an additional 100,000 housing units.

As a result, the housing deficit remains a defining feature of the Indian real estate landscape. This persistent shortage underscores that the housing demand is not transient. Instead, it represents a long-term structural opportunity that is likely to play out over multiple economic cycles, particularly as formalization increases and housing quality standards improve.

Housing Loan Demand in rural and urban areas for 2025E	Rural	Urban
Total Shortage of houses (million units)	36.70	24.40
Average value of house (Rs.)	2,706,825	4,392,754

Housing Loan Demand in rural and urban areas for 2025E	Rural	Urban
LTV	70%	75%
ATS of housing loans	1,894,777	3,294,566
Total Housing Loan Demand (in trillion)	69	81
Credit Penetration	8.50%	12.60%
Total Addressable demand (in trillion)	**6**	**10**

Note:
E: Estimated
*Total Housing Loan demand = ATS of housing loan*Total shortage of houses;*
Source: Crisil Intelligence

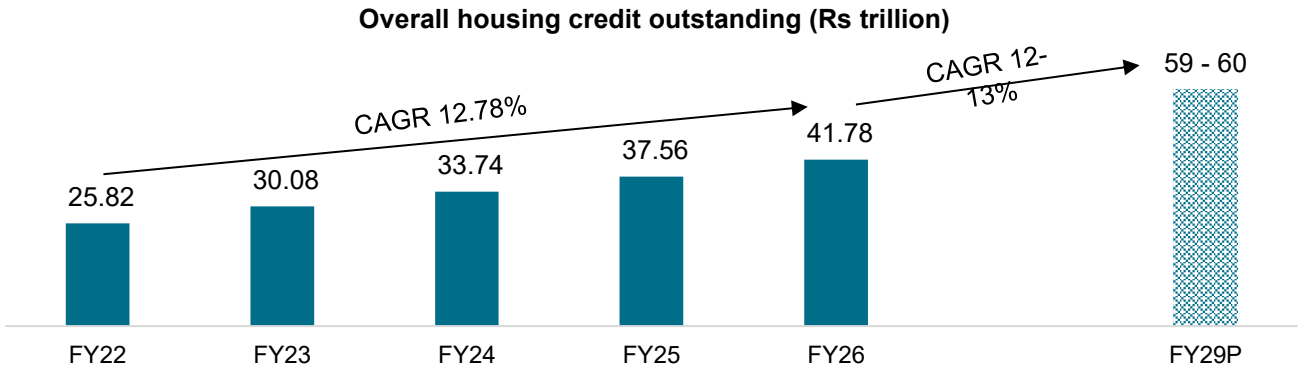
Despite government-led initiatives, the persistent shortage of housing presents a significant long-term opportunity for home financiers. The total addressable housing loan market is estimated to be Rs. 16.00 trillion, with Rs. 10.00 trillion attributed to urban housing and Rs. 6.00 trillion to rural housing. While approximately 35% of the population resides in urban areas, where the housing shortage stands at 24.40 million units, the urban housing loan demand of Rs. 10.00 trillion (24.40 million units) surpasses that of rural housing due to the higher cost of urban dwellings. This disparity presents a promising opportunity for financiers, as urban housing loans typically offer favorable credit profiles and repayment histories, making them an attractive segment for growth.

Housing credit outstanding to reach Rs 59-60 trillion by fiscal 2029

The Indian housing finance market has recorded sustained growth, with aggregate housing credit outstanding increasing from approximately Rs. 25.82 trillion in fiscal 2022 to Rs. 41.78 trillion in fiscal 2026, representing a CAGR of ~12.78%, reflecting the increasing importance of housing finance within the broader financial services ecosystem.

Following relatively strong expansion during fiscals 2022–2024, the pace of growth moderated, with aggregate housing credit outstanding increasing by approximately 11.31% in fiscal 2025 and 11.24% in fiscal 2026. The moderation reflected a combination of factors, including a more calibrated lending approach among financial institutions, competitive pressure on lending yields between lenders and a greater focus on maintaining risk-adjusted profitability. Nevertheless, the market continued to expand, supported by demand from first-time homebuyers, upgrading of existing residential properties and increasing formalization of housing finance. Crisil Intelligence projects aggregate housing credit outstanding to increase to approximately Rs. 59-60 trillion by fiscal 2029, representing a CAGR of 12–13% between fiscals 2026 and 2029. The growth is expected to be supported by increasing urbanisation, rise in household incomes, demand for housing across metropolitan and emerging urban centres, and continued access to institutional mortgage finance.

Housing loans projected to grow at a CAGR of 12-13% between fiscal 2026 and 2029



Note:
1. *P: Projected*
2. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends.*

Source: Company reports, RBI, Crisil Intelligence

The outlook also reflects the potential contribution of larger average loan ticket sizes, arising from changes in residential property values and borrower preferences, alongside continued financing demand from affordable and mid-income housing segments. However, the pace of expansion will remain dependent on residential property affordability, prevailing interest rates, lender funding conditions and the availability of housing supply across markets.

Growth drivers

- **Rapid urbanisation and favourable demographics:** Continued migration to urban centres, expansion of Tier II and Tier III cities, a large working-age population, and increasing nuclearisation of families are driving sustained residential housing demand.

- **Improving income levels and affordability:** Rising disposable incomes, better employment opportunities, and growing homeownership aspirations, particularly among first-time buyers, are supporting demand across affordable and mid-income segments.

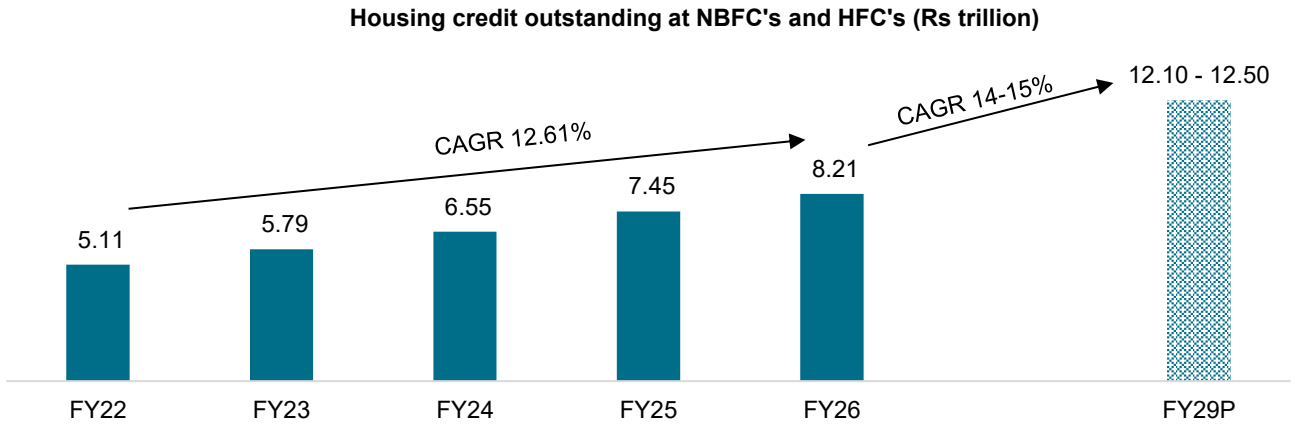
- **Formal finance accessibility:** Increased housing loan penetration, financial inclusion, digital lending platforms, and improved credit assessment practices have enhanced access to formal housing finance and expanded the eligible borrower base.

- **Government support & policy initiatives:** Affordable housing schemes, interest subsidy programmes, and initiatives such as PMAY-U 2.0 are improving housing affordability, addressing urban housing shortages, and encouraging greater participation in the formal housing finance ecosystem.

NBFCs/HFCs housing credit poised to grow faster than overall housing credit market

Crisil Intelligence projects housing credit outstanding at NBFCs and HFCs to reach approximately Rs. 12.10–12.50 trillion by fiscal 2029, representing a CAGR of 14–15% between fiscals 2026 and 2029. The growth is expected to be supported by demand from underserved borrower segments, continued expansion in emerging residential markets, improvements in credit assessment capabilities and the increasing use of technology in loan origination and servicing. Government programmes supporting affordable housing also contributes to demand among eligible borrowers.

Housing credit at NBFCs/HFCs to rebound and grow strongly between fiscal 2026 and 2029



Note:
1. *P: Projected*
2. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends.*

Source: Company reports, RBI, Crisil Intelligence

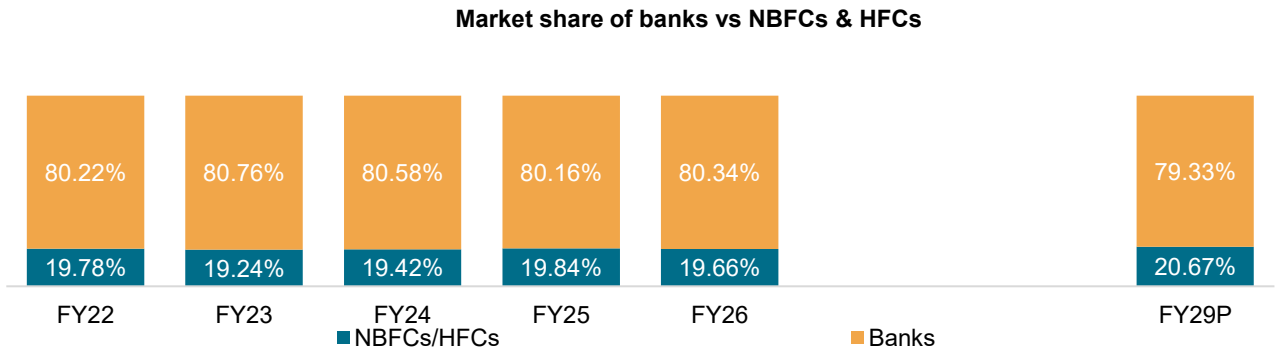
Banks continue to dominate housing credit, while NBFCs and HFCs maintain a differentiated presence across borrower segments

The Indian housing finance market is characterised by the participation of banks and NBFCs/HFCs, with differences in funding structures, customer segments, underwriting capabilities and distribution models influencing their competitive positioning. Currently, Banks account for most of the housing finance market, benefiting from established deposit franchises, relatively lower funding costs and broad distribution network, however, their competitive position is particularly strong in the prime salaried borrower segment, where access to lower-cost funding enables competitive mortgage pricing.

NBFCs and HFCs operate alongside banks, with a differentiated focus on customer segments which require specialised underwriting, including self-employed individuals, borrowers with variable income streams and customers in emerging urban and semi-urban markets. Their competitive positioning is supported by borrower-level income assessment, local market knowledge, targeted distribution networks and customised loan products.

NBFCs/HFCs have demonstrated resilience and strategic agility in retaining market share within the housing finance sector, despite facing intense pricing competition from public sector banks. Between fiscal 2022 and fiscal 2026, the share of NBFCs/HFCs in housing finance remained steady, reflecting their ability to differentiate through specialised products, localized underwriting, and deeper engagement with underserved borrower segments such as self-employed individuals and informal sector workers. This trajectory underscores their competitive positioning in Tier II, Tier III, and semi-urban markets, where traditional banks have limited reach.

NBFCs and HFCs to gain market share despite competitive pressure from banks



Note:
1. *P: Projected*
2. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends*

Source: Company reports, RBI, Crisil Intelligence

In fiscal 2026, the market share of NBFCs/HFCs moderated slightly to 19.66%, as public sector banks intensified pricing competition by offering home loans at considerably lower rates to attract new borrowers, particularly in the prime housing segment. This aggressive pricing strategy by banks, leveraging their lower cost of funds, put pressure on NBFCs/HFCs, especially those focused on salaried customers in metropolitan and Tier I cities. Despite this near-term headwind, NBFCs/HFCs continue to maintain a strong foothold by leveraging their core strengths flexible product structures, technology-driven credit assessment, and superior last-mile delivery capabilities positioning them well to sustain and gradually expand their market share as competitive dynamics stabilize.

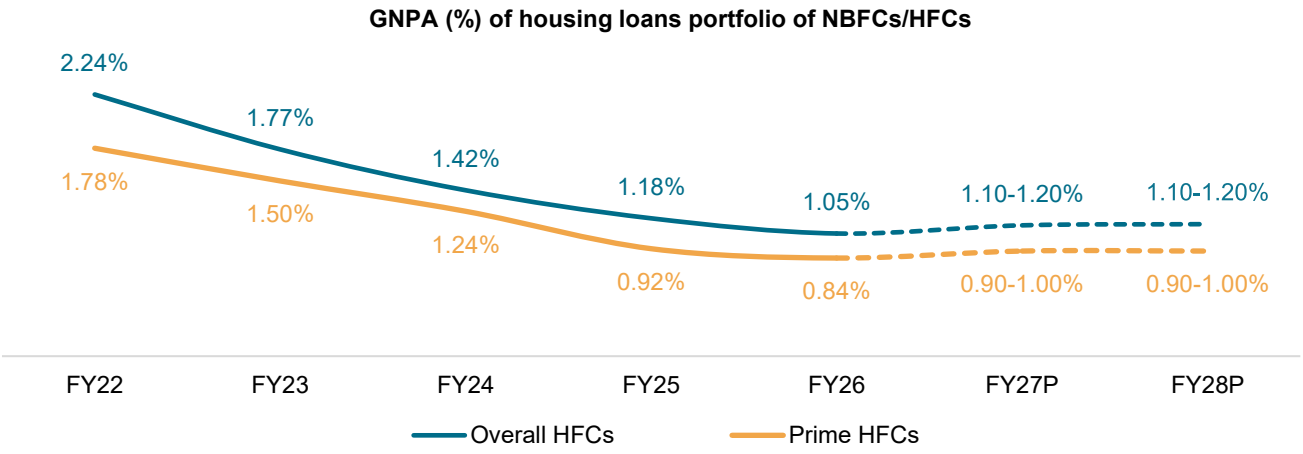
Asset quality of HFC's housing loan portfolio improved over fiscals 2022–2026

Housing finance continues to be one of the safest and most resilient asset classes within India's lending landscape, supported by its collateral-backed nature, strong borrower repayment behaviour and historically low credit costs. As housing loans are secured against residential properties, lenders benefit from lower loss severity in the event of borrower default, resulting in significantly stronger asset quality metrics compared with several other retail lending segments.

During fiscal 2026, the GNPA ratio of HFC housing portfolios improved to ~1.05%, compared with 1.18% in fiscal 2025. The improvement was driven by sustained monitoring of early-stage delinquencies, stronger collection and recovery efforts, and the sale of stressed assets to Asset Reconstruction Companies (ARCs) by select lenders. The improvement builds upon a broader trend of strengthening asset quality observed since fiscal 2022. HFCs have progressively enhanced their underwriting standards, collection infrastructure and risk management frameworks, resulting in a steady decline in delinquency levels across both prime and affordable housing segments.

Looking ahead, Crisil Intelligence expects asset quality to slightly witness an uptick, with GNPA levels projected at approximately 1.10-1.20% in fiscal 2027 and 2028, owing to inflationary pressures on account of deficient rainfall and rise in crude oil prices, along with an increase rise in repo rate. The second order impact from the prolonged West Asia conflict and disruptions in energy supply continues to be a key monitorable.

GNPA of housing portfolio to witness a marginal uptick in fiscal 2027



Notes: P: Projected
1. *The above analysis is based on a sample of overall HFCs. HFCs considered are LIC Housing Finance, Canfin Homes, PNB Housing Finance, Tata Capital Housing Finance, Bajaj Housing Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Motilal Oswal Home Finance, Truhome Finance*

Limited, Vastu Housing Finance Limited, JM Financial Home Loans Limited, IIFL Home Finance Limited, Sundaram Home Finance Limited and Home First Finance, Aptus Value Housing, Mahindra Rural Housing Finance, Hinduja Housing Finance, Nido Home Finance, India Shelter Finance, Hero Housing Finance and SMFG India Home Finance

Source: Company reports, Crisil Intelligence

Technology led transformation reshaping housing finance operations

The housing finance industry in India is undergoing a significant technology-driven transformation, fundamentally changing the way loans are sourced, assessed, processed and serviced. Traditionally characterised by paper-intensive processes, physical branch interactions and manual underwriting, the sector is increasingly adopting digital operating models that enhance efficiency, scalability and customer experience. As customer expectations evolve and competition intensifies, housing finance lenders are investing heavily in technology to streamline operations, improve risk management and accelerate decision-making across the loan lifecycle.

At the core of this transformation is the development of integrated business and technology architectures that support end-to-end digitization. Modern housing finance platforms typically combine digital customer interfaces with centralised loan origination systems (LOS), workflow management engines and application programming interfaces (APIs) that facilitate seamless integration with external service providers. These include credit bureaus, KYC and identity verification platforms, account aggregators, payment gateways, legal and technical valuation agencies, and property verification databases. Such integrations enable lenders to automate and standardised processes across customer acquisition, onboarding, credit assessment, property and legal due diligence, loan sanctioning, disbursement, servicing and portfolio monitoring.

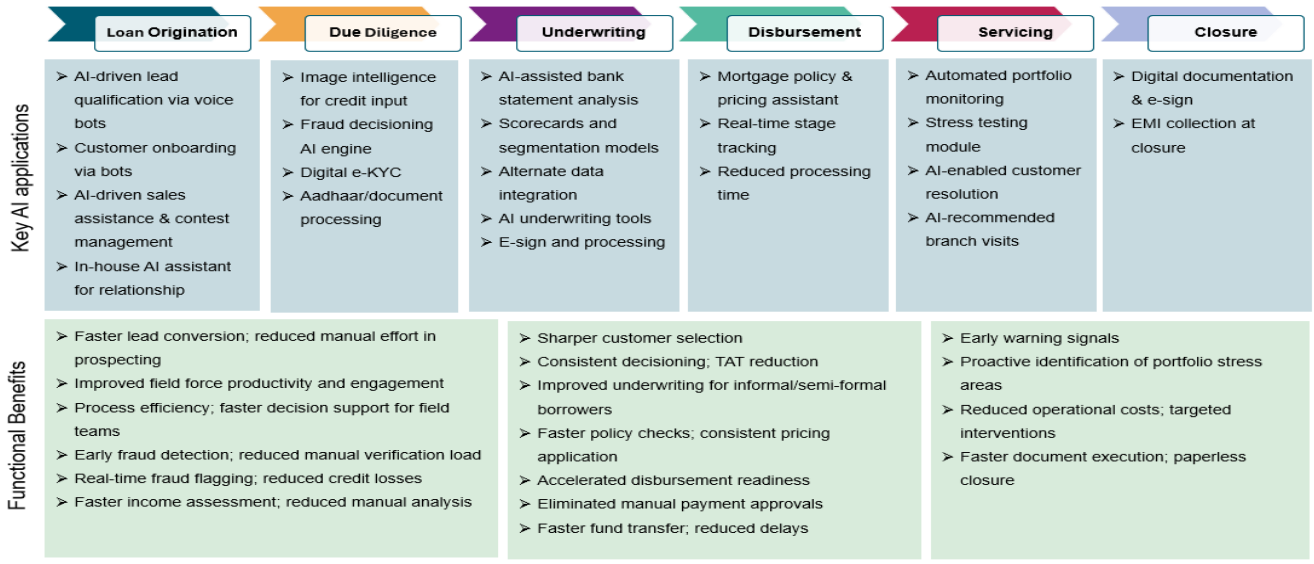
The increasing adoption of advanced analytics, automation and artificial intelligence is further enhancing operational effectiveness. Data driven credit assessment models enable lenders to evaluate borrower risk more efficiently, particularly in underserved customer segments where traditional income documentation may be limited. Automated workflows help reduce manual intervention, improve processing accuracy and shorten turnaround times, while digital document management systems improve auditability and regulatory compliance.

Generative Artificial Intelligence (GenAI) represents the next phase of this digital evolution. Housing finance lenders are increasingly exploring GenAI-based applications to automate customer communication, generate credit summaries, assist in document review, streamline policy interpretation and enhance employee productivity. Over time, the integration of GenAI with loan origination, underwriting and servicing platforms is expected to improve operational efficiency, reduce cost-to-serve and strengthen decision-making capabilities. These benefits are likely to be particularly pronounced in the affordable housing segment, where scalability, faster processing and low operating costs are critical to maintaining profitability and expanding financial inclusion. Overall, technology is evolving from a support function to a strategic enabler for housing finance companies, helping lenders improve customer acquisition, strengthen risk management and build scalable operating models capable of supporting long-term growth.

Usage of GenAI across the lending lifecycle

GenAI is emerging as a horizontal capability across the home loan lifecycle, augmenting front-end and risk functions. HFCs are increasingly exploring GenAI for building conversational interfaces for lead qualification and borrower assistance, automating summarisation of underwriting and legal documents during personal discussions, customer query and grievance servicing and building portfolio-level risk narrative generation to support early warning systems.

Key AI applications deployed in the industry and its benefits



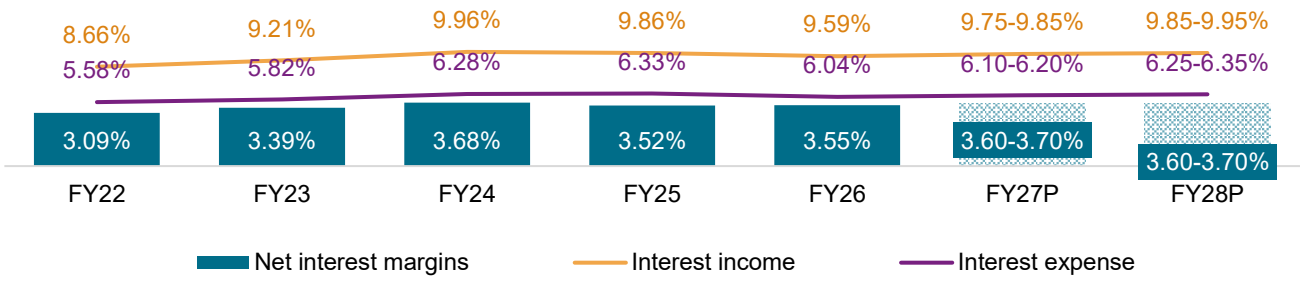
Source: Crisil Intelligence

Profitability to be supported by margin expansion in fiscal 2028

In fiscal 2026, the Net Interest Margin (net interest income to average total assets) of HFCs experienced a slight expansion of 2 basis points (bps) on account of a relatively smaller drop in lending yield compared to borrowing costs. For HFCs, the lending rates are linked to internal benchmark rates such as Prime Lending Rate (PLR), which is internally decided by the HFCs based on its funding cost. Additionally, the PLR reset rate varies across HFCs, creating a timing gap with the RBI repo rate movements. Notably, in fiscal 2026, the interest on loans to average assets declined by ~27 bps to 9.59% owing to intense pricing competition between players, retention of customers who were seeking balance transfer at a lower rate and partial transfer of the repo rate cut benefit. However, the repo rate has been revised upwards by 25 bps in October 2026, which is expected to support yields and provide a modest uplift to margins going forward.

On the funding side, interest expense to average assets declined by ~29 bps to 6.04% supported by the receipt of rate cut benefit on floating rate borrowings and reissuance of maturing debt at lower rates. Moreover, banks gained confidence in lending to HFCs, which reduced their reliance on costlier funding sources, such as commercial paper and NCDs, to some extent. Other income to average total assets increased 6 bps to 1.00% as HFCs are increasingly participating in co-lending arrangements, contributing to fee-based income.

Better yields expected to support profitability, with NIMs improving gradually through fiscal 2028



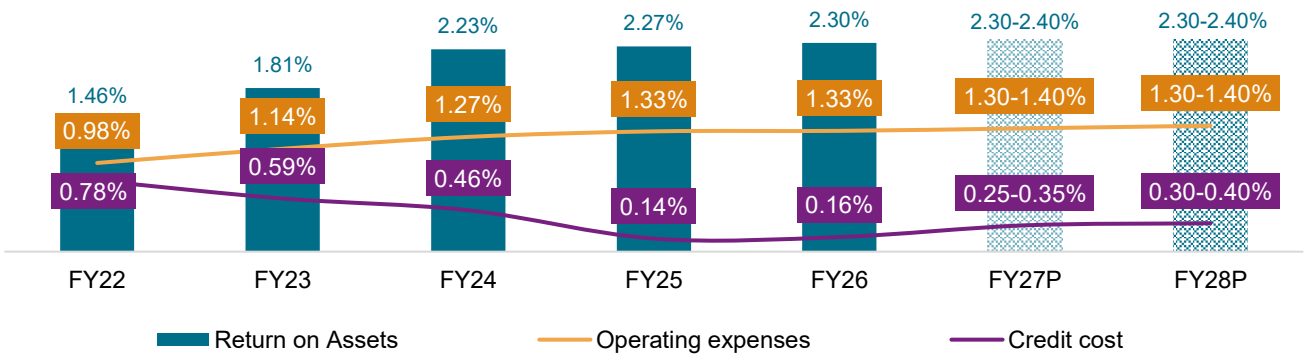
Notes:
1. *All ratios are based on average total assets,*
2. *P: Projected*
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Source: Company reports, Crisil Intelligence

Crisil Intelligence projects HFCs' profitability to remain resilient in fiscal 2027 despite higher credit and operating costs. Interest income-to-average assets is projected to increase by ~20-25 basis points to 9.75-9.85%, benefiting from an upward repricing of lending rates following the RBI's rate hike. While interest expense-to-average assets are also expected to increase by ~13-15 basis points due to higher funding costs, the rise is likely to be lower than the increase in yields, supporting NIM expansion to 3.60-3.70%. Credit costs are expected to rise by ~10-15 basis points, while operating expenses may witness a mild uptick owing to branch network expansion, investments in separate business verticals, and ongoing technology and AI-related spending. Overall, HFCs are expected to sustain healthy profitability, with RoA projected at 2.30-2.40% in fiscal 2027.

Credit costs increased to 0.16% in fiscal 2026, after large reversals in fiscal 2025 by few HFCs, while operating costs remained broadly stable. Overall, return on assets improved by 3 bps to 2.30% in fiscal 2026.

Credit cost and operating expenses to rise; RoA to remain at healthy levels



Notes:
1. *All ratios are based on average total assets,*
2. *P: Projected*

3. *Note: the above analysis is based on a sample of overall HFCs. HFCs considered are LIC Housing Finance, Canfin Homes, PNB Housing Finance, Tata Capital Housing Finance, Bajaj Housing Finance, GIC Housing, Aadhar Housing, Aavas Financiers, Motilal Oswal Home Finance, Truhome Finance Limited, Vastu Housing Finance Limited, JM Financial Home Loans Limited, IIFL Home Finance Limited, Sundaram Home Finance Limited and Home First Finance, Aptus Value Housing, Mahindra Rural Housing Finance, Hinduja Housing Finance, Nido Home Finance, India Shelter Finance, Hero Housing Finance and SMFG India Home Finance*

Source: Company reports, Crisil Intelligence

Key risks and challenges for the industry

While the housing finance market in India continues to benefit from structural demand tailwinds and supportive policy frameworks, the segment is not immune to a range of risks and challenges that could temper its growth trajectory and impact portfolio performance. Some of these key challenges are:

- **Competitive Intensity:** Growing participation from banks, HFCs, and fintech platforms can intensify pricing competition challenging the profitability of players in the sector.

- **Funding costs:** Small and mid-sized HFCs/NBFCs face a funding disadvantage owing to their borrowing mix, with higher dependence on bank funding and elevated costs stemming from lower credit ratings. This limits their ability to offer competitive rates and constrains balance sheet growth.

- **Technological disruption and cybersecurity threats:** As lenders increasingly adopt digital underwriting, AI-driven collections, and online servicing platforms, they become more exposed to cybersecurity risks, data breaches, and technology failures. Ensuring robust data privacy, system resilience, and fraud prevention remains critical, particularly in markets with limited digital literacy.

- **Rising construction costs: P**ersistent escalation in input costs, particularly steel and cement, threaten to push property prices beyond the affordability threshold for target borrowers, potentially shrinking the addressable market and altering the segment's risk profile.

- **Lack of proper property title and limited data for credit appraisal:** The absence of clear property titles and insufficient data for credit assessment remain persistent challenges in the affordable housing segment. Credit score availability in India is still at a nascent stage, making it difficult to accurately evaluate borrower repayment capacity, particularly for new-to-credit and informal sector customers.

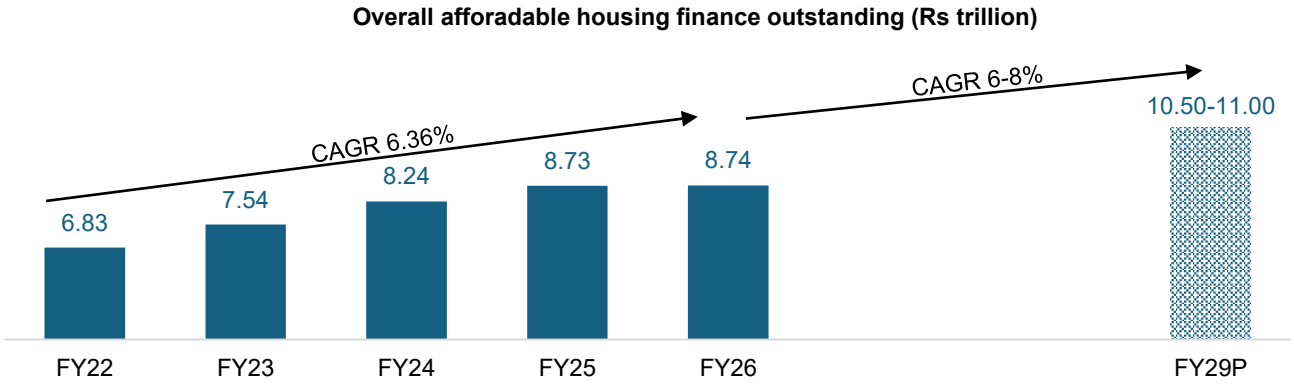
Despite these challenges, the housing finance market's long-term growth narrative remains firmly intact. Lenders who proactively strengthen their underwriting frameworks, invest in technology-driven credit assessment capabilities, and maintain disciplined portfolio diversification will be well positioned to capitalize on this multi-decade growth opportunity while delivering meaningful social impact through financial inclusion.

Affordable Housing Finance Industry in India

India's mortgage market can broadly be divided into two segments by ticket size of the housing loan at the time of disbursement – prime loans and affordable housing loans. The affordable housing finance segment is typically characterised by housing loans with ticket sizes of up to Rs. 2.0 million, which represents one of the most structurally significant and underpenetrated segments of India's housing finance market, particularly in the self-employed segment.

Demand in this segment is primarily driven by first-time homebuyers across salaried (including salaried within the informal sector) and self-employed customers, in Tier II, Tier III, and semi-urban markets, where affordability considerations and access to formal credit play a critical role in home ownership decisions. This segment comprises small business owners, traders, service professionals and entrepreneurs who are economically active, generate stable cash flows and often maintain banking relationships, but lack formal income documentation. As a result, this segment remains inadequately served by banks and larger NBFCs/HFCs.

Affordable-housing finance logs a CAGR of 6.4% between fiscals 2022 and 2026; expected to grow at 6-8% between fiscal 2026 and 2029



Note: Overall affordable housing finance outstanding includes housing loans of both banks and non-banks with disbursement ticket size of less than Rs 2.0 million, P: Projected
Source: Crisil Intelligence estimates

Growth drivers

- **Improving housing affordability supported by income growth:** Rising disposable incomes, better employment opportunities, and higher purchasing power among economically underserved customer segments are enhancing housing affordability and supporting greater demand for home loans, supporting demand across affordable and mid-income segments. Additionally, pass-on of GST rates rationalisation benefit on inputs such as bricks, cement, steel etc. are expected to improve affordability for self-construction houses.

- **Favourable demographic trends:** India's large working-age population, rising nuclearisation of families, and growing household formation rates are expected to sustain long-term demand for affordable residential housing.

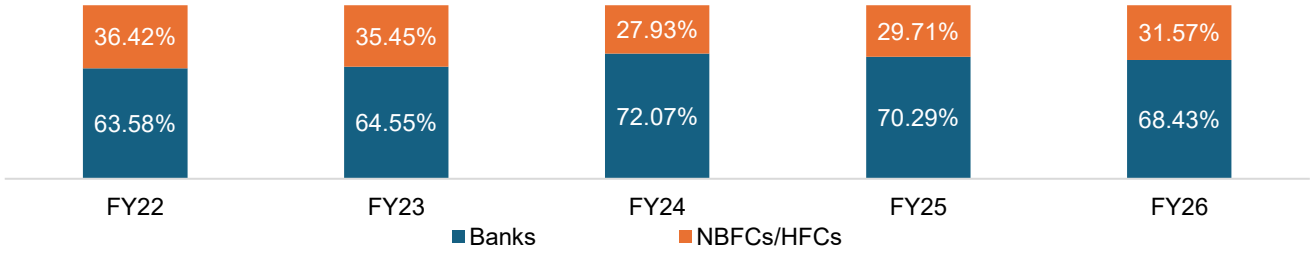
- **Structural housing shortage and rising homeownership aspirations:** A significant housing shortage among low- and middle-income households, coupled with increasing aspirations for home ownership among first-time buyers, continues to create a large and sustainable demand base for affordable housing

- **Expanding access to formal housing finance:** Increased housing loan penetration, financial inclusion, digital lending platforms, and improved credit assessment practices have enhanced access to formal housing finance and expanded the eligible borrower base.

- **Government support and policy Initiatives:** Affordable housing schemes, interest subsidy programmes, and initiatives such as PMAY-U 2.0 and SWAMIH are improving housing affordability, addressing urban housing shortages, and encouraging greater participation in the formal housing finance ecosystem.

Competitive scenario

Portfolio composition remains bank-led despite gradual NBFCs/HFCs recovery



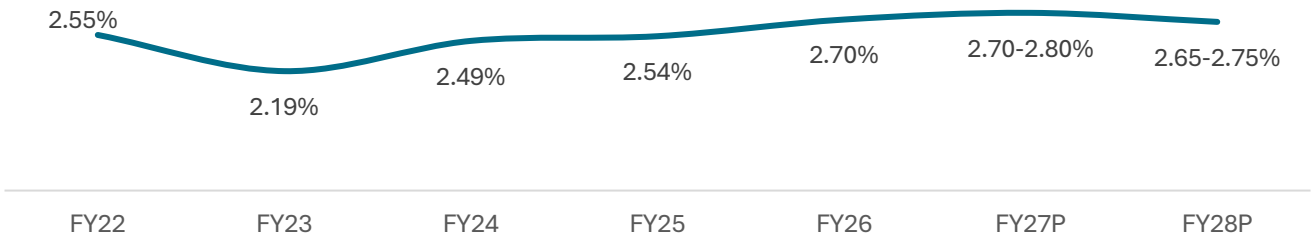
Source: Crisil Intelligence estimates

The affordable housing finance segment continues to be dominated by banks. However, since fiscal 2024, NBFCs/HFCs have gradually gained market share to 31.57% in fiscal 2026 (vs. 27.93% in fiscal 2024) given their niche specialisation in lending to this product segment, especially self-employed borrowers, while banks are gradually shifting to higher ticket size housing finance.

Asset quality of housing finance market with ticket size less than Rs 2.0 million

The asset quality of the housing finance loans with ticket size below Rs 2.0 million showed a 26-bps uptick in fiscal 2026. The increase in GNPA ratio can be attributed to disruptions caused by the West Asia crisis in the last quarter of the fiscal to self-employed borrowers and salaried borrowers in industries heavily reliant on oil and gas such as ceramic, glass-related manufacturing companies, gems & jewellery, chemicals and textiles. Going forward, Crisil Intelligence projects GNPA ratio of housing finance with ticket size below Rs 2.0 million to remain at manageable levels in fiscal 2027 and 2028. The extension of West Asia crisis and drought due to deficient rainfall remains a key monitorable.

Asset quality to remain at manageable at levels despite external headwinds



Note: P: Projected; Source: Crisil Intelligence estimates

Business model of players focused on affordable housing finance (A-HFCs)

A select few housing financiers focused on low ticket size housing segment typically serve the underserved category of low-income or mid-income customers who may be small business owners, traders, service professionals and small-scale entrepreneurs. These borrowers may be economically active, generate stable cash flows and often maintain banking relationships, but lack formal income documentation that is typically required by banks or larger HFCs. As a result, these customers do not have adequate documentation that can serve as proof of their income and are out of the bank's purview of income levels and documentation criteria. Hence, they face challenges in accessing organized institutional lending, and largely rely on loans from informal sources, including moneylenders and local businessmen at higher rates of interest.

Affordable housing finance continues to witness strong demand, driven by under penetration and favourable demographics

Affordable housing finance caters primarily to first-time homebuyers, self-employed individuals, and underserved customer segments across tier II, tier III, and semi-urban markets. As a result, it remains a structurally underpenetrated yet rapidly expanding segment, providing a significant opportunity for A-HFCs and other lenders to deepen formal housing credit penetration in India. Our analysis indicates that housing credit outstanding of A-HFCs grew at a CAGR of 15.78% in fiscal 2022-26, outpacing the broader housing finance market, supported by strong demand from low- and middle-income households, deeper penetration into underserved geographies, and increasing formalization of income among self-employed borrowers.

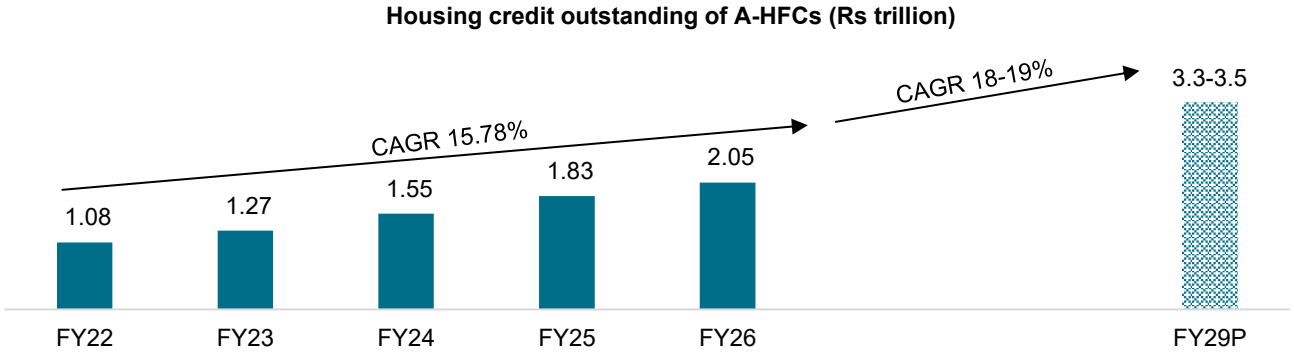
In fiscal 2026, housing credit growth of A-HFCs moderated to 11.96%, following a strong expansion of 18.51% in fiscal 2025, due to intensified pricing competition from larger housing finance players, subdued demand for self-construction loans in

certain regions due to an extended monsoon, and increase in loan balance transfers. Growth was also impacted by the strategic portfolio clean-up undertaken by a large affordable housing lender, which weighed on aggregate industry expansion. Despite the temporary moderation, the underlying demand fundamentals of the affordable housing segment remain strong. Demand continues to be supported by India's sizeable housing shortage, rising aspiration for homeownership among economically weaker and low-income households, and increasing urbanisation.

A-HFCs housing credit projected to grow at 18-19% over fiscal 2026-29

Affordable housing credit has emerged as one of the fastest-growing segments within the housing finance ecosystem, expanding at a compound annual growth rate (CAGR) of 15.78% between fiscals 2021 and 2026, compared with 12.61% growth for the HFCs and NBFCs. The segment's superior growth trajectory has been driven by sustained demand from underserved borrower segments and the increasing reach of A-HFCs across semi-urban and rural markets. Crisil Intelligence projects affordable housing finance companies to maintain a robust growth trajectory, with housing credit expected to expand at a CAGR of approximately 18-19% between fiscals 2026-2029, significantly higher than the growth expected for the overall housing finance sector.

Housing credit outstanding growth of A-HFCs outpaces that of broader housing finance market



Note: the above analysis is based on a set of affordable housing focused HFCs (A-HFCs) which have an average ticket size of housing portfolio of less than Rs 2.0 million as of fiscal 2026. A-HFCs considered are GIC Housing, Aadhar Housing, Aavas Financiers, Motilal Oswal Home Finance, Truhome Finance Limited, Vastu Housing Finance Limited, JM Financial Home Loans Limited, IIFL Home Finance Limited, Sundaram Home Finance Limited and Home First Finance, Aptus Value Housing, Mahindra Rural Housing Finance, Hinduja Housing Finance, Nido Home Finance, India Shelter Finance, Hero Housing Finance and SMFG India Home Finance, P: Projected
Source: Company reports, RBI, Crisil Intelligence

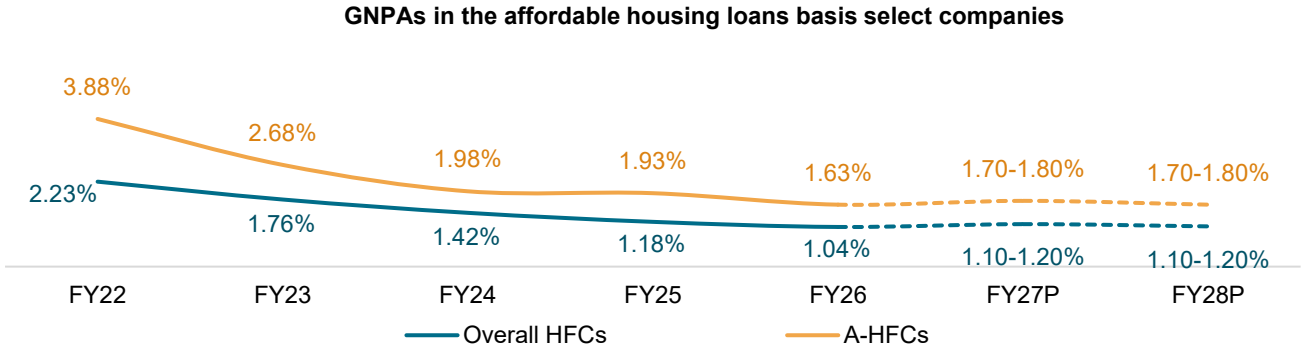
Asset quality of pure-play A-HFCs remains strong, defying industry trends, given their strong understanding of underlying borrower and strong on-ground presence

The asset quality of the housing portfolio of A-HFCs improved significantly from the levels seen in fiscal 2022, driven by improvements in collection efficiency, monitoring of loans at the grassroots, and enhanced underwriting systems and processes. As self-employed borrowers make up a huge chunk of the customer base of A-HFCs, the companies have increased their on-ground presence by opening additional branches to monitor loans and gather regular information on borrower's financial profiles.

During fiscal 2026, the GNPA ratio of A-HFCs housing portfolios improved by ~30 bps on-year to 1.63%. The improvement was driven by better collection efficiency, sales to ARCs, proactive monitoring of early-stage delinquencies (1+ days past due) and broadly resilient economic conditions. Asset quality also benefited from lenders' sustained focus on risk management and borrower engagement despite external macroeconomic headwinds.

A key differentiating factor for A-HFCs has been their strong on-ground presence and proximity to borrowers. Given the predominance of self-employed customers within their portfolio, A-HFCs have continued to invest in branch expansion and field-level monitoring capabilities to better understand borrowers' cash flow profiles and identify potential stress at an early stage. These efforts, coupled with improvements in underwriting systems, analytics and risk management processes, have contributed to a steady strengthening of portfolio quality over the past few years. Going forward, Crisil Intelligence projects GNPA ratio of A-HFCs to witness only a marginal uptick in fiscal 2027 despite the external headwinds related to West Asis crisis and inflationary pressures. The outlook is supported by prudent underwriting standards, adequate provisioning buffers and continued focus on early delinquency management. Furthermore, A-HFCs remain well positioned to absorb potential stress, supported by their improving risk management frameworks, strengthened balance sheets and adequate credit provisions.

Asset quality of Affordable housing finance companies projected to slightly witness an uptick in fiscal 2027



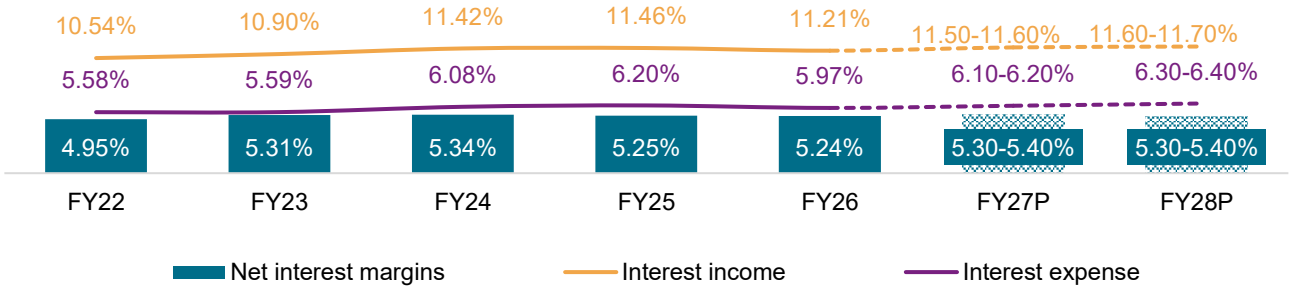
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2. *P: Projected*

Source: Company reports, Crisil Intelligence

Profitability to improve through fiscal 2028

The net interest margins of A-HFCs remained range-bound at 5.24% in fiscal 2026 as compared with fiscal 2025. The interest income to average total assets ratio declined 25 bps on-year to 11.21%, owing to pricing competition between players, retention of customers seeking balance transfer at a lower interest rate, and partial transfer of the repo rate cut benefit. On the funding side, the interest expense to average total assets ratio declined 23 bps on-year to 5.97% due to receipt of repo rate cut benefit to floating rate borrowings and reissuance of maturing debt at lower interest rates. Credit cost decreased marginally by 3 bps to 0.50%, while operating expense increased by 2 bps to 2.91%. Overall, RoA increased by 8 bps to 3.04%.

Margins are expected to improve at a modest pace through fiscal 2028

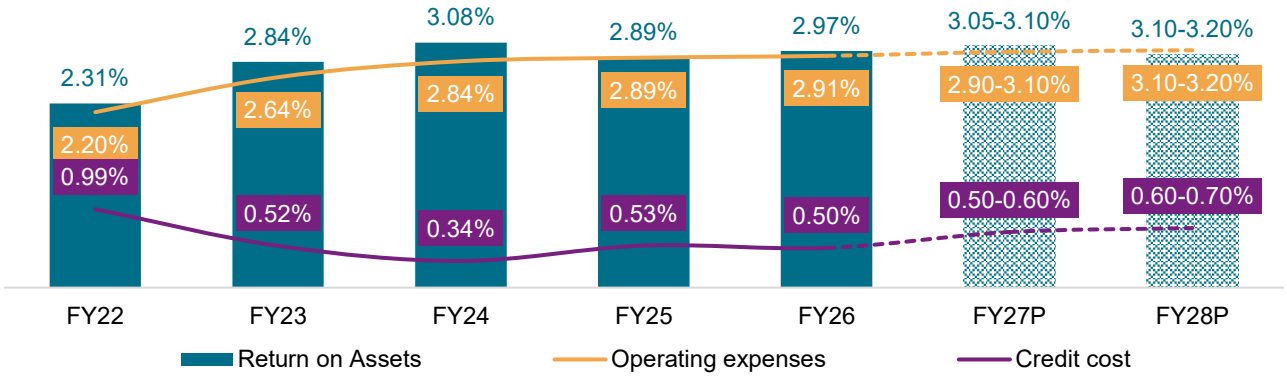


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3. *All ratios are based on average total assets*

Source: Company reports, Crisil Intelligence

Crisil Intelligence projects A-HFCs' profitability to remain resilient in fiscal 2027 despite higher credit and operating costs. Interest income to average total assets is projected to increase by ~25-30 basis points to 11.50-11.60%, benefiting from an upward repricing of lending rates following the RBI's rate hikes. While interest expense to average total assets are also expected to increase by ~15-20 basis points due to higher funding costs, the rise is likely to be lower than the increase in yields, supporting NIM expansion to 5.30-5.40%. Credit costs are expected to rise by ~15-20 basis points, while operating expenses may witness a mild uptick owing to branch network expansion, investments in separate business verticals, and ongoing technology and AI-related spending. Overall, A-HFCs are expected to sustain healthy profitability, with RoA projected at 3.05-3.10% in fiscal 2027.

Credit cost and operating expenses to increase slightly



Note:
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3. *All ratios are based on average total assets*

Source: Company reports, Crisil Intelligence

Key risks and challenges for the industry

While A-HFCs are well positioned to capitalize on the significant untapped demand for affordable housing in India, the sector faces a range of challenges that could moderate growth momentum and exert pressure on earnings and asset quality. Given their focus on low- and middle-income borrower segments, A-HFCs remain particularly sensitive to changes in interest rates, economic disruptions, borrower cash-flow volatility, and competitive intensity. Some of the key challenges are as follows:

- **Asset quality vulnerability**: A-HFCs primarily cater to self-employed, informal-income, and first-time homebuyers whose cash flows are often more volatile than salaried borrowers. Economic disruptions, inflationary pressures, adverse weather conditions in rural and semi-urban markets, or localised employment stress can impact repayment capacity and lead to higher delinquencies.

- **Interest rate and affordability sensitivity**: Affordable housing borrowers are particularly sensitive to changes in lending rates due to relatively lower income levels and limited repayment buffers. Sustained increases in interest rates can affect housing affordability, moderate loan demand, and increase repayment burdens for existing borrowers.

- **Geographic concentration risk**: Many A-HFCs have a significant presence in select states or regions. Excessive geographic concentration exposes lenders to region-specific economic slowdowns, natural calamities, regulatory changes, and local property market disruptions, which could adversely affect business growth and asset quality.

- **Higher operating cost structure**: Expansion into underserved geographies requires extensive branch networks, on-ground customer sourcing, physical verification processes, and intensive collection infrastructure. Consequently, A-HFCs generally operate with higher cost-to-income ratios compared with larger housing finance players and banks.

- **Funding and liquidity challenges**: Smaller and mid-sized A-HFCs continue to face relatively higher borrowing costs due to their dependence on bank borrowings and limited access to diversified funding sources. Any tightening in systemic liquidity or increase in borrowing costs can pressure margins and constrain growth.

- **Credit assessment challenges in the informal segment**: A significant proportion of A-HFC customers have limited formal income documentation, thin credit histories, or are new-to-credit borrowers. Assessing repayment capacity therefore remains more complex and increases the risk of underwriting errors and adverse asset-quality outcomes.

- **Increasing competition from banks and larger HFCs**: Banks and large HFCs are increasingly expanding into the affordable housing segment through digital underwriting models, co-lending partnerships, and enhanced distribution capabilities. Intensifying competition could exert pressure on yields, customer acquisition costs, and market share for A-HFCs.

Despite these challenges, the long-term outlook for A-HFCs remains favorable, supported by India's significant housing shortage, rising homeownership aspirations, government-led affordable housing initiatives, and increasing financial inclusion. A-HFCs that maintain prudent underwriting standards, diversify their geographic presence and funding sources, invest in technology-enabled risk assessment, and strengthen collection capabilities are likely to remain well positioned to capture growth opportunities while delivering sustainable profitability.

Loan Against Property (LAP)

Overview of LAP

Loan Against Property (LAP) represents a structurally expanding segment within secured retail and MSME lending, enabling borrowers to monetize residential or commercial property assets for business expansion, working capital, and consumption needs. Unlike unsecured business loans, LAP provides lenders with tangible collateral, resulting in improved recovery visibility and better risk-adjusted returns. The following reasons can be attributed to the growing popularity of LAP:

- The interest rate charged to customers is lower than for unsecured personal or business loans
- Secured nature of loan which provides comfort to the lender and portfolio diversification
- The funds can be availed by either salaried or self-employed individuals for personal or business purposes

Financiers offering housing loans also provide LAP, primarily due to synergies between the two products and the higher yields offered by LAP loans compared to the housing loans, while continuing to cater to a similar customer profile, collateral requirement and ticket size.

Key factors contributing to higher LAP growth

1. **Rising property ownership and increase in prices:** India's economy is expanding, leading to increased property ownership and a growing demand for residential and commercial real estate. This expansion provides borrowers an opportunity to leverage the assets and avail loans against them.

2. **Increasing demand for credit:** Rising living costs and educational and healthcare expenses have created a demand for financing options. Further, the rising number of micro, small and medium enterprises (MSMEs) in India is driving growth in demand for credit for business needs. LAP offers larger loan amounts, lower interest rates than unsecured loans, competitive loan-to-value ratios and flexible repayment terms, making it an attractive option.

3. **Attractive interest rates and repayment flexibility:** LAP loans are charged a lower interest rate than business and personal loans and provide a longer tenure with a flexible repayment option. The ease of documentation due to the digitization of land records and underwriting and disbursement process coupled with reduced costs and greater transparency are attractive options for borrowers.

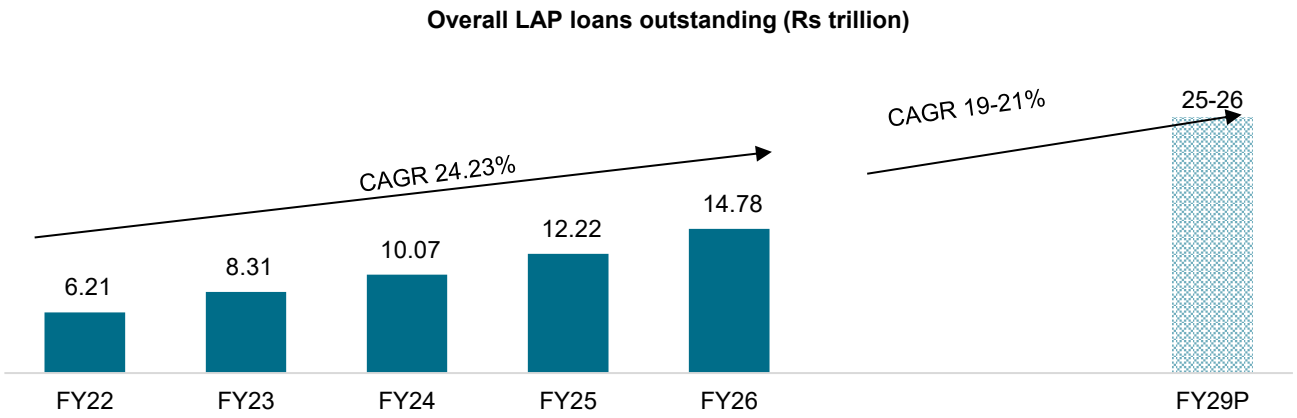
4. **Higher comfort for lenders:** Lenders are comfortable disbursing LAP loans since they have a favorable risk-return profile when compared with MSME and unsecured loans. They also offer higher recovery in case of default (supported by the Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality, which is partly offset by lower yields.

5. **Quick turnaround time and rising penetration:** The digital underwriting process and lesser documentation enable LAP loans to be processed and disbursed within a significantly shorter turnaround time compared to secured MSME loans. Furthermore, increasing penetration by rising number of lenders in Tier II and Tier III regions and beyond has led to accessibility for borrowers with a wider range of viable options to choose from.

LAP AUM projected to grow at 19-21% between fiscals 2026 and 2029

The overall loan against property segment has grown at a compound annual growth rate (CAGR) of 24.23% from fiscal 2022 to fiscal 2026. The market size has expanded from Rs 6.21 trillion to Rs 14.78 trillion over the period. The growth is attributed to greater financial penetration across tiers, digitalisation of land records, and an increased market maturity to use real estate as a collateral for business needs, thereby improving borrower capacity to avail loans. Going forward, Crisil Intelligence projects the overall LAP portfolio to grow at 19-21% CAGR between fiscals 2026 and 2029, aided by an increasing lender focus and penetration of this loan product, enhanced availability of data thus enhancing lender comfort while underwriting such loans, greater use of technology, maturing markets due to higher supply and continued government support.

Overall LAP loans outstanding to reach Rs 25-26 trillion by fiscal 2029

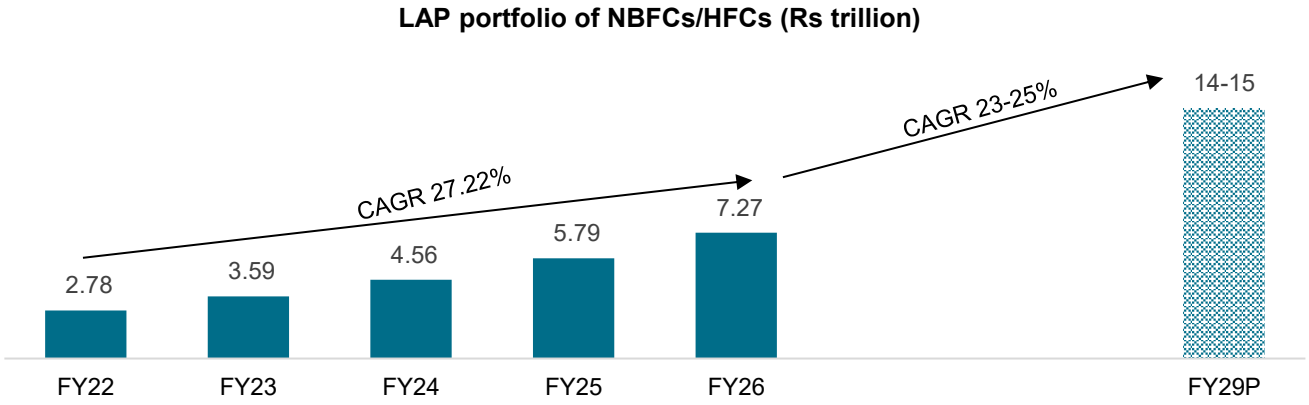


P: Projected
Note: Overall LAP loans include both banks and non-banks
Source: Company reports, RBI, Crisil Intelligence

LAP portfolio growth for NBFCs/HFCs to continue growing at a strong pace

Between fiscals 2022-26, the LAP portfolio of NBFCs/HFCs expanded at a CAGR of 27.22%, while banks recorded a CAGR growth of 21.65%. The stronger growth trajectory reflects the increasing strategic focus of lenders on secured lending, supported by favourable risk-adjusted returns, collateral-backed security, and growing demand for business credit among MSMEs.

LAP portfolio growth for NBFCs/HFCs to continue growing at a strong pace



P: Projected
Source: Company reports, Crisil Intelligence

In fiscal 2026, LAP portfolios of NBFCs/HFCs grew by 25.64%, as lenders continued to prioritise secured lending to preserve asset quality amid a challenging operating environment for unsecured credit. Growth was also supported by the increasing focus of certain HFCs on the LAP segment to benefit from yields that are generally higher than those in the home loan business. In comparison, banks recorded range-bound LAP portfolio growth of 16.72% during the fiscal, reflecting a relatively measured expansion. Furthermore, banks have a higher share of non-LAP loans in the form of working capital loans to MSMEs which are backed by various government schemes.

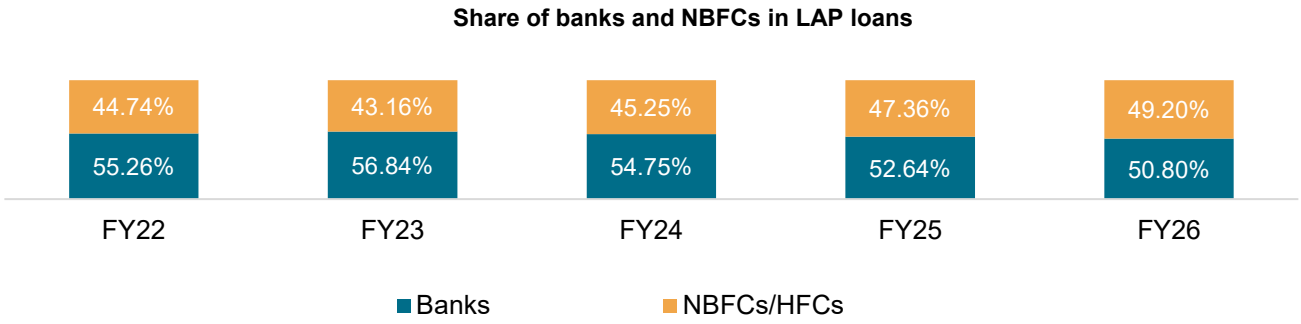
Crisil Intelligence projects LAP portfolios of NBFCs/HFCs to grow at a CAGR of 23-25% in fiscals 2027-29. The slight moderation in credit growth can be attributed to elevated stress in small ticket LAP loans of below Rs 1.5 million due to overleveraging concerns among underlying borrowers, rise in input and manufacturing costs due to West Asia crisis and deficient monsoon, and deterioration in their repayment capacity due to inflationary pressures.

Competitive Scenario

For NBFC/HFCs, underwriting LAP to informal and semi-formal borrowers requires a highly nuanced, cashflow-based assessment framework. Income streams are often seasonal, fragmented, or partially undocumented, necessitating reliance on surrogate indicators such as business vintage, household cash flows, stability of occupation, and local market references. This is complemented by detailed property assessment, conservative loan-to-value ratios, and granular ticket sizes to mitigate risk.

The ability to combine on-ground underwriting, collateral-led risk mitigation, and local market knowledge enables NBFC/HFCs to extend credit responsibly to micro-entrepreneurs while maintaining portfolio discipline. As a result, LAP plays a dual role within NBFC/HFC portfolios, supporting financial inclusion and livelihood creation in underpenetrated markets, while also contributing to portfolio diversification and profitability.

NBFC/HFC share in LAP loans improved from 44.74% in fiscal 2022 to 49.20% in fiscal 2026



Note: Data as of fiscal 2026
Source: Company reports, RBI, Crisil Intelligence

Going forward, Crisil Intelligence projects the share of NBFCs/HFCs in the LAP market to increase to 53.00% by fiscal 2029, on back of 23-25% portfolio growth for NBFCs vis-à-vis 16-18% for banks, between fiscal 2026 and 2029. This growth is expected to be driven by continued strategic emphasis on secured lending by NBFCs, increasing participation from HFCs, and sustained demand from MSMEs seeking collateral-backed credit.

Factors driving NBFC/HFC competitiveness in the LAP portfolio

NBFC/ HFCs have strengthened their presence in the LAP segment, with its share increasing from 44.74% in fiscal 2022 to 49.20% in fiscal 2026. This expansion reflects gradual share gains in a competitive environment, supported by differentiated underwriting capabilities and operational efficiencies. The increase in market share from FY23 onward indicates improving competitive positioning despite the presence of private banks and large NBFCs in the segment, owing to being better than others on various metrics:

- Faster processing time, lower turnaround times in loans as compared with peers
- Flexible repayment terms on LAP as compared with other players
- More granular on-the-ground data and a better understanding of the real estate market compared to other players, giving them a competitive edge
- Greater expertise in underwriting the informal segment for borrowers with limited credit information by following a focused underwriting process such as using surrogates in place of formal documentation, AI based underwriting, etc.
- Completely digitised processes

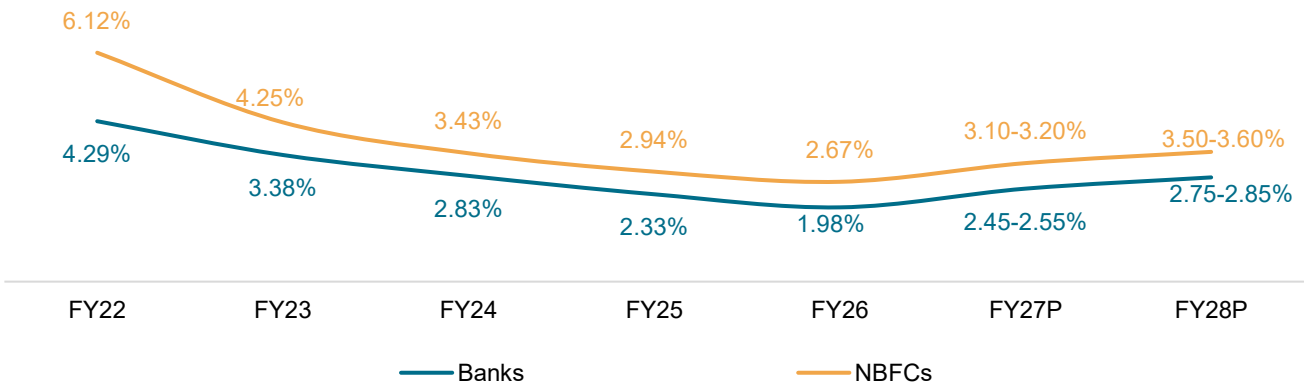
The above-mentioned factors, among others, played a vital role in helping HFCs increase share in the LAP segment.

Emergence of micro-LAP as a key driver for NBFCs' LAP book

Micro-LAP (small-ticket loans against property, typically below Rs 1 million) has emerged as a growing lending segment for NBFCs, targeting micro and small entrepreneurs who own property but have limited access to formal bank credit. While banks generally focus on larger LAP ticket sizes, the smaller-ticket segment remains underserved, creating a significant opportunity for NBFCs. The product offers an attractive risk-adjusted return profile as it combines the security of property-backed collateral with strong demand from semi-formal MSMEs seeking funds for business expansion, working capital, and other productive purposes. However, lenders must carefully manage risks related to property valuation, title verification, and collateral enforceability, particularly in smaller cities and towns.

NBFCs are well positioned in this segment due to their local market expertise, field-based underwriting capabilities, and ability to assess borrowers with limited formal documentation. Increasing adoption of digital underwriting tools, including bank statement analytics, GST data, credit bureau information, and alternative income assessment methods, is further strengthening credit evaluation. Additionally, the growing adoption of co-lending partnerships between banks and NBFCs is supporting the expansion of the micro-LAP ecosystem, although NBFCs continue to play a dominant role in customer sourcing and last-mile credit delivery.

Asset quality expected to remain benign despite moderate uptick



Note: P: Projected
Source: Company reports, Crisil Intelligence estimates

The improvement in LAP asset quality over the last five fiscals has been driven by the runoff of pandemic-era stressed assets, stronger recovery and collection mechanisms, and a shift towards better-rated borrower segments. Moreover, lenders have become increasingly selective in sourcing LAP loans, focusing on documented cash flows, higher borrower vintage and favourable collateral coverage. As a result, incremental stress formation has moderated materially. While some normalization in GNPA ratios is expected through fiscal 2028, due to some stress in the micro-LAP segment, the secured nature of LAP lending and strengthened underwriting standards are expected to keep asset quality benign.

Potential threats and challenges faced in LAP financing

The LAP loans have been growing at a magnificent 4Y CAGR of 21.46% between fiscal 2021-2025. However, the high growth rate can be limited by potential threats and challenges like:

1. **Valuation mismatch and liquidity concerns:** A significant challenge in LAP lending is the disparity between borrowers' expected property valuations and lenders' conservative assessments of "distress value". For lenders who proceed with recovery, this mismatch can lead to difficulties in liquidating properties in a slow market, rendering the loan's secured nature less effective than anticipated. Further, collateral frauds like collusion, double mortgage on single property or duplicate documents can cause significant losses and legal challenges for lenders

2. **Growing non-performing assets and delinquencies:** The LAP sector, particularly in the micro-LAP (< Rs. 1.5 million) segment, has experienced increased stress, with delinquency rates (90+ days past due) on the rise. Although the pandemic-driven peak in delinquencies has shown signs of recovery, the risk of default remains elevated, posing a challenge to lenders.

3. **Complex recovery processes:** Lenders face significant operational and legal hurdles when recovering assets, including protracted legal proceedings, unclear property titles, disputed ownership, and fraudulent documentation. These complexities can hinder the efficiency of the recovery process. Although, with the digitization of land records and amendments in SARFAESI Act, process has become transparent and faster.

4. **Increased competition can create pressure on net interest margins:** The strategic expansion by financial institutions in LAP, can lead to intense competition which can create pressure on the net interest margins. The low risk - better yield nature of the LAP portfolio and industry wide concerns faced in unsecured lending will encourage the lenders to explore this product. With niche underwriting capabilities, ground local experience with customers and low borrowing cost, lenders can ensure healthy margins.

5. **Insufficiency of documented income:** Underwriting in the semi-formal or informal segment demands a tailored approach, as traditional income verification methods may not be applicable. Lenders must adapt by leveraging alternative data sources and surrogate measures to estimate income and manage risk, ultimately ensuring informed credit decisions.

Peer Comparison of Bajaj Housing Finance

For benchmarking, Crisil has considered six housing finance companies (HFCs): Bajaj Housing Finance Limited (BHFL), LIC Housing Finance Limited, PNB Housing Finance Limited, Tata Capital Housing Finance Limited, Can Fin Homes Limited and ICICI Home Finance Company Limited. The comparison assesses the relative positioning of these HFCs across scale, growth, profitability, asset quality, portfolio composition, operating productivity, capitalization and credit ratings.

Bajaj Housing Finance occupies a differentiated position among the selected large housing finance companies in India, combining significant business scale with relatively high AUM growth, strong absolute profitability and favorable reported asset quality. As of March 31, 2026, BHFL was the second-largest HFC by AUM, while reporting lowest GNPA and NNPA ratios.

Bajaj Housing Finance is among the largest HFCs (in terms of AUM) in India with AUM of Rs. 1,407.06 billion as of March 2026

Bajaj Housing Finance is the second-largest HFC, with AUM of Rs. 1,407.06 billion as of March 31, 2026, behind LIC Housing Finance Limited. BHFL's AUM grew at a CAGR of 24.10% between fiscals 2024 and 2026, significantly exceeding LIC Housing Finance's growth of 5.74%, PNB Housing Finance's 12.97% and Can Fin Homes' 9.82% during the same period. Tata Capital Housing Finance (29.77%) and ICICI Home Finance (26.57%) recorded higher AUM growth rates between fiscals 2024 and 2026, albeit on a lower AUM base.

Bajaj Housing Finance is the second most profitable HFC among HFCs in NBFC-UL in India (in terms of absolute profitability)

Bajaj Housing Finance reported profit after tax (PAT) of Rs. 25.60 billion in fiscal 2026, the second highest among the selected HFCs, trailing LIC Housing Finance Limited at Rs. 55.95 billion. PNB Housing Finance Limited achieved a PAT of Rs. 23.28 billion and Tata Capital Housing Finance of Rs. 18.36 billion. Bajaj Housing Finance recorded the highest growth in fee income among the peer set, with a CAGR of 46.61% between fiscal 2024 and fiscal 2026, followed by LIC Housing Finance Limited (26.62%).

Size of the companies – Fiscal 2026

Players	AUM FY26 (Rs Billion)	AUM CAGR (FY24-26)	Total Income FY26 (Rs Billion)	Total Income CAGR (FY24-26)	Fee Income FY26 (Rs Billion)	Fee Income CAGR (FY24-26)	PAT FY26 (Rs Billion)	PAT CAGR (FY24-26)
LIC Housing Finance Limited	3,207.07	5.74%	287.72	2.78%	0.79	26.62%	55.95	8.36%
Bajaj Housing Finance Limited	1,407.06	24.10%	111.50	20.98%	2.97	46.61%	25.60	21.61%
PNB Housing Finance Limited	909.21	12.97%	85.14	9.84%	3.95	20.23%	23.28	23.45%
Tata Capital Housing Finance Limited	866.53	29.77%	86.39	29.03%	4.10	19.46%	18.36	26.49%
Can Fin Homes Limited	422.09	9.82%	42.18	9.40%	0.42	13.06%	10.86	20.26%
ICICI Home Finance Company Limited	478.23	26.57%	40.64	23.88%	0.43	-10.40%	8.60	22.60%

Note: LIC Housing Finance Limited and Bajaj Housing Finance Limited are the only HFCs in the RBI's list of NBFCs in the Upper Layer (NBFC-UL) under Scale Based Regulation as per the latest press release dated 6th August 2026
Source: Company Reports, Crisil Intelligence

Bajaj Housing Finance is the second-largest HFC, with AUM of Rs. 1,582.05 billion as of September 30, 2026, behind LIC Housing Finance Limited

Size of the companies – H1 Fiscal 2027

Players	AUM	Total Income	Fee Income	PAT
	(Rs Billion)			
LIC Housing Finance Limited	3,261.73	142.47	0.23	29.97
Bajaj Housing Finance Limited	1,582.05	63.14	2.30	14.72
PNB Housing Finance Limited	982.10	47.16	2.52	12.16
Tata Capital Housing Finance Limited	950.98	48.94	2.42	10.84
Can Fin Homes Limited	422.09	22.28	0.18	5.42
ICICI Home Finance Company Limited	478.23	21.65	0.25	4.20

Source: Company Reports, Crisil Intelligence

Bajaj Housing Finance's RoAA and RoAE stood at 2.29% and 12.06% respectively

BHFL has a return on average advances (RoAA) stood at 2.29% and return on average equity (RoAE) at 12.06% in fiscal 2026. Also, it has a return on average advances (RoAA) at 2.23% and return on average equity (RoAE) of 12.65% for the first half of fiscal 2027. Although its return ratios were below those of certain peers, BHFL's profitability was supported by its relatively efficient operating structure and low credit costs. Bajaj Housing Finance's operating expense ratio stood at 0.75% of average total assets, only behind LIC HFC (0.43%) and Can Fin Homes (0.73%) at end of fiscal 2026.

Profitability parameters – Fiscal 2026

Players	Yield on advances (%)	NIMs (%)	Non-interest income (%)	Cost of funds (%)	Opex (%)	Credit cost (%)	ROAA (%)	ROAE (%)	Leverage (times)
LIC Housing Finance Limited	8.97	2.72	0.15	7.17	0.43	0.18	1.81	14.42	7.87
Bajaj Housing Finance Limited	9.25	3.36	0.30	7.28	0.75	0.17	2.29	12.06	5.65
PNB Housing Finance Limited	9.51	3.75	0.10	7.49	1.02	-0.48	2.89	12.91	4.86
Tata Capital Housing Finance Limited	10.41	3.94	0.39	7.33	1.45	0.10	2.44	18.25	7.67
Can Fin Homes Limited	10.07	4.06	0.00	6.97	0.73	0.10	2.74	19.66	7.42
ICICI Home Finance Company Limited	10.97	4.70	2.04	7.49	2.75	0.36	2.86	16.14	5.72

Note: Formulae: Yield on Advances: Interest Income/ Average of Total Advances, NIMs: Net Interest Income/Average Advances, Non-Interest Income: Non-Interest Income/ Average Total Assets, Cost of Funds: Total Interest expense/ Average Sum of Deposits & Borrowings, Opex: Opex/Average Total Assets, Credit Cost: Provisioning/ Average Advances, ROAA: PAT/ Average Advances, ROAE: PAT/Average Shareholder's Equity, Leverage: Total Assets/ Shareholder's Equity
Source: Company Reports, Crisil Intelligence

Profitability parameters – H1 Fiscal 2027

Players	Yield on advances (%)^*	NIMs (%)^	Non-interest income (%)^	Cost of funds (%)^	Opex (%)^	Credit cost (%)^	ROAA (%)^	ROAE (%)^	Leverage (times)
LIC Housing Finance Limited	8.86	2.61	0.05	7.03	0.41	-0.16	1.88	14.09	7.54
Bajaj Housing Finance Limited	8.96	3.07	0.26	7.00	0.69	0.08	2.23	12.65	5.96
PNB Housing Finance Limited	9.74	3.65	0.12	7.31	0.99	-0.17	2.69	12.31	5.01
Tata Capital Housing Finance Limited	10.24	3.89	0.41	7.18	1.41	0.07	2.49	18.26	7.53
Can Fin Homes Limited	10.44	4.06	0.00	6.98	0.76	0.10	2.56	17.50	7.14
ICICI Home Finance Company Limited	10.90	4.50	1.71	7.47	2.62	0.43	2.50	13.62	5.95

Source: Company Reports, Crisil Intelligence
Note:
1. *(^) Annualized Numbers,*
2. *(*) Yield on advances calculated on total interest income*
3. *NIMs: Net Interest Income/Average Advances, Non-Interest Income: Non-Interest Income/ Average Total Assets, Cost of Funds: Total Interest expense/ Average Sum of Deposits & Borrowings, Opex: Opex/Average Total Assets, Credit Cost: Provisioning/ Average Advances, ROAA: PAT/ Average Advances, ROAE: PAT/Average Shareholder's Equity, Leverage: Total Assets/ Shareholder's Equity*

Bajaj Housing Finance has the lowest GNPA and NNPA amongst HFCs in NBFC-UL in India as of March 31, 2026

Bajaj Housing Finance reported a gross non-performing asset (GNPA) ratio of 0.27% and a net non-performing asset (NNPA) ratio of 0.11% as of March 31, 2026, the lowest among the six HFCs considered. It continued to maintain the lowest GNPA and NNPA ratios among the peer set through September 2026.

Further, BHFL reported a provision coverage ratio of 59.78%, the highest among the selected peers, compared with 56.23% for Can Fin Homes and 55.09% for Tata Capital Housing Finance. The combination of relatively low reported delinquency levels and higher provision coverage indicates a favourable asset quality position.

Capitalisation and asset quality – Fiscal 2026

Players	Capital adequacy ratio	Provision Coverage Ratio	Tier-1 capital	Gross NPA ratio	Net NPA ratio
LIC Housing Finance Limited	25.48%	50.16%	24.20%	2.15%	1.08%
Bajaj Housing Finance Limited	22.46%	59.78%	22.01%	0.27%	0.11%
PNB Housing Finance Limited	27.26%	38.28%	26.89%	0.93%	0.57%
Tata Capital Housing Finance Limited	17.55%	55.09%	15.92%	0.73%	0.33%
Can Fin Homes Limited	23.15%	56.23%	22.46%	0.85%	0.37%
ICICI Home Finance Company Limited	20.45%	33.00%	18.43%	1.40%	0.90%

Source: Company Reports, Crisil Intelligence
Note: Reported PCR is taken, PNB Housing Finance Limited's PCR is based on consolidated disclosures

Capitalisation and asset quality – H1 Fiscal 2027

Players	Capital adequacy ratio	Provision Coverage Ratio	Tier-1 capital	Gross NPA ratio	Net NPA ratio
LIC Housing Finance Limited	NA	48.98%	NA	2.05%	1.06%
Bajaj Housing Finance Limited	21.24%	59.80%	20.83%	0.29%	0.12%
PNB Housing Finance Limited	27.03%	39.93%	26.62%	0.91%	0.55%
Tata Capital Housing Finance Limited	17.56%	57.26%	0.00%	0.68%	0.29%
Can Fin Homes Limited	23.34%	52.82%	NA	0.90%	0.42%
ICICI Home Finance Company Limited	19.40%	NA	NA	1.20%	0.80%

Source: Company Reports, Crisil Intelligence
Note: PNB Housing Finance Limited's PCR is based on consolidated disclosures

BHFL's housing loan book stands at 54% of the overall portfolio as of March 31, 2026

Bajaj Housing Finance portfolio has the lowest proportion of housing loan book at 53% of the overall portfolio, in comparison with other selected peers. BHFL focuses on salaried customers, with the customer segment account for ~84% of the overall portfolio.

Loan Book, Customer Profile Mix of Peers – Fiscal 2026

Players	Type of Book Mix (%)		Loan Book Mix (%)		Customer Mix (%)	
	On Book*	Off Book	Housing	Non-Housing	Salaried	Self-Employed
LIC Housing Finance Limited	100%	0%	84%	16%	86%	14%
Bajaj Housing Finance Limited	88%	12%	54%	47%	84%	16%
PNB Housing Finance Limited	96%	4%	68%	32%	59%^	41%^
Tata Capital Housing Finance Limited	97%	3%	59%#	41%	50%	50%
Can Fin Homes Limited	100%	0%	83%	17%	68%	32%
ICICI Home Finance Company Limited	68%	32%	NA	NA	NA	NA

Note: (*) On book AUM is calculated by dividing the Gross Loan portfolio amount by AUM, (^) Based on retail AUM mix, (#) includes prime, near prime, micro and affordable housing, NA: Not Available
Source: Company Reports, Crisil Intelligence

Average ticket size and sourcing mix of peers – Fiscal 2026

Players	Average ticket size (in Rs millions)	Channel wise sourcing mix
LIC Housing Finance Limited	3.2#	Direct (1%) Others (99%)
Bajaj Housing Finance Limited	4.0 - 6.0 for Near Prime; 1.5 - 3.5 for Affordable*	NA
PNB Housing Finance Limited	2.90^	In House (47%) DSA (53%)
Tata Capital Housing Finance Limited	NA	Direct (63%) DSA (37%)
Can Fin Homes Limited	2.70**	Direct (12%) DSA (80%) Marketing (8%)
ICICI Home Finance Company Limited	NA	NA

Note: (*) For Home Loan Portfolio; (^) For Individual Housing Loan Portfolio; (**) For Incremental Housing Loan; (#) Incremental ticket size; NA: Not Available
Source: Company Reports, Crisil Intelligence

Bajaj Housing Finance has the second highest AUM per branch and AUM per employee as of March 31, 2026

LIC Housing Finance has the highest AUM per branch of Rs 8.53 billion as of Fiscal 2026 followed by Bajaj Housing Finance (Rs 6.23 billion) and Tata Capital Housing Finance Limited (Rs. 2.48 billion). LIC Housing Finance also had the highest AUM per employee as of March 31, 2026, at Rs 1.34 billion followed by Bajaj Housing Finance (Rs 0.69 billion) and PNB Housing Finance (Rs 0.39 billion).

Productivity Ratio of Peers – Fiscal 2026

Players	Number of Branches	AUM per branch (Rs billion)	Number of Employees	AUM per employee (Rs billion)
LIC Housing Finance Limited	376	8.53	2,399	1.34
Bajaj Housing Finance Limited	226	6.23	2,052	0.69

Players	Number of Branches	AUM per branch (Rs billion)	Number of Employees	AUM per employee (Rs billion)
PNB Housing Finance Limited	392	2.32	2,355	0.39
Tata Capital Housing Finance Limited	350	2.48	4,399	0.20
Can Fin Homes Limited	249	1.70	1,356	0.31
ICICI Home Finance Company Limited	246	1.94	5,823	0.08

Source: Company Reports, Crisil Intelligence

Bajaj Housing Finance has AAA long term credit rating, the highest possible credit rating in India for borrowing programme

Bajaj Housing Finance has a AAA long term credit rating, the highest possible credit ratings in India for its borrowings programme.

Credit Ratings of Players (as of October 2026)

Players	Long Term Rating	Short Term Rating
LIC Housing Finance Limited	Crisil AAA (September 2026); CARE AAA (January 2026)	Crisil A1+ (September 2026)
Bajaj Housing Finance Limited	Crisil AAA (June 2026)	Crisil A1+ (June 2026)
PNB Housing Finance Limited	Crisil AAA (October 2026); CARE AAA (July 2026)	Crisil A1+ (October 2026)
Tata Capital Housing Finance Limited	Crisil AAA (September 2026)	Crisil A1+ (September 2026)
Can Fin Homes Limited	CARE AAA (October 2026)	Care A1+ (October 2026)
ICICI Home Finance Company Limited	Crisil AAA (March 2026)	Care A1+ (June 2026)

Source: Company Reports, Crisil Intelligence

MSME Financing in India

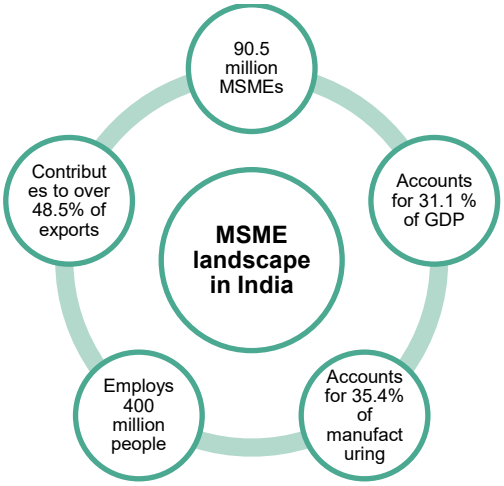
MSMEs: Engine behind India's next leg of economic growth

Micro, small and medium enterprises (MSMEs) form an important part of India's economic ecosystem, contributing to manufacturing activity, exports, employment generation and regional economic development. The sector encompasses a diverse range of enterprises operating across manufacturing, trading and services, with considerable variation in scale, business models, financial sophistication and access to institutional finance.

As per the Economic Survey 2025, MSMEs accounted for approximately 31.1% of India's GDP, 35.4% of manufacturing output and 48.5% of exports. The sector comprises over 90.5 million enterprises employing more than 400 million people as of July 2026. Being the backbone of India's economy, the government expects MSMEs' contribution to GDP to increase to 40-50% by fiscal 2030.

The large size and diversity of the MSME sector creates demand for a broad range of financial products, including working capital facilities, term loans, machinery finance, invoice financing and short-duration business loans. However, access to formal finance varies considerably across enterprise sizes. Larger and established MSMEs typically have greater access to bank credit, while micro and smaller enterprises may face constraints arising from limited financial documentation, irregular cash flows, lack of collateral and relatively short credit histories.

Snapshot of MSMEs in India



Source: Ministry of Micro, Small & Medium Enterprises, Economic Survey 2025-26, Crisil Intelligence

Formalisation of MSMEs, providing a huge potential for financiers to capture

In July 2020, the government launched the UDYAM registration system for MSMEs to streamline compliance and provide MSMEs access to credit, subsidies, and government schemes. Thereafter, in August 2020, the RBI issued a notification allowing financiers to obtain the UDYAM certificate from entrepreneurs for lending purposes. On January 13, 2023, the Ministry of MSME and Government of India launched the **Udyam Assist Platform (UAP)**. The principal objective of this MSME formalisation platform is to provide Udyam Registration to the large number of Informal Micro Enterprises (IMEs) not registered with GST authorities. All this resulted into formal recognition of MSMEs (registered MSMEs increased from 0.5 million in fiscal 2016 to 90.5 million in July 2026), including informal micro-enterprises.

Formalisation, together with greater adoption of digital payments, GST reporting and electronic transaction records, has increased the availability of information that can support borrower assessment. These developments are relevant to financial institutions because MSME lending has historically been constrained by limited visibility into enterprise cash flows and repayment capacity.

Improved data availability has enabled the lenders to assess businesses using a wider range of financial and transactional indicators, potentially expanding access to institutional credit among borrowers previously underserved by conventional underwriting approaches. However, formal registration does not necessarily imply credit eligibility, and financing outcomes remain dependent on enterprise viability, repayment capacity and lender risk appetite.

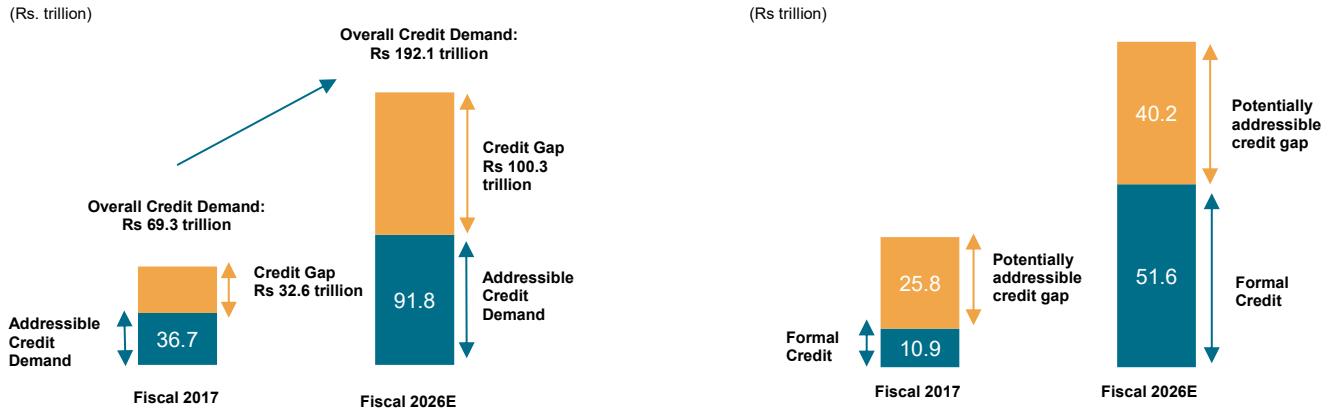
Substantial MSME credit gap persists despite expansion of credit

India's MSME financing opportunity has expanded significantly, with total credit demand increasing from Rs 69.3 trillion in fiscal 2017 to approximately Rs 192 trillion in fiscal 2026, representing a 2.7-2.8x increase. The addressable financing market has also grown by approximately 2.5-3.0x, supported by greater formalisation, targeted government initiatives, wider participation by banks and NBFCs, and technology-led improvements in credit assessment.

Despite this expansion, formal credit penetration remains limited, particularly among micro and small enterprises. Limited audited financial information, inadequate collateral, thin credit histories, fragmented operations and cash-intensive business models have historically kept a large portion of MSME demand outside the addressable market for institutional lenders. Smaller ticket sizes and higher servicing costs have also constrained formal lender participation.

This gap, however, represents significant future headroom. The growing availability of GST records, bank transaction data, digital payment trails and other alternative data is enabling lenders to assess enterprise cash flows and underwrite new-to-credit borrowers more efficiently. Continued formalisation, improved data availability and tailored lending products could progressively bring a larger share of currently un-addressable demand within the reach of banks and NBFCs.

Despite increase in MSME loans outstanding, a large credit gap persists



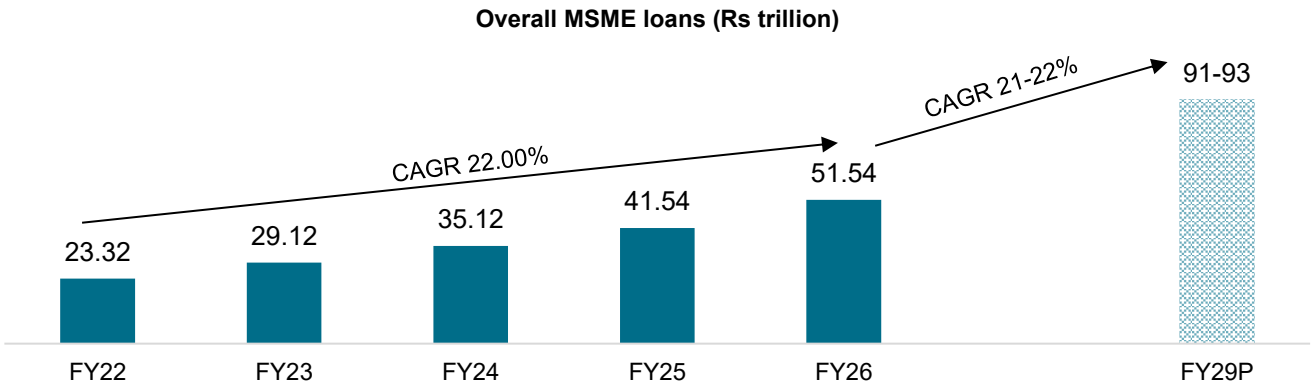
Note: E: Estimated
Source: IFC report on Financing India's MSMEs dated November 2018, Crisil Intelligence estimates

Formal credit accounted for only 26-27% of the estimated Rs 192.1 trillion MSME credit demand in fiscal 2026, leaving a substantial financing gap. Of this, approximately Rs 100 trillion represents an addressable opportunity for formal lenders. As MSMEs become more formalised and transaction-level data improves, technology-led underwriting could progressively make a larger portion of the remaining demand serviceable, providing institutional lenders with significant long-term growth headroom.

MSME financing landscape

The micro, small and medium enterprise (MSME) finance landscape has transformed significantly in recent years, with credit outstanding across banks, NBFCs and HFCs clocking a CAGR of 22.0% between fiscals 2022-26. A combination of digital lending, government initiatives such as the Pradhan Mantri Mudra Yojana (PMMY) and credit guarantee schemes, a thriving economy and increasing adoption of formal credit channels has propelled this growth.

Overall MSME loans expected to maintain their high growth rate momentum



P: Projected
Note: Overall MSME loans include both banks and NBFCs
Source: Company reports, Crisil Intelligence

Crisil Intelligence projects MSME credit to grow at a CAGR of 21-22% between fiscals 2026-29, driven by strong government policies support, credit guarantee schemes, continued high economic growth and increasing digital adoption in MSME loan underwriting across lenders which has significantly reduced turnaround time. The increasing use of transactional data and cash flow underwriting is also supporting credit penetration among enterprises with limited conventional financial documentation.

However, MSME credit remains sensitive to external headwinds owing to disturbances in the energy supply and supply chains, input cost inflation and cash flow visibility, which poses a downside risk to the outlook in the near term.

Growth drivers for MSME Credit

- **Increased data availability and transparency leading to advanced credit assessment model**

  With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. This has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower. Demonetisation and GST have further accelerated formalisation of the Indian economy.

- **Working-capital and receivables financing to expand the MSME credit opportunity**

  Working-capital and receivables financing represent a significant growth opportunity for NBFCs, as delayed payments and extended collection cycles constrain MSME liquidity and their ability to meet operating expenses or accept new orders. Invoice financing enables lenders to fund MSMEs against verified trade receivables, reducing dependence on collateral and improving cash-flow availability. Recent policy measures, including simplified seller onboarding, credit-guarantee cover for financiers and mandatory settlement of MSME invoices by operating CPSEs through TReDS, are expected to widen platform adoption and expand invoice-based financing.

- **Innovative cash flow-based lending through surrogate underwriting**

  Cash flow-based lending utilising surrogate underwriting has become a highly effective tool for MSMEs. Instead of depending solely on traditional financial statements, NBFCs are assessing businesses through proxies such as volume and value of banking transactions, average monthly balances (AMB) and cash flow patterns. The surrogate method enables financial institutions to extend credit to viable businesses that lack conventional collateral but demonstrate strong operational cash flows. EDIs (equated daily instalments) are especially useful for cash-flow-based underwriting. This is particularly helpful for borrowers with limited formal credit history.

- **Increasing access and faster TAT**

  Due to availability of multiple data points and technology solutions, the lending process involving documentation, verification and processing of the transactions has evolved and now takes much less time. Technology led enhancements such as use of big data analytics and social media campaigns to acquire customers, use of direct and derived variables for underwriting, automated processes, minimum documentations, Aadhaar based e-KYC, Account aggregators, flexible repayment options due to simplified real-time digital payments system, have helped in reducing hassles, increasing access to credit for borrowers and faster TAT.

- **Increasing competition with entry of new players and partnerships between them**

  Lenders are increasing the use of digital platforms to help automate and digitise loan sanctioning process however the borrower is required to possess documents for the initial clearance as stated by the banks. Incumbent traditional lenders will increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and also cater to new-to-credit customers. This will expand the market for MSME loans.

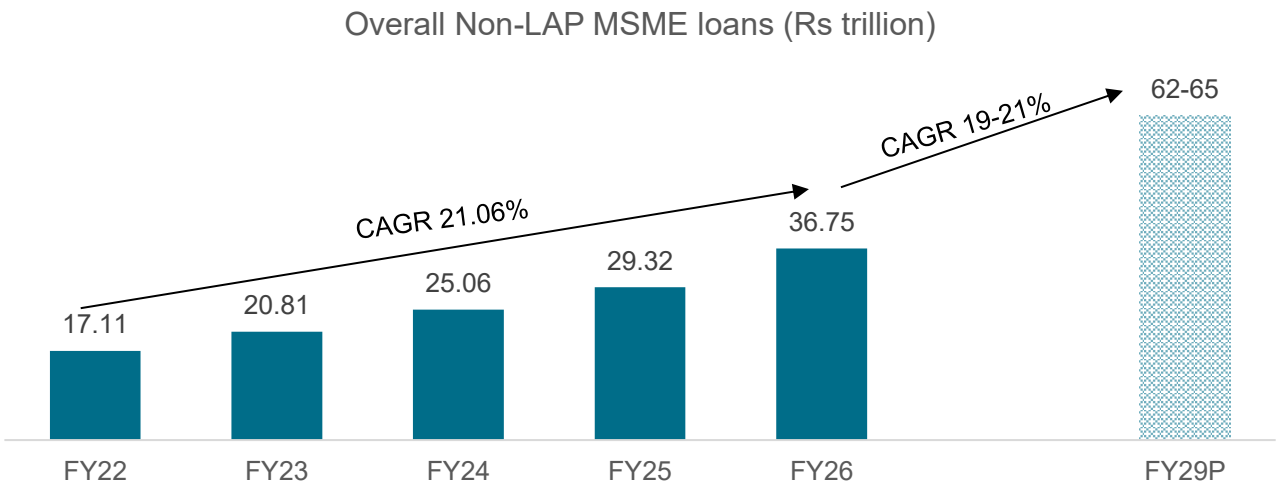
Overview of non-LAP MSME loans

The non-LAP MSME segment comprises unsecured products, including working-capital loans, business loans and invoice financing, as well as secured products such as term loans backed by collateral other than real estate. Working capital products such as cash credit, overdraft facilities and bill discounting, as well as other term loan products (asset-backed or hypothecated loans), are examples of non-LAP secured MSME loans.

Self-employed borrowers are provided with unsecured MSME loans in the absence of a collateral. This type of lending is cash flow-based rather than collateral. Unsecured loans are reviewed based on a variety of factors, including scorecards, bureau checks, bank accounts, financial statements and returns from the goods and services tax. When a small business reaches a bank's cash credit and overdraft limits, it opts for an unsecured business loan to expand or sustain operations, take advantage of short-term possibilities or get through a cash flow crisis. Many lenders offer such loans in addition to the secured loans.

Due to the non-availability of collateral, underwriting plays a key role in maintaining asset quality of unsecured business loans. Underwriting these loans requires expertise and is powered by new financial technology and increased availability of data on customers' credit history. Competition in the secured loans market (especially retail loans) has compelled NBFCs and a few private banks to gain expertise in niche lending and build robust digital platforms to cash in on the fresh opportunities in the unsecured business loans space, while maximising profitability.

Non-LAP MSME loans to grow at 19-21% between fiscal 2026 and fiscal 2029



P: Projected
Note: Overall non-LAP includes both banks and NBFCs
Source: Company reports, Crisil Intelligence

The overall non-LAP segment stood at Rs 36.75 trillion as of fiscal 2026, witnessing a CAGR of 21.06% from fiscal 2022. Going forward, Crisil Intelligence expects the segment to grow at a CAGR of 19-21% between fiscals 2026-29 primarily driven by demand for working capital loans from rising number of business enterprises in India and increasing financial penetration in both rural and urban areas aided by multiple government initiatives in the segment. In the upcoming fiscals, as financiers are moving to more advanced methods of customer underwriting and not just taking credit bureau scores into consideration, lenders would be able to lend more, significantly helping the segment to grow at a faster pace.

Key success factors for NBFCs offering MSME Loans

- **Scale, distribution reach and cross-selling capabilities**: Larger scale and a strong branch network enable lenders to penetrate deeper geographies and build a better understanding of local markets and customer segments. An in-house sales force and established local relationships support direct sourcing, improve customer engagement and reduce churn. Scale also creates cross-selling opportunities across working-capital loans, secured business loans, equipment finance and other relevant products, enabling lenders to meet a wider range of borrower requirements over the customer lifecycle. This strengthens customer retention, improves productivity of the distribution network and lowers customer acquisition and servicing costs through operating leverage.

- **Focused approach to tap underserved niche borrower segments:** MSME focused lenders need to build a portfolio with deep understanding of the target segment and market. Specific tailor-made lending products for MSMEs with easier data availability to help lenders take a focused approach.

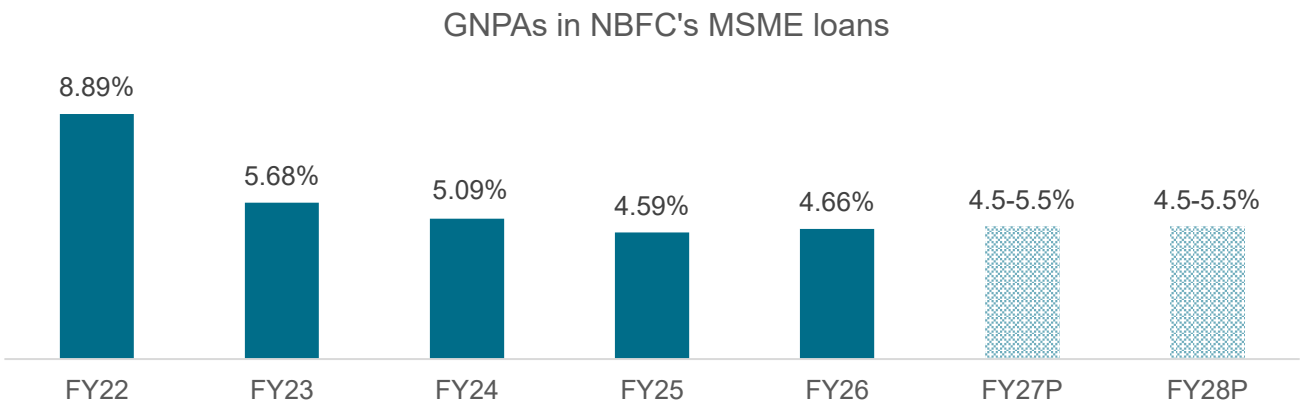
- **Data and analytics capabilities as a key underwriting differentiator:** The limited availability of conventional financial and credit information makes MSME underwriting more complex and operating intensive. Lenders that integrate alternative data, automated cash-flow assessment, AI-based risk models and portfolio analytics can evaluate new-to-credit borrowers more effectively, improve turnaround times and identify early signs of credit stress. These capabilities enable lenders to expand into underserved MSME segments while maintaining pricing discipline and portfolio quality.

- **On-the-ground presence to manage collections and maintain portfolio quality**: Additionally, given that players in the segment also cater to a relatively riskier profile, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality. Direct Sourcing allows control over the quality of customers and processes involved for disbursement, which can lead to better asset quality, as compared to other methods of customer acquisition.

- **Collateral risk management**: Properties that are used as collateral for MSME loans sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas.

Asset quality

MSME asset quality has improved post-pandemic, though cost pressures remain



Sources: Company reports, Crisil Intelligence

Asset quality in the NBFC MSME portfolio has improved from the elevated stress levels seen during the pandemic, although emerging pressures in select borrower segments have moderated the pace of improvement in recent periods. Large diversified NBFCs have generally demonstrated relatively better asset quality performance, supported by stronger underwriting standards, a higher share of seasoned borrowers, and prudent portfolio selection. These entities are also better positioned to absorb asset quality stress owing to stronger capitalisation, diversified funding profiles, and more robust risk management frameworks. Their scale advantages enable earlier identification of stress and more effective recovery mechanisms, supporting overall portfolio resilience

In fiscal 2026, the asset quality of MSME loans weakened, primarily due to rising delinquencies in unsecured business loans and the micro-LAP segment. Stress in these portfolios was driven by pressure on borrower cash flows, elevated leverage levels among certain customer cohorts, and a challenging recovery environment for delinquent accounts.

In fiscal 2025, the GNPA ratio improved by around 50 bps to 4.59%, largely supported by better asset quality performance in the LAP portfolio. The secured nature of these loans and stronger collection efficiency contributed to improved portfolio performance. However, the unsecured business loan segment continued to witness an increase in early-stage delinquencies, indicating emerging stress among more vulnerable borrower groups.

Despite the recent moderation in asset quality, the MSME portfolio remains better positioned than during the pandemic period, when asset quality indicators had deteriorated sharply and peaked in fiscal 2022.

Going forward, the GNPA ratio is expected to remain elevated at 4.5-5.5% in fiscal 2027 and 2028. Asset quality will continue to be influenced by macroeconomic conditions and borrower cash flow resilience. External headwinds, including disruptions to global energy supplies and supply chains, pose downside risks to repayment behaviour in the MSME segment. In addition, inflationary pressures arising from a weaker-than-expected monsoon can adversely affect input costs and operating margins for small businesses, making these factors key monitorable for asset quality over the near term.

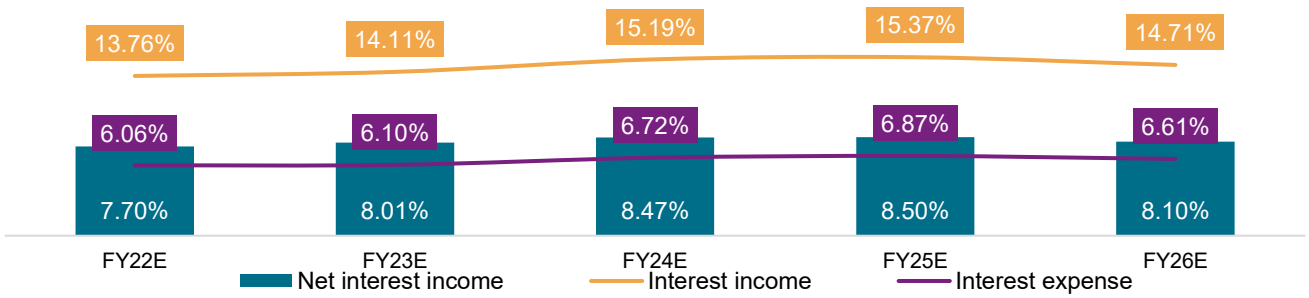
Profitability

Profitability to be impacted by margin compression in fiscal 2026

MSME finance focused NBFCs exhibit a high net interest income to average assets ratio of 7-9%. About 35% of the NBFCs considered in the analysis extended loans only at a fixed rate, which makes the lending yield immune from movement in the repo rate. The remaining NBFCs follow a mix of fixed and variable rate lending policy, based on the product and risk underwritten.

In fiscal 2026, the net interest income to average assets ratio of MSME finance-focused NBFC is estimated to compress ~40 bps yoy to 8.10% driven by a higher transmission of rate cuts benefit on lending, relative to the benefit received on borrowings raised by NBFCs. The interest income to average assets is estimated to decline ~66 bps yoy to 14.71% owing to transmission of repo rate cuts and rising competition from banks and other NBFCs. The interest expense to average assets ratio is estimated to decline by ~26 bps to 6.61% due to slower repricing of fixed rate borrowings such as NCDs and lag in the transmission of rate cut benefit on term loans from financial institutions, which are linked to internal benchmark rates.

NII witnessed compression due to higher transmission of repo rate cuts benefit and pricing competition

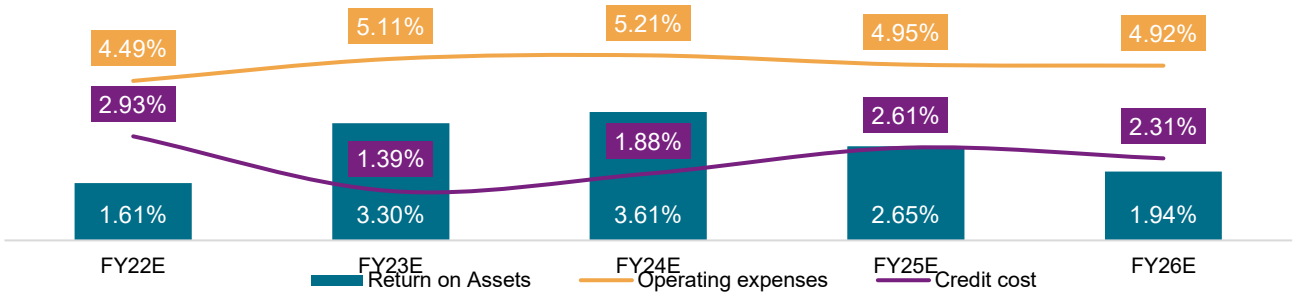


E: Estimate
Notes:
1. *All ratios are based on total assets*
2. *The profitability mix is estimated based on a representative sample set of 18 NBFCs having at least 60% of the loan portfolio as MSME loans. These NBFCs had a total AUM of more than Rs 900 billion as of fiscal 2026.*

Source: Company reports, Crisil Intelligence

Operating expenses are estimated to have remain stable at 4.92% due to extraordinary provisions for new labour laws as well as intensified collection efforts. Credit costs remained at 2.31% on account of write-offs. Overall, return on assets ratio is estimated to have compressed by 71 bps to 1.94% in fiscal 2026.

Profitability weakens due to NIM compression and rise in operating expenses



E: Estimate
Notes:
1. *All ratios are based on total assets*
2. *The profitability mix is estimated based on a representative sample set of 18 NBFCs having at least 60% of the loan portfolio as MSME loans. These NBFCs had a total AUM of more than Rs 900 billion as of fiscal 2026.*

Source: Company reports, Crisil Intelligence

Key risk and challenges

- **Insufficiency of data for credit appraisal and Collateral Fraud**: In the LAP loan industry, lenders face significant challenges in assessing borrowers' creditworthiness in few cases due to the lack of formal income documentation. This increases the risk of lending to individuals who may not be able to repay their loans. Key risks in this sector include the borrower's ability to repay, potential errors in documentation and processing, and fraudulent activities, slow process of legal recovery through SARFAESI /NCLT etc. Furthermore, borrowers may face individual challenges, such as business setbacks, that can impact their repayment capacity. To mitigate these risks, lenders must implement effective risk management strategies, including rigorous credit evaluations, robust operational controls, and comprehensive assessments of borrowers' financial situations. There is a need of centralised and digitised system related to document verification, property documentation by the government to fasten the credit sanctioning process for borrowers, enabling them to access funds more quickly and efficiently.

- **Economic, Interest rate and Property-related risks:** In the LAP loan industry, significant risks encompass property-related issues such as overvaluation, legal disputes related to unclear titles or ownership issues complicating loan recoveries, and market value fluctuations affecting the collateral's value, impactive the loan to value (LTV) ratio, along with interest rate variability affecting repayment capacity. Economic factors like downturns and sluggish real estate markets also pose threats. Effective risk management requires accurate property valuation, legal due diligence, monitoring interest rates, and staying attuned to economic conditions.

- **Borrowers lack liquidity and are vulnerable to cash flow challenges:** MSMEs often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behaviour.

- **Borrowers are unable or unwilling to share all information:** Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.

- **MSMEs lack adaptability to technological changes**: As technological environment is dynamic in nature and keeps on changing, it is tough for MSMEs to keep up with changes owing to lack of capital and hence face the risk of getting outdated.

Gold finance industry in India

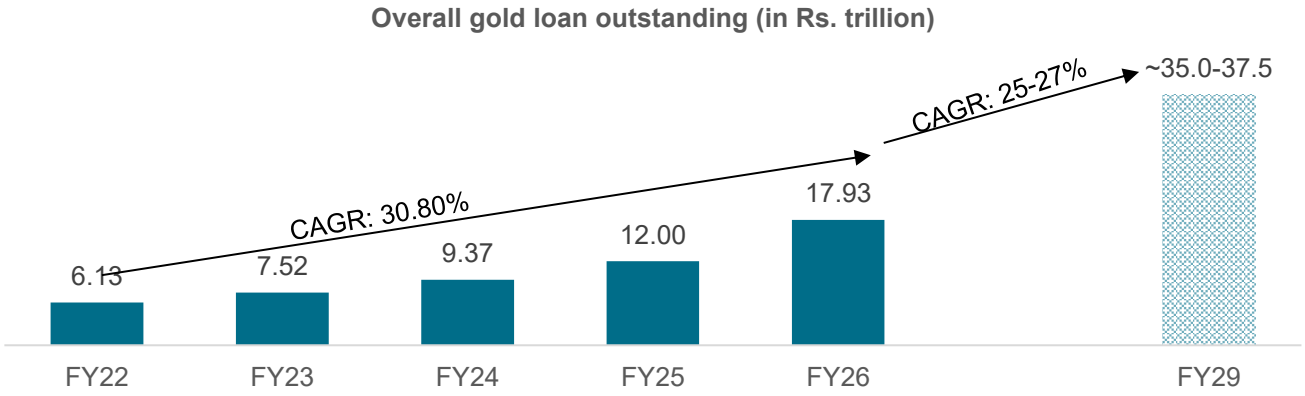
Gold financing gaining prominence as an accessible source of secured retail credit

Gold loans are typically small ticket size, short duration and provide convenient and instant credit. While the industry has been around for several decades with local financiers and moneylenders extending finance against gold, especially in semi-urban and rural areas, it has witnessed a spurt in organised financiers offering gold loans over the last decade. The organised gold loan market has gained significant momentum over the last two fiscals, supported by record-high gold prices, which have increased the borrowing capacity of pledged jewellery and improved collateral coverage for lenders. Gold-backed credit is also witnessing wider acceptance beyond emergency funding, with households, MSMEs and self-employed borrowers increasingly utilising gold loans for working capital requirements, business expansion and short-term liquidity management.

Consistent growth in gold loan market between fiscals 2022 and 2026

Between fiscals 2022 and 2026, the gold loan industry clocked a CAGR of 30.80% to have reached Rs. 17.93 trillion, supported by increasing formalization, rising gold prices and growing preference for secured credit. A significant portion of gold-backed borrowing, estimated at 65-67% as of March 31, 2026, continues to be served by unorganised lenders. The ongoing shift toward regulated lenders, supported by greater transparency, competitive pricing, and faster loan processing, presents a sizeable structural growth opportunity for the organised gold loan industry. On demand side, gold loans continue to be supported by a broad customer base, including households, traders, farmers, merchants and small business owners who increasingly utilize gold loans as a convenient, flexible, and timely source of liquidity for consumption, emergency funding, business requirements, and working capital needs.

Gold loan AUM expected to grow at 25-27% between fiscals 2026 and 2029 (Rs trillion)



Note: P: Projected
Source: Company reports, Crisil Intelligence

The RBI issued revised directions for gold loans on June 6, 2025, including changes to the LTV limit and credit appraisal processes. These changes are expected to support sustainable growth, with key NBFCs likely to calibrate their approach to LTVs based on individual risk assessments. Gold loans are gradually evolving from a purely collateral-backed, transactional product to a more relationship-oriented credit offering. With the RBI's emphasis on mandatory cash flow-based credit assessment for income-generating loans, lenders are increasingly required to evaluate borrower repayment capacity alongside collateral value. The revised gold loan directions offer clarity to gold loan governance and regulation in India which augurs well for NBFCs.

Going forward, Crisil expects the overall gold loan segment to grow 25-27% between fiscals 2026 and 2029, on account of revised directions on gold loans, potential rise in gold prices, which increases collateral value, and higher gold stock, enabling financialisation of gold, expanding branch growth, customer addition and tonnage growth. NBFCs are expected to outpace banks in the short-to-medium term, driven by focused growth in small-ticket loans and deeper penetration in rural India.

Historically, this gold has served as a store of value and a source of emergency liquidity, with lending models in the gold loan industry largely driven by the value of collateral. The recently updated regulatory framework that recognizes both consumption and income-generation loans, introducing a tiered loan-to-value framework for consumption loans across ticket sizes, and requiring more detailed credit assessment, including repayment-capacity assessment, for larger-ticket exposures. This framework will further accelerate the gold loans opportunity and support the development of more differentiated gold-backed lending structures, improving the ticket size of loans backed by gold as collateral and will further deepen the role of organized gold lenders across a broader set of household, business and working-capital requirements.

Key growth drivers

1. **Perception shift: From 'loan of last resort' to 'loan of convenience':** Historically, gold loans carried a social stigma in India. Accessing credit against family gold was associated with financial desperation and was a measure of last resort. This perception has undergone a fundamental transformation, driven by regulatory improvements, institutional entry, product innovation and changing customer demographics. Today, gold loans are increasingly seen as a legitimate and efficient secured lending product rather than a distress-driven borrowing option.

    - **Urban professionals and MSME owners** increasingly view gold loans as a strategic liquidity management tool rather than an emergency measure, particularly for short-term working capital, seasonal inventory needs and business cash flow management. This shift reflects a broader change in how secured borrowing is perceived across both retail and business segments.

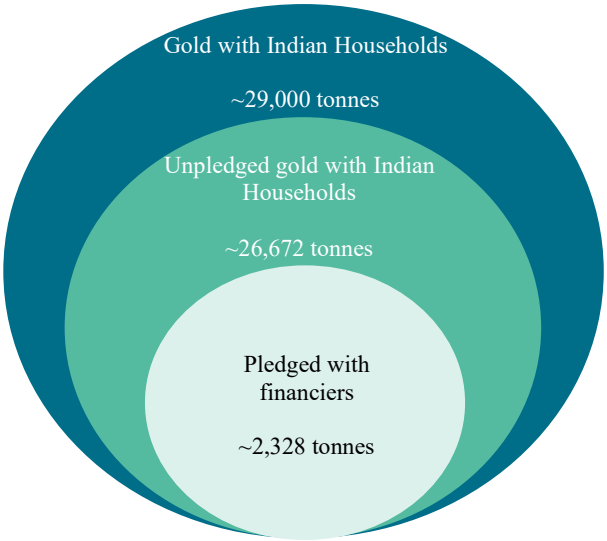
    - **Rapid disbursal (often within 30-60 minutes)** makes gold loans the fastest credit product available, appealing to time-sensitive borrowers across income segments. This speed and convenience have made them especially relevant for urgent personal and business funding needs.

    - **Minimal documentation requirements:** Just KYC and gold purity verification remove barriers faced by individuals with limited credit histories or formal income documentation. This has widened access to formal credit for borrowers who may otherwise remain underserved by traditional lending channels.

2. **Organised financiers gain gold loan market share from unorganised sector:** The formalisation of India's credit markets, supported by regulatory oversight, digital KYC infrastructure and expanding branch networks, is systematically migrating gold loan customers from informal moneylenders to regulated institutions. Unorganised players offer no transparency, no regulatory protection and charge exploitative interest rates of over 40% per annum, while organised lenders offer loans with interest rates in the range of 9-18% per annum for banks and 18-24% per annum for gold loan NBFCs, with full regulatory oversight, providing a compelling cost and trust advantage. Crisil Intelligence estimates share of organised gold loan financiers to be 33-35% as of fiscal 2026. Going forward, Crisil Intelligence expects the trend to continue, and the share of organised loan market to further improve.

3. **Gold loan penetration in India at only ~8%:** According to the ASSOCHAM (April 2026), Indian households hold ~29,000 tonnes of gold. For the purpose of this analysis, organised gold loan penetration is defined as the quantity of gold pledged with organised financiers divided by the total household gold stock. Based on an estimated average LTV ratio of ~65%, organised gold loan penetration is estimated at ~8% as of fiscal 2026. As illustrated below, only around 2,328 tonnes of household gold is currently pledged with organised financiers, leaving nearly 26,672 tonnes unpledged. This highlights the substantial untapped market opportunity for organised lenders. Going forward, gold loan penetration is expected to increase, supported by expanding branch networks, geographical diversification, increasing formalisation of the lending ecosystem and rising adoption of gold loans to MSMEs to meet working capital requirements.

Unpledged gold with Indian households presents an attractive opportunity for gold financiers (March 2026)



Source: ASSOCHAM, Company reports, Multi Commodity Exchange of India Limited (MCX), Crisil Intelligence
Note: Gold value for the above figures has been calculated using the 12-month average gold price of Rs 11,857 per gram.

As per the Indian Household Finance report of the Household Finance committee July 2017, RBI, Gold already plays a sizable role in household balance sheets in states like Tamil Nadu (28.3%) and Andhra Pradesh (21.6%) which creates natural demand for gold-backed credit. The same regions also show meaningful gold-in-debt shares (e.g., Tamil Nadu at 41.3%), indicating that gold lending resonates where gold is most concentrated and credit needs exist. In

contrast, several northeastern and northern states have low gold-in-debt, suggesting major under-penetration and room to expand through better product availability, awareness, and vernacular underwriting. Overall, the regional spread points to a large opportunity to grow gold loan penetration by tailoring distribution to areas with high household gold ownership but weak conversion into gold-backed borrowing.

4. Gold loans provide a quick and convenient source of liquidity, supported by streamlined documentation and faster disbursal compared with most unsecured retail lending products. During periods of tighter credit availability, borrowers often gravitate towards gold-backed financing due to its ease of access, shorter processing timelines and relatively lower cost of borrowing.

5. **Gold known to act as a hedge against inflation:** Gold's historical role as an inflation hedge underpins both household accumulation behaviour and its use as a collateral, creating a self-reinforcing dynamic for the gold loan market. Rising prices directly expand borrower credit capacity as the same weight of gold supports a materially larger loan quantum.

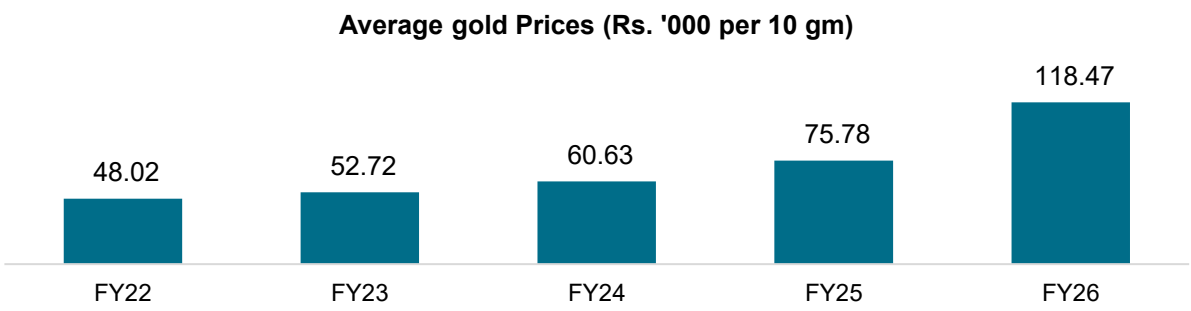
6. **MSME's adoption of gold as collateral:** The MSME gold loan is the defining use case of the relationship credit era. When a small business owner pledges gold to fund working capital, the economic logic of the transaction has nothing in common with a distress-driven consumption loan. The gold is not a rescue, it is increasingly used as a lever to avail loans and unlock productive capacity, i.e. to purchase inventory before a festival season, to bridge a receivables gap, to fund equipment that will generate returns exceeding the cost of the loan.

   Our assessment indicates that MSMEs are increasingly adopting gold loans as a convenient and accessible source of financing, particularly where access to formal unsecured credit remains constrained. With the RBI now mandating cash flow-based assessment for income-generating loans, gold lending is becoming less of a pure collateral-led product and more of a relationship-driven credit business. The explicit requirement to assess repayment capacity for income-generating loans, a structural departure from the purely collateral-driven model means that lenders who have not built credit assessment capability are now operating with a regulatory gap. The framework has, in effect, raised the floor on what it means to be a responsible gold loan lender. This creates a natural advantage for scaled gold loan NBFCs, which already have established MSME relationships and a better understanding of borrower cash flows and credit behaviour.

   The Account Aggregator framework further accelerates this transition. For the first time, a gold loan NBFC can access bank statements, GST return data, insurance holdings, and investment history at the point of origination, using borrower's consent. This data does not replace gold as collateral; it enriches the lender's understanding of the borrower sitting across the counter. A borrower who has managed consistent cash flows for two years, who has a track record of seasonal income followed by prompt repayment, and who is pledging gold to fund a demonstrably productive purpose represents a fundamentally different credit proposition from an anonymous pledger and should be priced and served accordingly.

   This also enables lenders to design gold loan products that are better aligned with the borrower's actual cash flow needs, especially for MSMEs. Flexible repayment structures, such as bullet repayment or interest-servicing-only options, can support working capital cycles and seasonal income patterns. Features such as no prepayment charges, interest charged only for the number of days the loan is used, low entry and exit fees, and simplified documentation make the product more cost-effective and transparent for borrowers. In addition, top-up facilities allow customers to access incremental liquidity against the same pledged gold when gold prices rise or their repayment profile improves, reducing the need for fresh documentation or repeated pledging. Overall, consent-based data combined with flexible product features can help gold loan NBFCs move from purely collateral-led lending to more customer-aware, cash-flow-sensitive lending.

Average domestic gold prices witnessed a sharp rise of 56.33% from fiscal 2025 to fiscal 2026



Note: Average monthly gold price
Source: MCX, Crisil Intelligence

For rural and semi-urban households, gold has historically served as a primary savings and wealth-preservation vehicle. Further, gold has also demonstrated relative price stability and is less prone to downfall, supported by strong domestic demand, cultural affinity, and its role as a widely accepted store of value. Its status as one of the most liquid forms of collateral further strengthens the credit profile of gold-focused NBFCs, enabling faster realisation and

efficient recovery in the event of borrower default. This combination of relative price resilience, deep market liquidity, and established collateral acceptance helps moderate asset quality risk for lenders.

Regulatory support expected to accelerate structural expansion of the gold loan segment

RBI (Lending Against Gold and Silver Collateral) Directions, 2025

Following the Reserve Bank of India (Lending Against Gold and Silver Collateral) Directions, 2025 issued on June 6, 2025, the central bank issued revised directions on November 28, 2025, to consolidate the instructions to various regulated entities on credit facilities, extending it to lending against gold and silver collateral.

1. The directions cover gold and silver-backed loans for both income-generating and consumption purposes, prohibit lending against primary bullion and certain repledging arrangements, and require enhanced credit appraisal for loans exceeding Rs 0.25 million.

2. The LTV ratio is defined as the outstanding loan amount divided by the total repayment amount at maturity (for loans with bullet repayment structures). The LTV ratio for consumption loans must be maintained over the course of the loan's tenure, with maximum permissible limits as follows:

LTV buckets

Total consumption loan amount per borrower	Maximum LTV ratio (%)
Up to Rs 0.25 million	85
Between Rs 0.25 million and Rs 0.50 million	80
Above Rs 0.50 million	75

Note: The total repayable amount at maturity is considered for bullet repayment loans.
Source: RBI

3. Operational and customer protection norms have been strengthened, with bullet repayment loans capped at 12 months (renewal as per applicable guidelines), mandatory borrower presence during collateral assaying, and enhanced auction safeguards, including prior borrower notice and a minimum reserve price of 90% of the collateral value.

Branch liberalisation supporting distribution led expansion

A less discussed but strategically critical dimension of the 2025 regulatory landscape is the RBI's liberalisation of branch opening norms for Non-Banking Financial Companies. Historically, NBFCs faced significant friction in physical network expansion - approvals were slow, geographic restrictions applied, and the compliance overhead of each new branch acted as a de facto cap on distribution ambition. The relaxation of these norms in 2025 removes what was, for gold loan NBFCs, the single most binding operational constraint.

What Branch Liberalisation Enables	Strategic Impact for Gold Loan NBFCs
Faster network expansion into Tier II and beyond geographies	Access to high-growth corridors
Micro-branch formats at lower capital cost	Break-even at lower origination volumes; Better prospects of viability in smaller towns as compared earlier, which was uneconomical to serve
Dedicated gold loan branches without multi-product overhead	Operational focus, lower cost-to-income, specialised staff training — structural advantage over banks
Competitive response to bank branch penetration	PSBs have extensive rural networks; NBFC branch liberalisation enables the competitive response on distribution
Doorstep and satellite models anchored to licensed branches	Regulatory clarity for mobile assayers and doorstep valuation agents operating from a licensed branch hub

Source: RBI, Crisil Intelligence

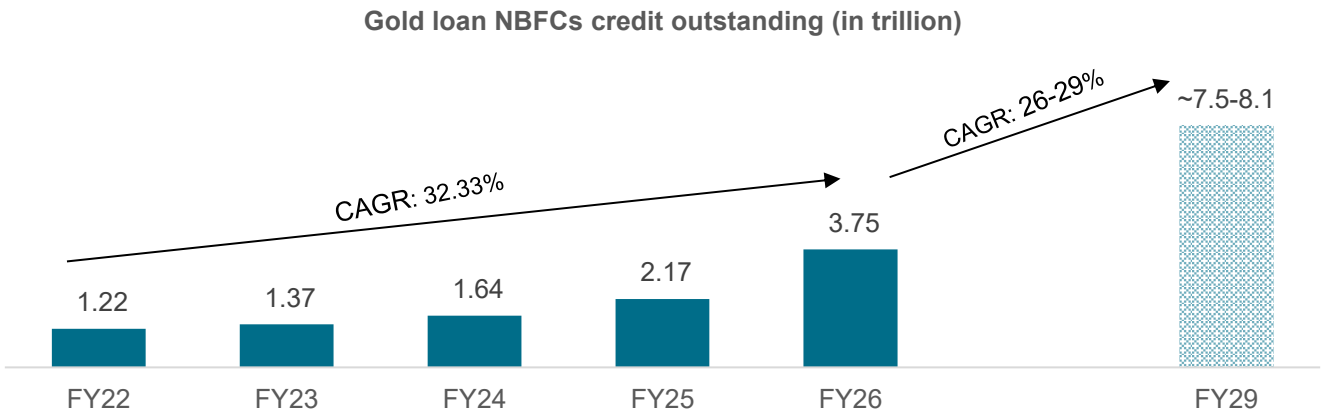
Gold lending is irreducibly physical at its point of origination. Unlike unsecured digital loans, a gold loan cannot be fully originated remotely — the physical collateral must be valued, assayed, sealed, and vaulted at a branch. The quality and density of the branch network is therefore not merely a distribution metric; it is the primary determinant of market penetration, customer acquisition cost, and competitive positioning. Branch liberalisation is, in the context of gold lending, a direct growth enabler. Crisil believes that branch liberalisation is the regulatory condition that makes this expansion possible at speed, thereby accelerating the formalisation of gold-backed lending across under-served geographies, and creating a structural advantage for NBFCs with established operational capabilities and distribution infrastructure.

Gold loan portfolio for NBFCs to outpace overall industry growth

The gold loan portfolio of NBFCs recorded 73.06% y-o-y growth in fiscal 2026 compared with 31.91% in fiscal 2025, translating into a CAGR of 32.33% between fiscals 2022-26. The sharp acceleration was primarily driven by the sustained increase in domestic gold prices, which enhanced the collateral value of pledged jewellery and enabled higher loan disbursements, renewals and top-up loans. In addition, increasing borrower preference for secured lending, stronger monetisation of household gold and improving customer awareness further supported portfolio expansion during the year.

Going forward, Crisil Intelligence expects gold loan NBFCs to register a CAGR of 26-29% between fiscals 2026-29. While growth is expected to moderate from the exceptionally high levels witnessed in fiscal 2026, the medium-term outlook remains favourable. Increasing utilisation of gold loans for income-generating activities, particularly by MSMEs, traders and self-employed borrowers, continued accumulation of gold by central banks supporting favourable gold price dynamics, expansion of organised lenders into underpenetrated markets and the RBI's April 2026 relaxation on branch authorisation are expected to sustain healthy portfolio growth.

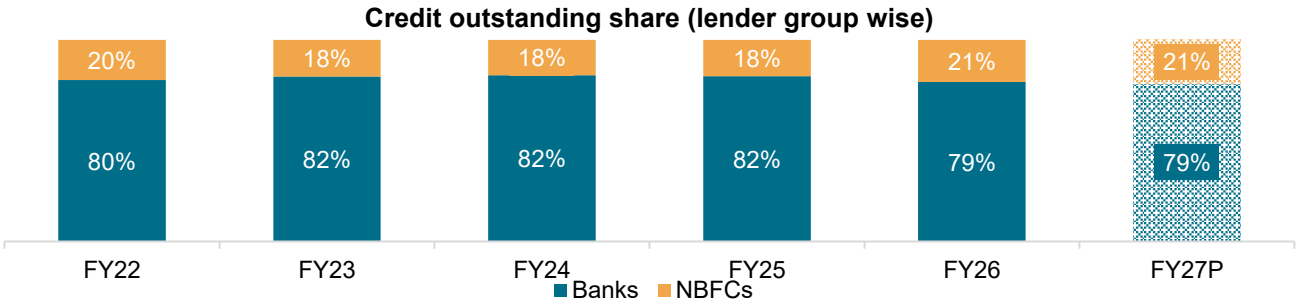
Gold loan NBFCs credit outstanding to nearly double between fiscals 2026-29



P: Projected
Source: Company reports, Crisil Intelligence

The RBI's revised gold lending framework has standardised LTV norms across lender categories, creating a more level playing field while preserving prudent lending standards. At the same time, the specialised operating model required for gold lending - including collateral assessment, valuation expertise and secure branch infrastructure - continues to favour gold finance NBFCs, enabling them to capture a larger share of incremental industry growth.

RBI directions on gold loans to harmonise the regulatory framework, promoting a level playing field

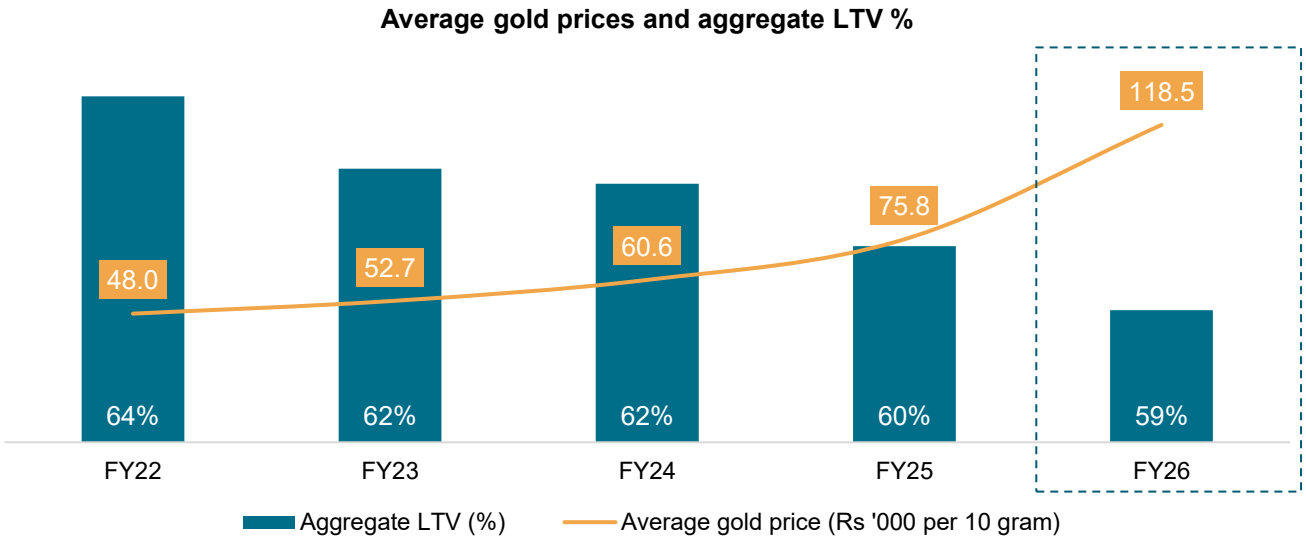


P: Projected
Note: The gold loan portfolio of banks includes loans against gold jewellery and the agri-gold loan portfolio
Source: Ministry of Finance, RBI, Company reports, Crisil Intelligence

Despite banks retaining the dominant share, specialised NBFCs have steadily increased their market presence through faster turnaround times, superior customer service and deeper penetration in semi-urban and rural markets. The NBFC share of industry credit outstanding has increased to around 21% in fiscal 2026 from nearly 18% in fiscal 2025 and is expected to improve gradually over the medium term as specialised players continue expanding their distribution footprint. As competition intensifies and lenders focus on improving customer experience while maintaining underwriting standards, technology has become an increasingly important differentiator across the gold loan value chain.

Although geopolitical uncertainties, elevated US bond yields and intermittent corrections in gold prices may lead to near-term volatility, the credit outlook for specialised gold loan NBFCs remains favourable. The sharp appreciation in gold prices over the past two fiscals has strengthened collateral buffers, resulting in lower portfolio LTVs across the industry. Coupled with conservative underwriting practices and prudent loan origination standards adopted by leading NBFCs, these lower LTVs are expected to provide adequate protection against moderate gold price corrections while supporting sustainable portfolio growth.

Elevated gold prices have further lowered aggregate LTV ratios in fiscal 2026, strengthening collateral buffers



Notes:
1. *Aggregate portfolio LTV is based on two key gold-focused NBFCs, representing ~58% market share as of March 2026*
2. *The average gold price indicates the average monthly gold price of the past 12 months*

Source: Multi Commodity Exchange of India Limited (MCX), Company reports, Crisil Intelligence

Higher gold prices have reduced aggregate portfolio LTVs across leading gold loan NBFCs, strengthening collateral buffers and improving portfolio resilience. Lower LTVs provide lenders with a larger cushion against moderate corrections in gold prices, reducing credit risk while supporting sustainable portfolio growth.

Although lenders may have selectively increased loan disbursements as collateral values rose in fiscal 2026, leading NBFCs have continued to follow conservative underwriting practices and prudent origination LTVs. Regular collateral revaluation and active monitoring of pledged gold further strengthen portfolio resilience despite intermittent gold price volatility, geopolitical uncertainties and elevated US bond yields.

While stronger collateral buffers support prudent lending, higher gold prices have also changed borrower behaviour by increasing the amount that can be borrowed against the same quantity of pledged gold. This has translated into a meaningful increase in average ticket sizes across the industry.

Elevated gold prices increased the average ticket size of key gold loan NBFCs in fiscal 2026

Company name Average ticket size (Rs)	FY22	FY23	FY24	FY25	FY26
Muthoot Finance	69,000	70,000	83,000	~93,000	1,30,000
Manappuram Finance	56,600	57,500	58,500	67,800	127,700
IIFL Finance	69,900	62,500	75,573	99,826	86,178
Capri Global	NA	100,600	110,900	128,000	167,000

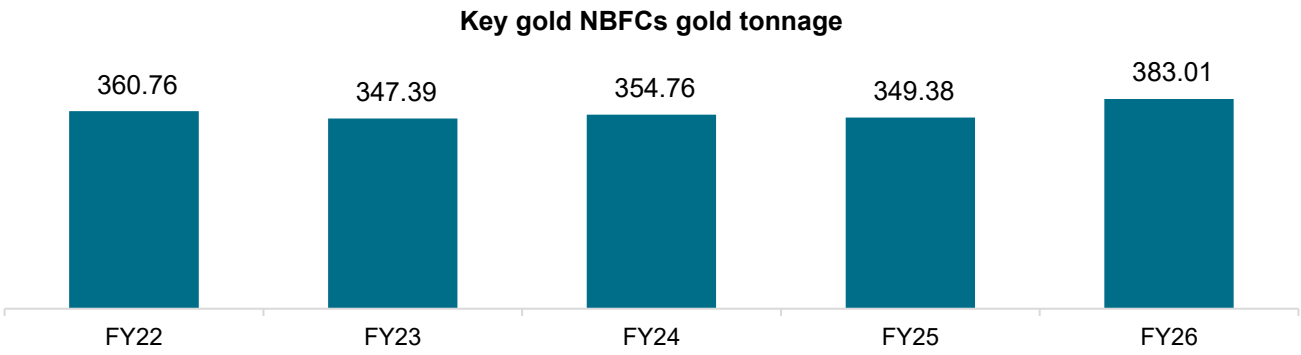
NA: not available

Note: Muthoot Finance's average ticket size for fiscal 2025 is as of December 2024

Source: Company reports, Crisil Intelligence

The average ticket size across key gold loan NBFCs increased during fiscal 2026, largely reflecting the sharp appreciation in gold prices between fiscal 2024-26. Higher collateral values enabled borrowers to access larger loan amounts without a proportionate increase in the quantity of gold pledged.

Moderate growth in gold tonnage amid robust credit outstanding growth in fiscal 2026



Source: Company reports, Crisil Intelligence
Note: The tonnage data is based on four key NBFCs, which account for ~80% of the overall gold loan advances as of March 2026.

The growth in credit outstanding outpaced the increase in gold tonnage. Key gold-focused NBFCs, accounting for nearly 80% of the specialised gold loan market, witnessed gold tonnage growth of around 10% in fiscal 2026 despite robust AUM growth, indicating that portfolio expansion was supported by both higher gold prices and a moderate increase in pledged volumes. Going forward, Crisil Intelligence expects growth to gradually become more volume led. Continued branch expansion, digital initiatives and expansion into underpenetrated geographies are expected to deepen borrower penetration, support sustained growth in pledged gold volumes and drive long-term market expansion.

Role of AI and GenAI in strengthening gold loan operations

AI and GenAI are increasingly being embedded across the gold loan value chain, creating efficiencies in both front office and back-office functions. The following areas highlight the key stages where these technologies are driving operational improvements, enhancing risk controls and supporting scalable growth for gold loan NBFCs.

Gold valuation and collateral management: In the gold loan segment, AI-powered image recognition and analytics tools are increasingly supporting collateral assessment and valuation processes. These solutions improve consistency, reduce dependence on manual judgement, and enhance operational efficiency by enabling quicker and more accurate evaluation of pledged gold assets.

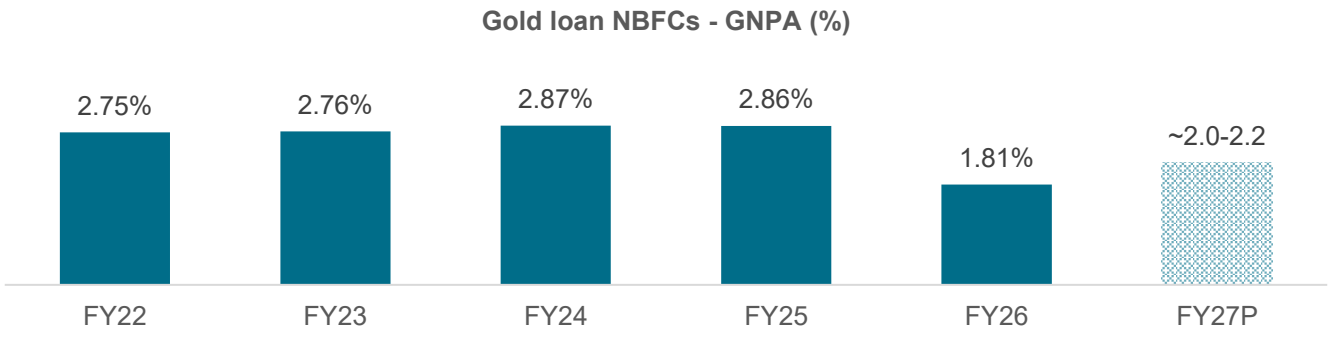
Collections and portfolio management: Machine learning models are enabling more proactive portfolio management through early-warning indicators and delinquency prediction frameworks. NBFCs can identify vulnerable accounts, prioritise collection efforts, and implement targeted interventions, improving recovery outcomes and reducing credit costs.

Operational efficiency and decision support: Large Language Models (LLMs) and GenAI applications are automating routine operational tasks such as document review, report generation, customer communication, and internal knowledge management. In addition, GenAI can generate real-time insights from large volumes of data, supporting faster decision-making and more efficient resource allocation across business functions.

At aggregate level the adoption of AI, ML, LLMs, and GenAI is enhancing efficiency across the gold loan value chain from customer acquisition and collateral assessment to risk management and collections. By reducing turnaround times, improving decision accuracy, lowering operational costs, and strengthening risk controls, these technologies are enabling NBFCs to scale their gold loan businesses more efficiently while enhancing customer experience and competitive positioning.

Asset quality of gold loan NBFCs

Gold loan NBFCs GNPA declined in fiscal 2026, aided by strong portfolio growth and legacy NPA resolution



P: Projected

Note: The GNPA percentage is calculated based on gold loan NBFCs, which accounted for ~88% of NBFC gold finance AUM as of March 2026
Source: Company reports, Crisil Intelligence

Asset quality improved meaningfully during fiscal 2026, with the aggregate GNPA ratio declining to 1.81% from 2.86% in fiscal 2025. The improvement was primarily driven by controlled slippages, stronger borrower repayment behaviour supported by elevated gold prices, and the resolution of legacy NPAs at the largest industry player through recoveries, write-offs and account closures.

While asset quality is expected to remain healthy, Crisil Intelligence expects the GNPA ratio to normalise modestly to 2.0-2.2% in fiscal 2027, as the one-off benefit from legacy NPA resolution is unlikely to recur.

Another emerging trend has been the gradual change in borrower profile. Stress in unsecured retail lending segments such as microfinance and personal loans during fiscal 2025 and fiscal 2026 resulted in some borrowers increasingly availing gold-backed loans by monetising their existing gold holdings to meet short-term liquidity requirements. While this has expanded the borrower base for gold loan NBFCs, it also warrants closer monitoring of borrower credit quality and repayment behaviour. Lenders are also witnessing a gradual increase in borrowers with multiple credit relationships, including customers holding more than one gold loan or simultaneously servicing gold loans and unsecured borrowings.

Profitability of gold financiers

Portfolio yields elevated in fiscal 2026 on account of legacy NPA recoveries and recovery-related income recognition

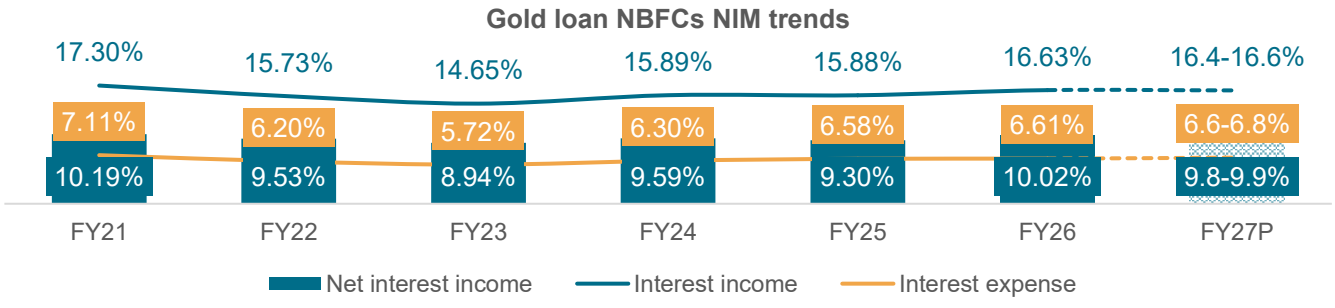
Interest income as a percentage of average total assets increased to 16.63% in fiscal 2026 from 15.88% in fiscal 2025. The increase primarily reflects interest income recognised following the recovery and closure of legacy NPA accounts, recovery-related transactions and asset reconstruction company (ARC)-related recoveries undertaken by a key industry participant during fiscal 2026. The resolution of these accounts enabled recognition of previously unaccounted interest income, resulting in higher reported portfolio yields. Several other specialised gold loan NBFCs also reported an improvement in portfolio yields during the year. The increase in aggregate portfolio yields was partly offset by a moderation in yields at another leading player, reflecting a strategic shift towards higher-ticket loans carrying comparatively lower lending rates.

Crisil Intelligence projects the portfolio yields to moderate to 16.40 -16.60% in fiscal 2027 in absence of one-off gains.

Although the RBI reduced the repo rate during fiscal 2026, interest expense as a percentage of average total assets increased only marginally to 6.61% from 6.58% in fiscal 2025. The limited transmission of policy rate cuts to borrowing costs resulted in funding costs remaining broadly stable during the year. In addition, the aggregate cost of funds continued to be influenced by one key industry participant, which incurred relatively higher borrowing costs following the temporary restrictions on gold loan disbursements imposed during fiscal 2025.

Interest expense is projected at 6.60 - 6.80% of average total assets in fiscal 2027. The outlook reflects elevated domestic bond yields, key management guidance indicating borrowing costs are likely to remain higher for longer and the possibility that prolonged geopolitical tensions may sustain inflationary pressures, delaying further monetary easing. Consequently, the transmission of lower policy rates to borrowing costs is expected to remain gradual.

Net interest margins expected to remain healthy despite moderation from fiscal 2026 levels



P: Projected
Notes:
1. *Ratios are based on average total assets*
2. *The ratios are calculated based on key gold focused NBFCs. Aggregate gold loans advances of these companies cover estimated 80% of the overall gold loan advances of NBFCs as of March 2026*

Source: Company reports, Crisil Intelligence

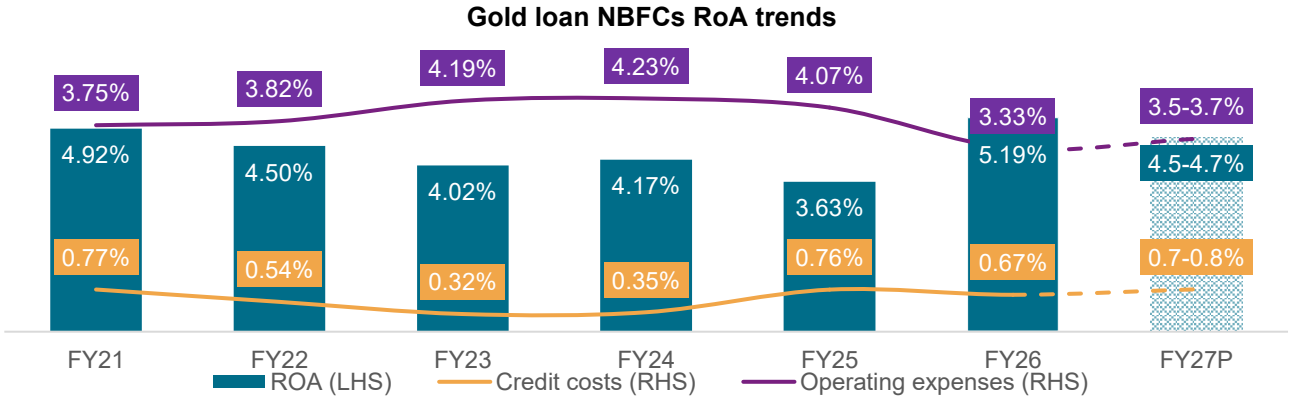
The increase in portfolio yields more than offset the marginal increase in funding costs during fiscal 2026, resulting in net interest margins (NIMs) improving to 10.02% in fiscal 2026 from 9.30% in fiscal 2025. As portfolio yields moderate while funding costs remain relatively firm, NIMs are projected to contract to 9.80 - 9.90% in fiscal 2027.

Operating expenses as a percentage of average total assets stood at 3.33% in fiscal 2026. Crisil Intelligence projects it to increase to 3.5-3.7% in fiscal 2027. The increase is expected to be driven by continued branch expansion, investments in customer acquisition and higher expenditure towards appraisal, documentation, valuation and compliance processes following the revised RBI gold loan directions. Auction-related expenses associated with the expected normalisation in asset quality may also contribute to a moderate increase in operating costs.

Credit costs declined to 0.67% in fiscal 2026 from 0.76% in fiscal 2025, reflecting lower provisioning requirements following the improvement in asset quality. Crisil Intelligence projects the credit costs to increase modestly to 0.7-0.8% in fiscal 2027, in line with the expected normalisation in GNPA levels. However, the secured nature of gold lending, conservative portfolio LTVs and prudent underwriting practices are expected to continue containing overall credit costs.

The revised RBI framework permits renewals and top-ups only for standard loan accounts, while detailed credit appraisal requirements have been relaxed for loans up to Rs 0.25 million. Although these measures are expected to support business growth, lenders are expected to continue strengthening borrower-level assessment by evaluating repayment capacity, leverage and cash flow profile, particularly considering the evolving borrower mix. The combined impact of moderating portfolio yields, relatively firm funding costs, higher operating expenses and a modest increase in credit costs is expected to soften profitability in fiscal 2027.

RoA expected to moderate from fiscal 2026 levels while remaining above historical averages



P: Projected
Notes:
1. *Ratios are based on average total assets*
2. *The ratios are calculated based on key gold focused NBFCs. Aggregate gold loans advances of these companies cover estimated 80% of the overall gold loan advances of NBFCs as of March 2026*

Source: Company reports, Crisil Intelligence

Return on assets (RoA) improved to 5.19% in fiscal 2026 and is projected to moderate to 4.5-4.7% in fiscal 2027. Despite the expected moderation, profitability is expected to remain healthy, supported by sustained portfolio growth, conservative portfolio LTVs, disciplined underwriting standards and continued demand for secured retail credit.

Potential threats and challenges in the segment

- **Gold price volatility:** Sharp price declines would compress LTV headroom, potentially triggering mandatory collateral top-ups or auctions, increasing credit risk and borrower dissatisfaction.

- **Regulatory implementation risk:** The April 2026 deadline requires significant operational reconfiguration, particularly for small NBFCs that may struggle with cash-flow-based underwriting and do not have income assessment capabilities in its existing business lines. Furthermore, stringent regulations and periodic changes in guidelines require gold loan providers to maintain high compliance standards. This adds to operational complexities and can restrict certain lending practices

- **Competitive intensity:** Banks with lower interest rates and broader branch networks continue to gain share from NBFCs in the agricultural and rural segments. Intensifying competition from banks and the entry of new NBFC players may increase pricing pressure, potentially compressing yields and moderating profitability.

- **Risk of loan defaults and fraud:** Gold loan providers face risks of fraud through fake or impure gold collaterals, as well as default risks from borrowers. Robust valuation and verification processes are essential to mitigate these threats

Microfinance industry in India

Historical growth & development of the Indian microfinance industry

The Indian microfinance industry is a vital component of the country's financial inclusion efforts, providing formal credit access to underserved and underbanked segments, particularly low-income households, women borrowers, micro-entrepreneurs and rural communities. Over the past decade or more, the industry has evolved from a fragmented lending ecosystem into a more regulated, institutionalised and technology-enabled sector, supported by enhanced regulatory oversight, increasing credit bureau integration, digital financial infrastructure, and improved underwriting practices.

Over the past two decades, the industry has evolved from a fragmented lending ecosystem into a more institutionalized and regulated segment of India's financial services industry. This evolution has been supported by the expansion of specialised NBFC-MFIs, participation of banks and small finance banks, adoption of credit bureau infrastructure and the introduction of a harmonized regulatory framework for microfinance lending.

The industry's growth trajectory has, however, been characterised by periodic disruptions, including the Andhra Pradesh microfinance crisis (2010), demonetisation (2016), farm loan waivers across multiple states (2016-2017), the non-banking financial company (NBFC) liquidity crisis (2018), the Covid-19 pandemic (2020-2021), the Assam Microfinance Incentive and Relief Scheme (AMFIRS), the Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025 and Tamil Nadu Money Lending Entities (Prevention of Coercive Actions) Act, 2025.

These events have highlighted the sensitivity of microfinance portfolios to borrower income disruptions, local operating conditions, collection efficiency and credit availability. They have also contributed to changes in industry underwriting practices, borrower-level credit assessment and portfolio monitoring. However, the MFI segment has consistently demonstrated its ability to stabilise operations, restore portfolio quality and resume growth trajectories within a relatively short period.

Industry AUM contracted during fiscal 2025 and fiscal 2026, followed by period of sustained expansion

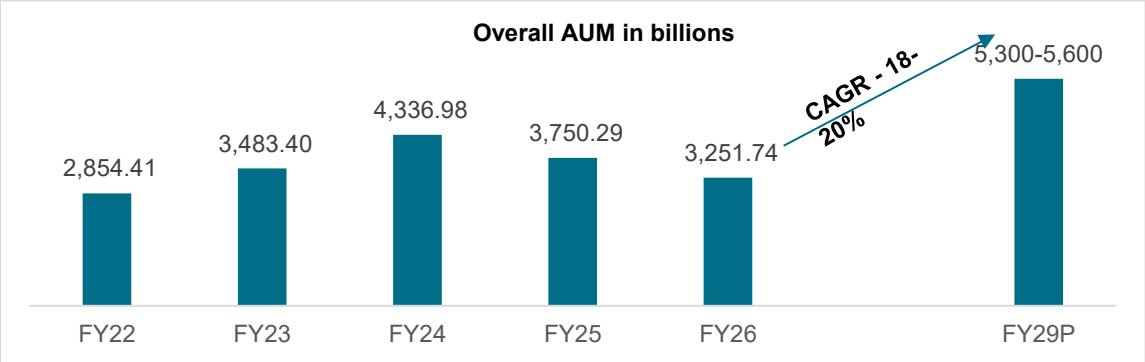
The overall microfinance industry AUM increased from approximately Rs 2,854.41 billion in fiscal 2022 to Rs. 4,336.98 billion in fiscal 2024, before moderating to Rs. 3,750.29 billion in fiscal 2025 and Rs. 3,251.74 billion in fiscal 2026. The moderation in portfolio outstanding during fiscals 2025 and 2026 was driven by elevated borrower indebtedness, multiple-lender exposure, deterioration in asset quality and a deliberate tightening of underwriting and disbursement practices across lender categories.

The industry's outstanding portfolio contracted by approximately 13% in fiscal 2026, with banks recording a sharper decline in microfinance exposure compared with NBFCs (including NBFC-MFIs). The contraction also reflected accelerated write-offs and portfolio rationalisation, which reduced reported outstanding balances even as lenders sought to stabilize their underlying credit portfolios.

The microfinance sector is expected to witness a recovery in fiscal 2027, driven by a favourable base, calibrated loan originations under Guardrails 2.0, moderation in borrower leverage, and improving asset quality trends. Going forward, Crisil Intelligence projects the overall microfinance industry AUM to reach approximately Rs. 5,300–5,600 billion by fiscal 2029, representing a CAGR of approximately 18–20% from fiscal 2026. The projected recovery is expected to be supported by a gradual increase in disbursements as the same has shown early signs of growth between Q1FY26 and Q4FY26, moderation in borrower overleveraging, improving performance of recently originated portfolios and a greater focus on borrowers with established repayment histories.

Industry-level guardrails and enhanced borrower-level credit assessments are expected to influence origination practices, with lenders increasingly assessing aggregate indebtedness and repayment obligations across credit relationships. The pace of recovery will nevertheless remain dependent on the sustainability of collection performance, availability of funding and the ability of lenders to expand without recreating the borrower concentration and indebtedness risks observed in earlier growth cycles.

Overall MFI Industry to grow at 18-20% CAGR between fiscal 2026 and fiscal 2029



Note: MFI AUM includes AUM of all the Player Groups (Banks, NBFCs, NBFC MFI, SFBs, Other Non-Profit MFIs); P: Projected

Source: Microfinance Institutions Network (MFIN); Crisil Intelligence

Key growth drivers

The Indian microfinance sector's growth is supported by a diversified lender ecosystem and balanced drivers, including borrower addition, rising ticket sizes, and geographic expansion, enabling sustainable and scalable growth.

Increase in ticket size

Despite elevated sector stress, average ticket sizes continued to rise, indicating lenders increasingly prioritised stronger repeat borrowers over broad-based borrower acquisition

ATS (Rs)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
NBFC-MFI	46,969	49,933	51,679	51,488	53,892	55,954	57,576	59,499
NBFCs	59,101	58,097	57,805	60,037	66,433	68,599	71,666	73,826
Banks (JLG)	48,457	49,210	53,728	55,116	54,863	65,687	58,169	60,789
SFBs	49,962	50,819	54,019	54,139	57,210	60,779	63,137	63,350

Source: MFIN, Crisil Intelligence

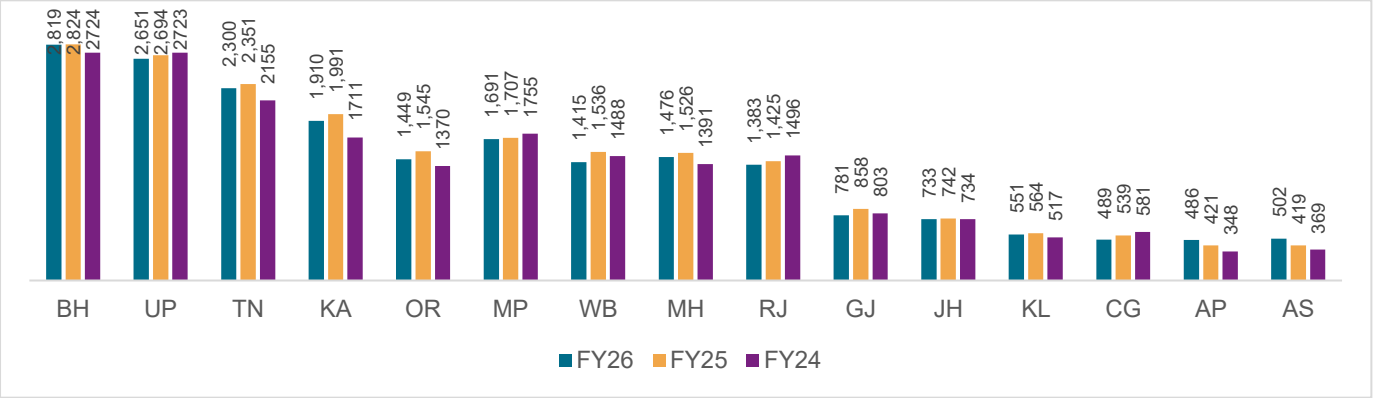
Average ticket sizes (ATS) across lender categories continued to increase despite elevated stress, suggesting lenders increasingly focused on larger-ticket lending to stronger existing borrowers with better repayment track records rather than expanding aggressively through new customer acquisition.

The microfinance industry has shown steady growth in average ticket sizes between fiscals 2022 and 2026, driven by customers graduating to higher loan cycles, inflation-adjusted lending and a focus on larger loans, as well as increased demand in semi-urban areas.

Players to tap newer and underpenetrated states and districts to widen client base

The industry's branch network has remained largely stable across states in fiscal 2026, with only minor adjustments in certain regions. The increase in branches from FY24 to FY25 across top 15 states marks the expansion phase of the industry. The decline in branch count in fiscal 2026 compared with fiscal 2025, reflects a strategic shift. Following a period of elevated credit stress and moderation in disbursements in fiscal 2025, MFIs have focused on branch rationalisation, improving productivity per branch and strengthening asset quality. We expect penetration to deepen going forward, which will further drive growth.

Total branches of MFIs in each state and UT

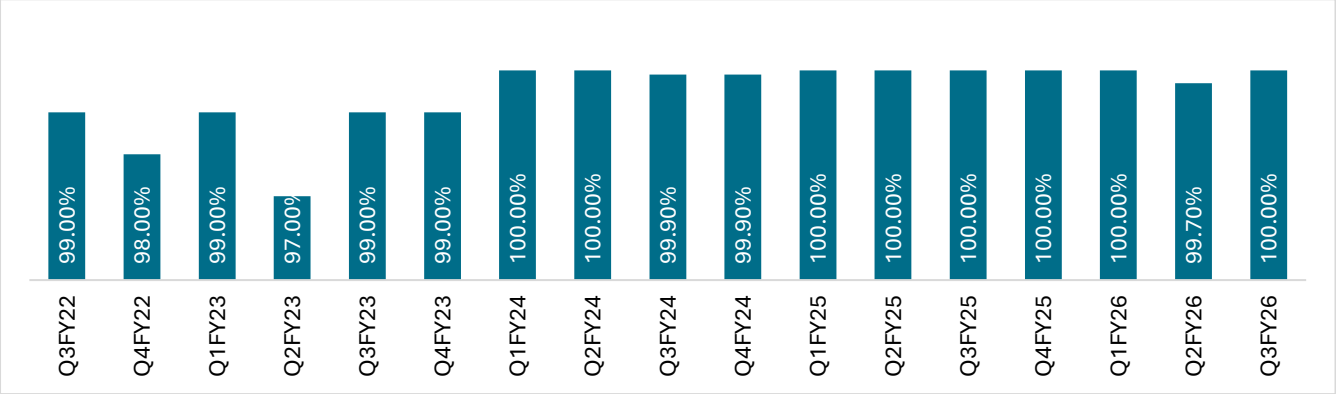


Note: Top 15 states with highest number of branches as of March 2026 are considered in the chart above
Source: MFIN, Crisil Intelligence

Digital and technology enablement

As the microfinance sector builds on a strong operating model, the next phase of evolution is being driven by the increasing adoption of digital infrastructure and technology-led processes. These are enhancing the way institutions deliver, monitor and scale up operations. One of the most significant shifts has been the move toward cashless disbursements and digital collections, reducing reliance on physical cash handling and improving operational efficiency. Digital transactions enable faster disbursement cycles, better traceability and stronger compliance, while also minimising operational risks. This transition supports a more secure and streamlined delivery framework, benefiting both institutions and borrowers.

Cashless disbursement (%)



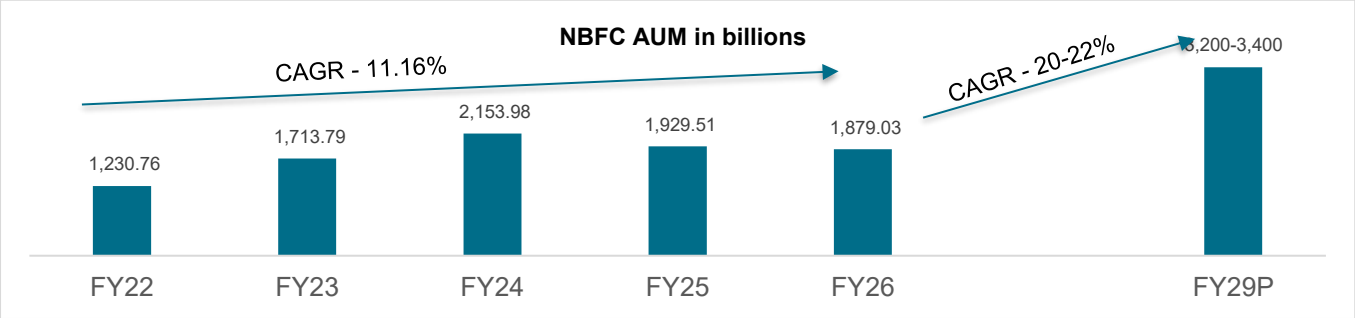
Source: MFIN, Crisil Intelligence

NBFCs have expanded their participation in microfinance lending, supported by specialised operating models

NBFCs, including NBFC-MFIs and diversified NBFCs, represent an important segment of the Indian microfinance industry, with overall NBFCs accounting for approximately 57.79% of overall microfinance outstanding in fiscal 2026. Between fiscal 2022 and fiscal 2026, the microfinance AUM of NBFCs increased from approximately Rs. 1,230.76 billion in fiscal 2022 to Rs.1,879.03 in fiscal 2026, representing a CAGR of approximately 11.16%, outpacing the overall industry growth. This growth was achieved despite the industry-wide contraction during fiscals 2025 and 2026.

Crisil Intelligence projects NBFC microfinance AUM to reach approximately Rs. 3,200–3,400 billion by fiscal 2029, representing a CAGR of approximately 20–22% over fiscal 2026.

NBFCs (including NBFC-MFIs) have outpaced the industry to grow at a CAGR of 11.16% and showing higher future projections of 20-22% till fiscal 2029



Note: NBFCs include –Diversified NBFCs, NBFC MFIs and other non-profit MFIs; Source: Microfinance Institutions Network (MFIN); Crisil Intelligence

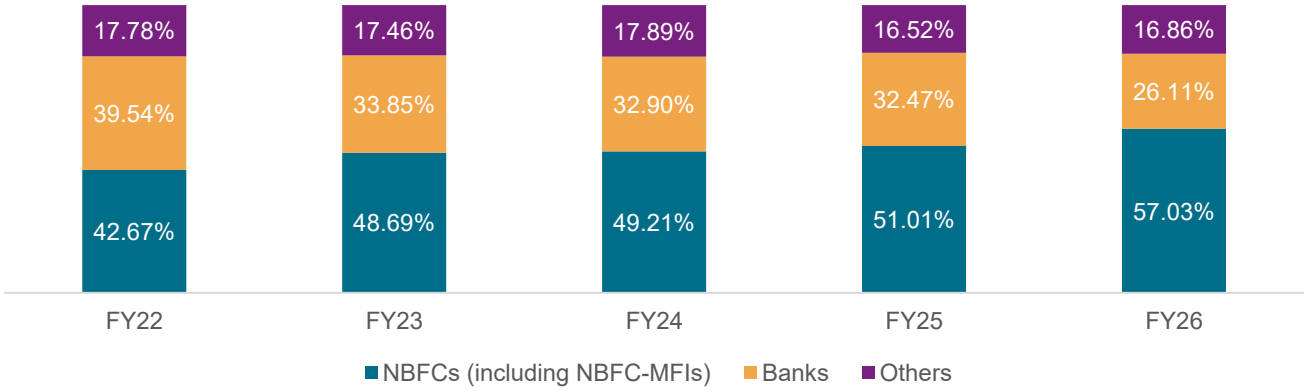
Specialised operating capabilities support the competitive positioning of NBFC-MFIs

Local borrower relationships and field-based operating models: NBFC-MFIs have developed borrower servicing and collection infrastructure supported by dedicated field personnel and established local distribution networks. These capabilities facilitate borrower interaction, household-level income assessment, monitoring of repayment behaviour and identification of localized credit stress.

Credit assessment supported by borrower-level information: Access to credit bureau information, borrower repayment histories and household-level indebtedness data has become increasingly important in assessing microfinance borrowers. Specialised NBFC-MFIs can utilise these data sources alongside field-level assessments to evaluate repayment capacity, identify multiple-lender exposures and support lending decisions.

Collection infrastructure and portfolio monitoring: Leading NBFC-MFIs have built strong collection frameworks that are supported by early warning systems to identify signs of stress at an initial stage. Prompt intervention, once an issue is detected, helps contain early-stage delinquencies and stops the slippages from falling into deeper overdue buckets. Crisil Intelligence expects the share of NBFCs to reach ~60% by fiscal 2029

Healthy credit growth across lender categories as the industry recovery broadens



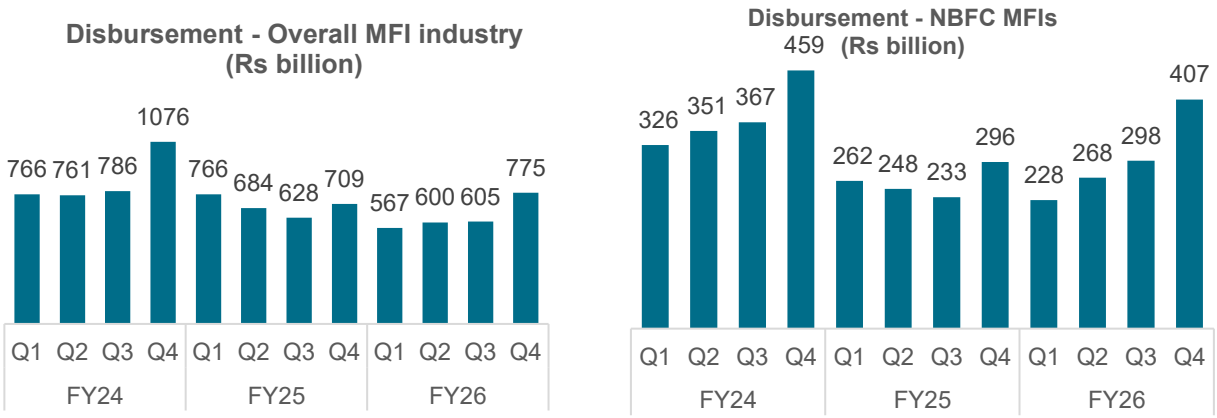
Notes: 1. For NBFC-MFIs, the outstanding book includes both on-book and off-book exposure, 2. NBFCs include –Diversified NBFCs, NBFC MFIs and other non-profit MFIs Source: Crisil Intelligence, Microfinance Institutions Network (MFIN)

Disbursement trends indicate emerging signs of recovery in credit origination

The microfinance industry witnessed a moderation in disbursement activity during fiscals 2025 and 2026, reflecting tighter underwriting practices, elevated borrower stress and portfolio rationalisation. However, disbursement activity showed signs of recovery during the latter part of fiscal 2026.

Overall industry disbursements increased from approximately Rs. 605 billion in the third quarter of fiscal 2026 to Rs. 775 billion in the fourth quarter, representing sequential growth of approximately 28%. The fourth-quarter disbursements were also higher than the corresponding quarter of fiscal 2025, indicating an improvement in origination momentum, although disbursement levels remained below the peak recorded in the fourth quarter of fiscal 2024.

Disbursements grew on a year-on-year basis in March 2026, showing signs of recovery and growth



Source: MFIN, Crisil Intelligence

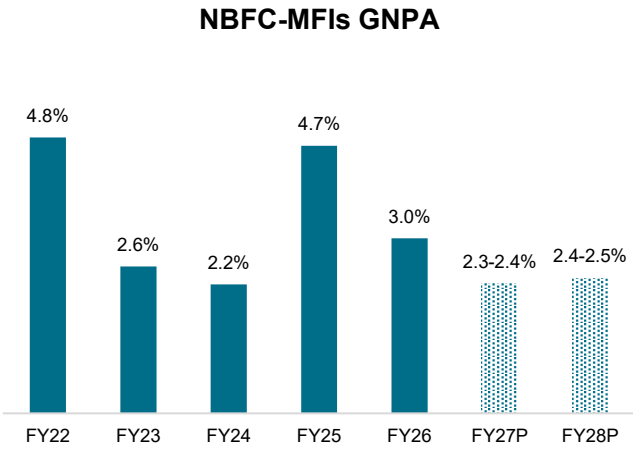
NBFC-MFIs outperformed the broader industry, with disbursements growing ~15.58% year-on-year for fiscal 2026 while overall industry has shown a degrowth of 8.61%. Going forward, disbursement momentum is expected to remain healthy for leading NBFC-MFIs, supported by improving borrower quality, disciplined underwriting and gradual normalisation of operating conditions. This should translate into stronger AUM growth in fiscal 2027 compared with the past two fiscals, as the impact of accelerated write-offs and portfolio run-downs moderates.

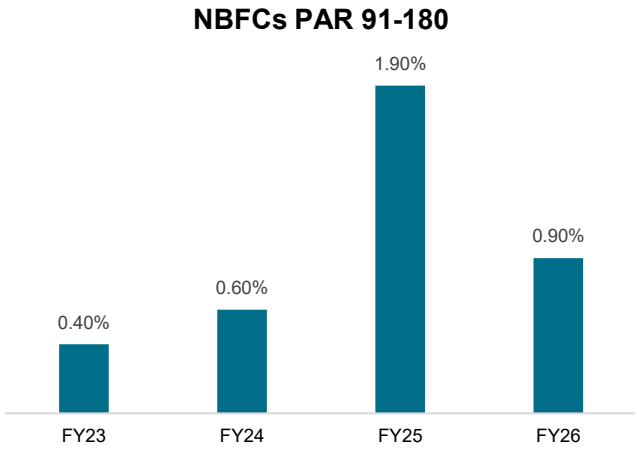
Asset quality improved during fiscal 2026, supported by portfolio rationalisation, accelerated write-offs and moderation in incremental delinquencies

The microfinance industry experienced a deterioration in asset quality during fiscal 2025, driven by elevated borrower indebtedness, multiple-lender exposure and repayment stress across certain borrower segments and geographies. The deterioration prompted lenders to strengthen underwriting practices, restrict lending to higher-risk borrowers, intensify collection efforts and accelerate the resolution or write-off of stressed exposures. During fiscal 2026, asset-quality indicators showed signs of improvement, supported by these corrective measures and the gradual seasoning of portfolios originated under tighter lending practices. This resulted into an aggregate GNPA moderation from approximately 4.7% in fiscal 2025 to 3.0% in fiscal 2026.

Historically, NBFCs (excluding NBFC-MFIs) have demonstrated stronger asset quality than NBFC-MFIs, reflected in consistently lower GNPA levels. While GNPA increased from 0.6% in fiscal 2024 to 1.9% in fiscal 2025, primarily due to sectoral stress, it improved to 0.9% in fiscal 2026 (Source: MFIN). This trend highlights the relatively resilient portfolio performance and superior asset quality of diversified NBFCs compared with NBFC-MFIs.

Disciplined new book creation & lower borrower leverage expected to support GNPA improvement in fiscal 2027





Source: Company reports, Crisil Intelligence
Note: The key NBFC-MFIs included for GNPA calculation account for ~93% of the overall NBFC-MFI industry as of March 2026; NBFCs PAR

Source: MFIN, Crisil Intelligence

Asset quality improvement expected in fiscal 2027 driven by disciplined new book creation

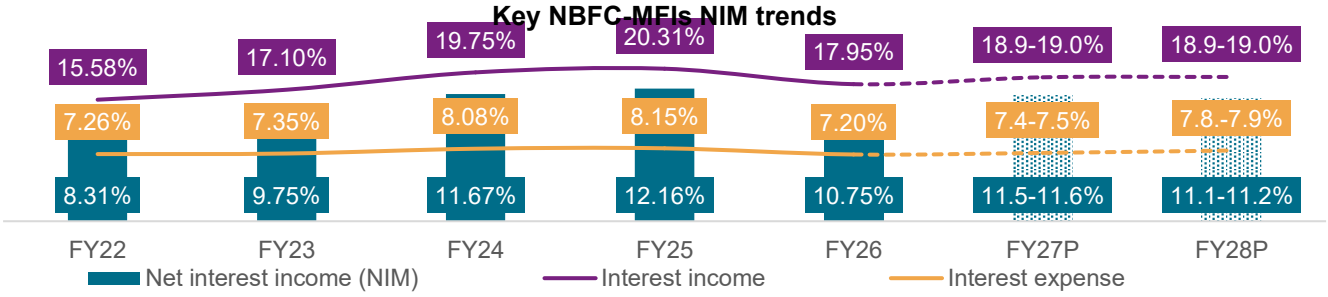
Early delinquency buckets improved in fiscal 2026 and remained stable in first quarter of fiscal 2027, indicating gradual normalization in portfolio quality. While early-stage delinquency trends have improved materially, particularly since the second half of fiscal 2026, some legacy stress continues to persist within the portfolio. Consequently, write-offs are expected to continue in fiscal 2027 (particularly first half of fiscal 2027) as lenders resolve residual stressed assets from older book vintages. However, write-off requirements are expected to be lower than those seen in the previous two fiscals, supported by improving borrower quality, stronger collection performance and better seasoning of the new book. As a result, asset quality is expected to improve gradually through fiscal 2027. That said, the improvement in GNPA levels is likely to be measured rather than sharp.

While underlying portfolio quality has strengthened, the microfinance sector remains exposed to climate-related risks given the significant dependence of borrower cash flows on agriculture and allied activities. Although no material stress has emerged so far, adverse climatic events could affect repayment behaviour in certain regions, with any impact likely to become visible towards the latter part of fiscal 2027 and extend into fiscal 2028. Crisil Intelligence, therefore, expects GNPA for NBFC-MFIs to be in the range of 2.3-2.4% in fiscal 2027. However, factoring in potential climate-related risks and their possible impact on borrower cash flows, GNPA may edge up marginally to 2.4-2.5% in fiscal 2028, despite the continued improvement in underlying portfolio quality and underwriting standards.

Profitability

In fiscal 2026, interest income declined to 17.95% of average assets (from 20.31% in fiscal 2025) due to higher interest reversals on delinquent and stressed accounts. It is expected to improve to 18.9-19.0% in fiscal 2027, supported by healthier credit demand, better portfolio quality and lower reversals. Meanwhile, interest expense moderated to 7.20% in fiscal 2026 (from 8.15% in fiscal 2025) but is projected to increase gradually to ~7.4-7.5% in fiscal 2027 and 7.8-7.9% in fiscal 2028 amid repo rate hikes and borrowing repricing. Consequently, NIM declined to 10.75% in fiscal 2026, is expected to improve to 11.5-11.6% in fiscal 2027, and moderate slightly to 11.1-11.2% thereafter.

Better yields, moderation in credit costs and gradual operating expense rationalisation expected to support profitability recovery in fiscal 2027

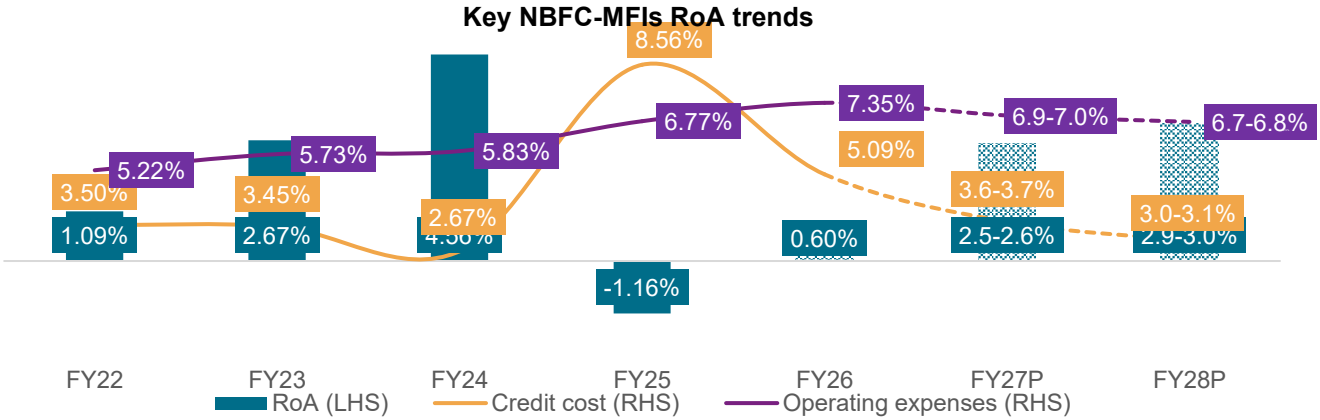


P – Projected; Note: Computation of ratios is based on average total assets. Companies considered are key NBFC-MFIs accounting for ~93% of AUM as of March 2026; Source: Company reports, Crisil Intelligence

Credit costs moderated significantly to 5.09% of average assets in fiscal 2026 from 8.56% in fiscal 2025, though they remained above the historical range of 2.5-3.5% due to residual portfolio stress. With improving asset quality, lower write-offs and easing stress, credit costs are expected to decline further to ~3.6-3.7% in fiscal 2027.

Consequently, RoA improved to 0.6% in fiscal 2026 and is projected to strengthen to ~2.5-2.6% in fiscal 2027 and ~2.9-3.0% in fiscal 2028, supported by lower credit costs, margin expansion, reduced provisioning requirements and operating leverage benefits, despite some pressure on margins from higher funding costs. The estimates factor in a normal level of climate-related contingencies and management overlays. Nevertheless, any severe or widespread climatic disruptions beyond current expectations may necessitate incremental provisions and impact profitability.

Improving yields, driven by lower interest reversals, expected to support NIMs despite a modest rise in funding costs



P – Projected; Note: Computation of ratios is based on average total assets. Companies considered are key NBFC-MFIs accounting for ~93% of AUM as of March 2026; Source: Company reports, Crisil Intelligence

Key threats and challenges

The MFI sector faces several issues that impact its operations and growth. These challenges can be broadly categorised as follows:

- **Borrower overleveraging and repayment stress** remain key concerns amid inflationary pressures, income volatility and multiple lending relationships. Economic disruptions, weather-related events and localized shocks could further affect collection efficiency.

- **Higher funding costs and constrained liquidity** continue to challenge the sector, as elevated interest rates increase borrowing costs and lenders adopt a more cautious stance. Smaller MFIs remain particularly vulnerable due to limited funding diversification.

- **Elevated operating costs** arising from the field-intensive nature of microfinance continue to pressure margins. Investments in collections, customer acquisition and compliance are further increasing operational expenditure.

- **Shift towards individual lending** is gradually weakening the traditional Joint Liability Group (JLG) model, reducing the effectiveness of peer-monitoring mechanisms. This necessitates stronger underwriting frameworks, enhanced credit assessment and closer borrower monitoring.

- **Macroeconomic and regulatory uncertainties** could continue to weigh on sector performance. Persistently high inflation, interest rate volatility, adverse climatic events and evolving regulatory expectations may impact borrower cash flows, credit quality and growth prospects.

Overview of Auto Finance in India

Automotive demand in India

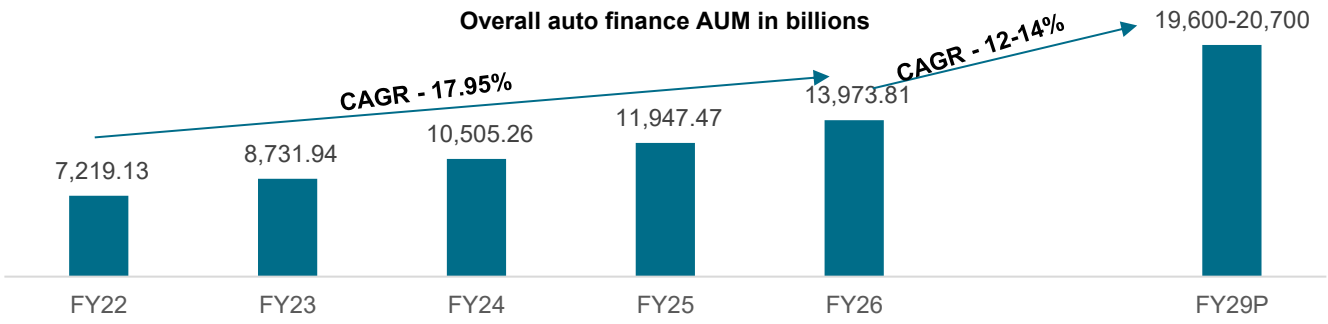
India's vehicle finance industry is amongst the largest retail lending segments and serves as an enabler of mobility, consumption, and economic activity. Vehicle financing spans passenger vehicles (PVs), commercial vehicles (CVs), two-wheelers, tractors, and three-wheelers, with banks, NBFCs, captive finance arms of OEMs, and emerging fintech lenders collectively supporting vehicle ownership across urban and rural markets. With vehicle prices rising steadily over the past decade, financing has become a crucial element. Rising disposable incomes, increasing vehicle penetration in Tier II and Tier III cities, digital lending capabilities, and improving credit access continue to drive growth in the sector.

While financing of new vehicles remains the largest component of the industry, the used vehicle segment has emerged as one of the fast-growing opportunities. Structural factors such as affordability concerns, faster replacement cycles, increasing supply of certified pre-owned vehicles, and digital marketplaces have contributed to the formalisation of India's used vehicle ecosystem. This trend has significantly expanded the addressable market for lenders seeking higher-yielding retail assets.

Overall vehicle finance AUM grew at a healthy rate of 17.95% between fiscal 2022 and 2026, slight moderation expected in medium term

In fiscal 2026, overall vehicle finance segment recorded 16.96% growth vis-à-vis 13.73% in fiscal 2025. This expansion was supported by improved market sentiment, renewed momentum in vehicle sales, and policy-led affordability measures, including GST rationalisation and interest rate cuts, which meaningfully revived buyer sentiment. Growth was witnessed across all major segments. Vehicle financing momentum was further aided by lower borrowing costs following 125 bps repo rate cuts in early fiscal 2026, reducing weighted average fresh rupee loan rates for banks to ~9.6% as of March 2026 from 10.9% as of February 2025, alongside improved digital and faster loan approval processes.

Vehicle finance growth expected to remain healthy till fiscal 2029, though relatively lower than fiscal 2026 amid a higher base and gradual normalisation of GST-led tailwinds



Note: P – Projected
Source: Reserve Bank of India (RBI), Company reports, Crisil Intelligence

Going forward, Crisil expects vehicle finance industry to sustain healthy growth of ~12-14% till fiscal 2029, with both banks and NBFCs likely to expand broadly in line with industry trends. Growth will continue to be supported by steady demand across key vehicle segments, aided by the residual benefits of GST rationalisation and the anticipated implementation of the 8th Pay Commission, which could provide an incremental demand stimulus, particularly across select vehicle categories. Furthermore, in a scenario of elevated interest rates with RBI hiking the repo rate by 25bps in October, affordability pressures could influence vehicle purchase decisions among certain borrower cohorts, tempering incremental financing demand.

Key monitorable

Despite ongoing geopolitical uncertainties arising from the West Asia conflict, vehicle sales trends and financing activity have remained resilient thus far, with no material stress visible across major vehicle finance portfolios.

Nevertheless, monsoon trends remain an important monitorable for fiscal 2027, as weaker-than-expected rural conditions may influence demand across rural-linked vehicle categories such as tractors and TWs. Accordingly, lenders with relatively higher exposure to these segments are likely to remain watchful of demand trends and portfolio performance.

Key growth drivers for vehicle finance

- **Integration of digital marketplaces with lending platforms:** The collaboration between online vehicle marketplaces and digital lending platforms is enabling a seamless customer journey from vehicle browsing to loan applications and approval within a single digital ecosystem. This integration allows for instant credit assessment, digital documentation, and quick disbursal, significantly improving customer experience and expanding the reach of vehicle finance to digitally savvy buyers.

- **Adoption of AI-driven credit underwriting and asset valuation:** Financial institutions are leveraging artificial intelligence and advanced analytics to assess borrower creditworthiness and accurately value vehicles. These tools use historical transaction data, vehicle condition reports, and predictive algorithms to reduce default risk and extend credit to segments that were previously considered high-risk or unbanked. This innovation is widening the pool of eligible borrowers and improving portfolio quality.

- **Bundling of value-added services with loan products:** Lenders are differentiating their offerings by bundling loans with value-added services such as maintenance contracts, extended warranties, insurance, and guaranteed buy-back schemes. These bundled products provide additional security and convenience to buyers, making vehicle finance more attractive and increasing loan penetration among consumers seeking comprehensive ownership solutions.

- **Regulatory support for digital onboarding and documentation:** Recent regulatory changes permitting digital KYC, e-signatures, and electronic document submission have simplified customer onboarding and loan processing. This has enabled lenders to serve customers remotely, reduce paperwork, and scale operations efficiently, particularly in regions where physical branch presence is limited.

- **Expansion of certified pre-owned dealership networks:** The emergence and growth of branded, certified pre-owned dealerships and franchise chains are transforming the used vehicle market. These outlets offer rigorous quality checks, transparent pricing, and warranty-backed vehicles, which not only increase buyer trust but also create a structured environment for financiers to partner with and offer tailored loan products. This organised approach reduces risk for lenders and makes financing more accessible to consumers.

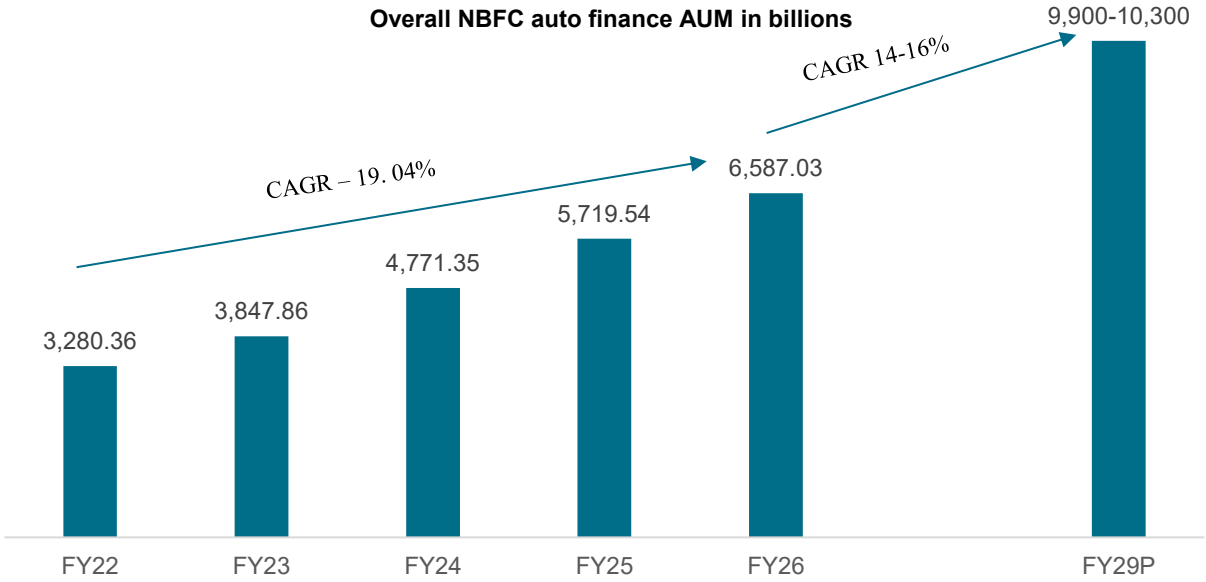
NBFC auto credit outstanding outlook

The credit growth for NBFCs in auto finance AUM has outpaced the growth of overall auto finance AUM. Auto finance credit outstanding of NBFCs grew 19.04% between fiscals 2022 to 2026, supported by healthy vehicle sales, GST rationalisation and a lower interest-rate environment. However, growth was partly constrained by sustained competition from banks, particularly in the new-vehicle segment, given their lower cost of funds and greater ability to offer competitive lending rates.

While GST rationalisation supported vehicle sales, the reduction in vehicle prices also lowered average financing requirements and loan ticket sizes. Consequently, the improvement in vehicle sales volumes did not translate proportionately into growth in outstanding credit.

NBFC vehicle finance outstanding is projected to grow 14–16% in medium term, marginally higher than the projected growth rate of overall auto finance AUM, supported by healthy underlying demand. However, macroeconomic headwinds such as potential El Niño conditions, elevated inflation and a higher interest-rate environment remain monitorable. These may affect rural cash flows, increase vehicle ownership and financing costs, and moderate demand across vehicle segments. A slowdown in economic activity or freight movement could also weigh on commercial vehicle demand, limiting a material acceleration in overall credit growth.

NBFC vehicle finance growth to moderate in medium term, supported by healthy demand, though macroeconomic headwinds remain monitorable



P – Projected, Source: RBI, Company reports, Crisil Intelligence, Industry interactions

The projection factors in some moderation in macroeconomic and climatic conditions; however, an unexpected and materially sharper deterioration could result in growth undershooting the projected range.

Competitive Scenario

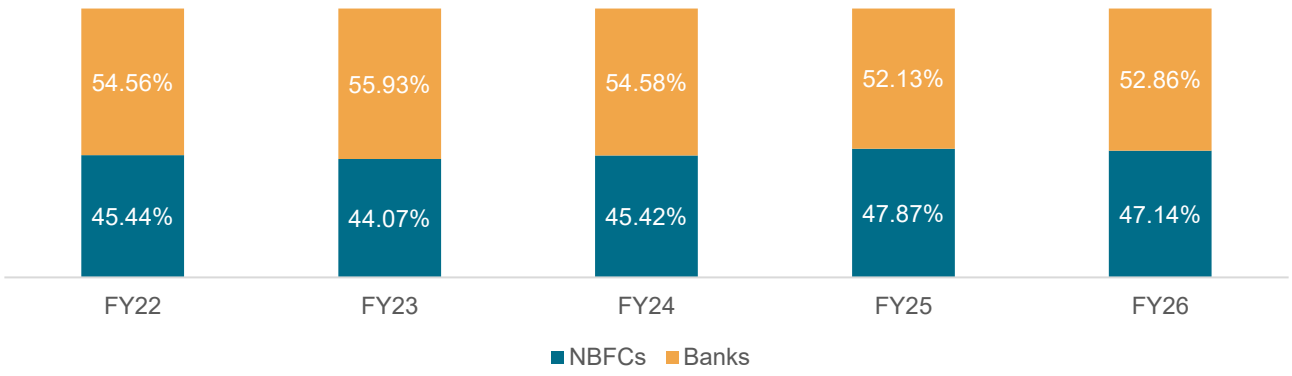
The NBFC share in the auto finance market has increased from 45.44% in fiscal 2022 to 47.14% in fiscal 2026. Meanwhile, bank's share in the overall auto finance mix decreased from 54.56% in fiscal 2022 to 52.86% in fiscal 2026. Banks continue to maintain an edge in new vehicle financing, supported by lower cost of funds and stronger customer profiles, while NBFCs remain more specialised in used vehicle financing.

The two-wheeler finance segment remains a key stronghold for NBFCs due to their deeper penetration in rural markets, lower ticket-size lending, and limited organised banking presence in such geographies. NBFCs account for ~ 65-70% of two-wheeler financing. Similarly, tractors remain an important segment for NBFCs due to their rural reach, although banks' increasing participation through priority sector lending has created a more balanced competitive environment. Nevertheless, customised EMI structures continue to support NBFC positioning.

NBFCs also account for ~ 60-65% of the CV financing market, supported by strong relationships with small fleet operators, first-time buyers, and rural transporters. Their faster loan processing, higher loan-to-value ratios, and stronger understanding of local markets remain key advantages. In contrast, banks typically focus on larger fleet operators, higher-credit borrowers, and bigger-ticket segments such as MHCVs.

Thus, while banks strengthened their market share in fiscal 2026, NBFCs continue to retain strategic importance across used vehicles, financing in rural markets, two-wheelers, tractors, and small CV segments.

Banks have been able to maintain the largest market share across fiscals 2022 to 2026



Source: Reserve Bank of India (RBI), Company reports, Crisil Intelligence

Segmental level volume trends

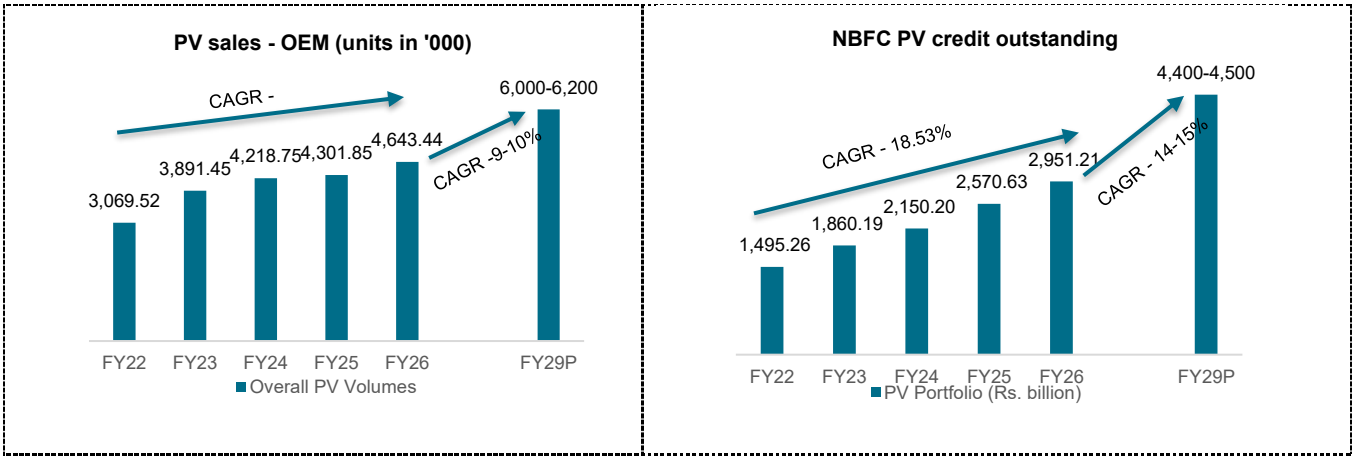
Passenger vehicles

Passenger vehicle demand has gained strong momentum in recent years, driven by a combination of rising incomes, premiumisation, and improved financing accessibility. Consumers are increasingly opting for higher-end models equipped with advanced features, enhanced safety systems, and superior comfort, resulting in a shift towards premium vehicles and a higher average ticket size. At the same time, sustained growth in disposable incomes and improving economic prospects have strengthened purchasing power, making vehicle ownership more affordable. The availability of easier financing, characterized by higher loan-to-value ratios, longer repayment tenures, and competitive interest rates, has further reduced upfront affordability constraints, enabling a larger pool of consumers to upgrade or purchase vehicles. These factors, together with evolving consumer preferences, have supported robust growth in the passenger vehicle segment.

India's finance penetration for new passenger vehicles is at 95%. Dealers have played a critical role in enabling smoother passenger vehicle financing by acting as a one-stop solution for both vehicle purchase and loan approval. Through tie-ups with banks, NBFCs, and captive finance arms of OEMs, dealers offer customers multiple financing options at the showroom itself, reducing documentation hassles and approval timelines. The increasing use of digital credit assessment, pre-approved loan offers, higher loan-to-value ratios, and longer repayment tenures has further improved affordability.

PV industry volumes are expected to grow by ~9-10% till fiscal 2029, supported by the tail-end impact of GST rationalisation and expectations surrounding the implementation of the 8th Pay Commission. Historically, following the implementation of the 6th and 7th Pay Commissions in 2006 and 2016, PV sales growth accelerated meaningfully over the subsequent two years (accelerated by 100 – 200 basis points compared with the decadal growth). However, geopolitical developments and the inherently cyclical nature of the segment remain key monitorable.

Reduction in rates and premiumisation supported PV credit expansion in fiscal 2026; banking competition remains intense



P – Projected
Source: SIAM, Company reports, Crisil Intelligence Estimates, Industry Interactions

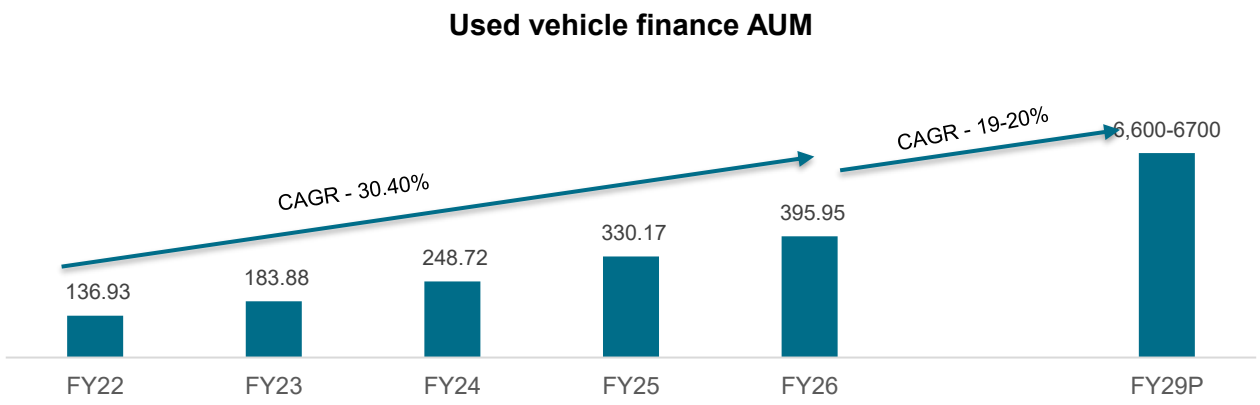
Used Vehicles (UVs)

Pre-owned car finance is emerging as a key growth area, driven by rising demand across customer segments

The pre-owned car finance segment in India is emerging as a key growth driver within the broader auto finance industry, underpinned by rising demand across diverse customer segments. Growth in the pre-owned vehicle market is increasingly being driven by demand from Tier 2 and Tier 3 cities, where rising income levels, improving road infrastructure, and increasing aspiration for personal mobility are expanding the customer base beyond metropolitan regions. The segment is also witnessing a growing share of younger buyers, particularly first-time car owners, who view used vehicles as an affordable entry point into vehicle ownership. Furthermore, OEM-backed certified pre-owned platforms are enhancing customer confidence through vehicle inspections, quality assurance, warranties, and financing support, making pre-owned vehicles a more reliable and organized purchase option. The increasing penetration of such certified programs is accelerating the formalization and growth of the used-car market.

Used vehicle financing AUM has grown at 30.4% during fiscals 2022-2026 and is expected to sustain a healthy growth rate of 19-20% through fiscal 2029, outpacing the expected growth of the overall passenger vehicle market. This growth is being driven by the rising cost of new vehicles due to higher input costs, which has improved the value proposition of pre-owned vehicles. Additionally, increasing consumer preference to upgrade to newer and more premium models has boosted the supply of quality used vehicles in the market. The segment is also benefiting from strong financing penetration, with NBFCs maintaining a dominant presence in used vehicle financing owing to their broader customer reach, especially in tier 2 and 3 cities, flexible underwriting practices like providing loan to new to credit customer, while banks continue to hold a competitive advantage in the new vehicle financing segment.

Used vehicle finance AUM to grow at 19-20% between fiscal 2026 and fiscal 2029

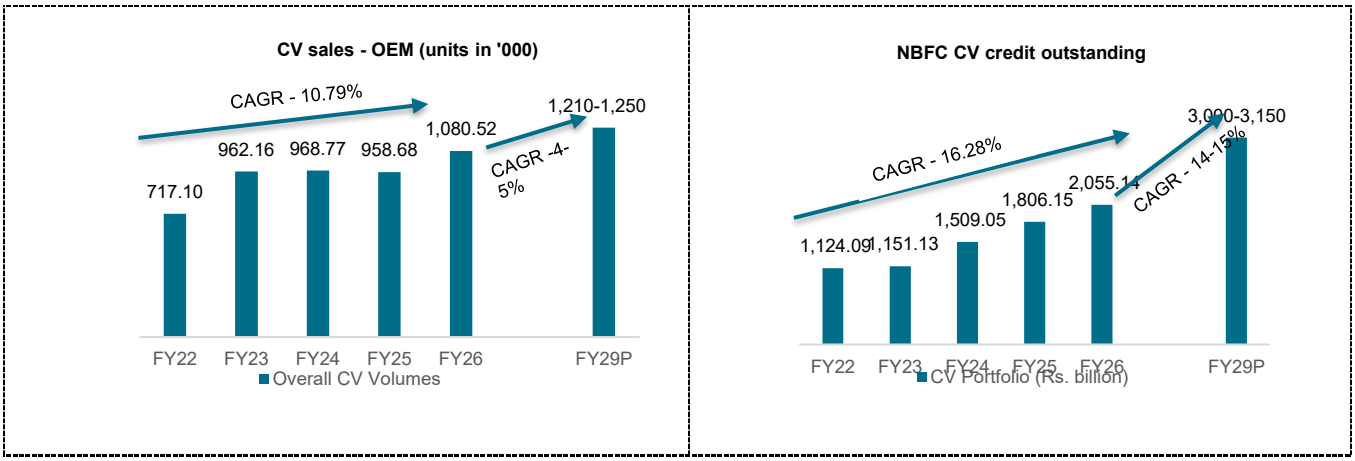


Source: SIAM, Company reports, Crisil Intelligence Estimates, Industry Interactions

Commercial vehicles

The commercial vehicle (CV) sector witnessed strong growth over the past few fiscals, supported by the government's sustained focus on infrastructure development and higher capital expenditure on roads, highways, mining, and logistics projects, which boosted demand for medium and heavy commercial vehicles. The implementation of GST continued to drive freight formalization, leading to improved fleet utilization and replacement demand from organized transport operators. Simultaneously, NBFCs expanded their reach through digital underwriting, faster loan approvals, and co-lending partnerships with banks, enhancing credit access across Tier 2 and Tier 3 markets. Lenders also intensified their focus on rural and semi-urban geographies, where rising economic activity and improving connectivity supported vehicle purchases. Further, the rapid expansion of e-commerce, last-mile delivery, and warehousing networks drove strong demand for light commercial vehicles (LCVs), making them one of the fastest-growing segments within the CV industry.

CV's to record 14-15% growth till fiscal 2029 on the high base of fiscal 2026



P: Projected
Source: SIAM, Company report, Crisil Intelligence Estimates, Industry Interactions

CV finance growth for NBFCs is expected to remain healthy in medium term, supported by ongoing freight movement, healthy vehicle utilisation levels and replacement demand. However, growth may moderate from fiscal 2026 levels owing to a relatively higher base and finance penetration for CVs at 98%, while geopolitical developments may and the inherently cyclical nature of the segment remain key monitorable.

Additionally, the healthy OEM volumes are expected to translate into higher demand for NBFC-led vehicle finance over the next two fiscals, supported by a steady flow of assets into the secondary market. Crisil Intelligence expects that vehicles sold in fiscal 2026, following GST rationalisation, are likely to enter the used vehicle market in subsequent years, which could keep pricing in the secondary market relatively moderate.

Tractors

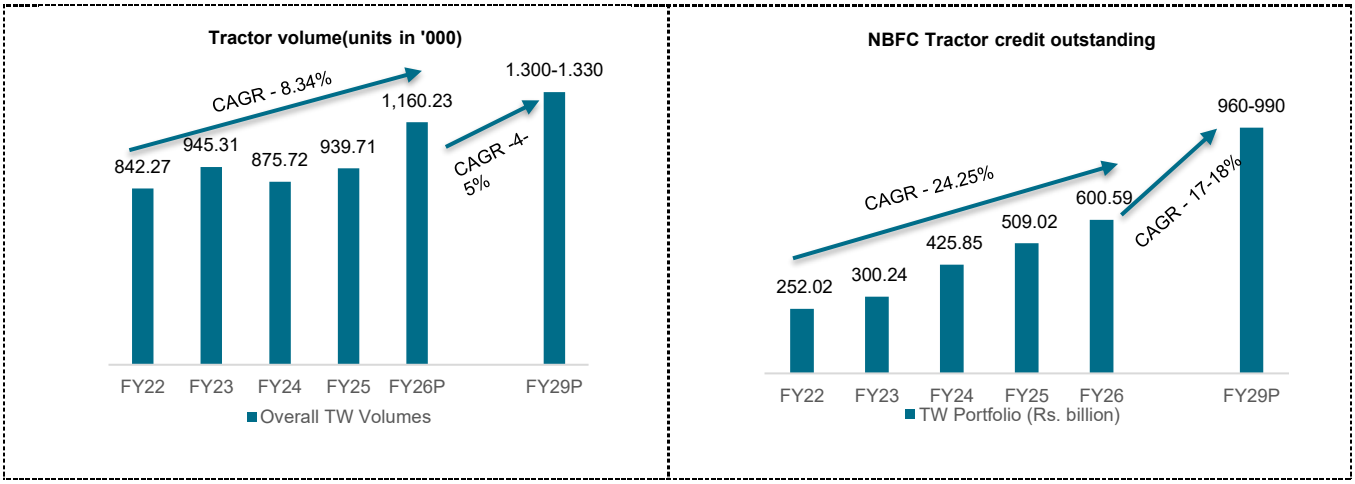
The tractor market in India continues to serve as a key indicator of rural economic activity, supported by the ongoing shift toward mechanised farming practices. Tractor sales are influenced by multiple factors, including financing availability, government subsidies, agricultural output, contract farming activity, and overall rural prosperity.

Demand also remains highly sensitive to weather conditions, particularly rainfall patterns, which significantly influence crop output and farmer sentiment. In addition, government policies relating to crop pricing, including Minimum Support Prices (MSPs), continue to play an important role in shaping tractor demand.

Tractor volumes in fiscal 2026 increased by 23.46%, supported by above-normal monsoon conditions and GST rationalisation. Higher reservoir storage levels supported Rabi crop prospects, while higher MSPs, stronger Kharif acreage, and expectations of increased government procurement provided incremental support to rural incomes and purchase sentiment. Tractor industry growth is expected to remain flat and be in the range of 9-10% given the high base of fiscal 2026.

While a higher replacement pool and deferred replacement purchases from fiscal 2026 are expected to support tractor demand in fiscal 2027, monsoon outcomes remain a key monitorable. Historically, weak rainfall has led to tractor volume corrections through its adverse impact on farm incomes and purchase affordability.

Tractor volume growth to decline till fiscal 2029 primarily on an elevated base



P: Projected
Source: Tractor Manufacturers Association (TMA), Company reports, Crisil Intelligence Estimates, Industry Interactions

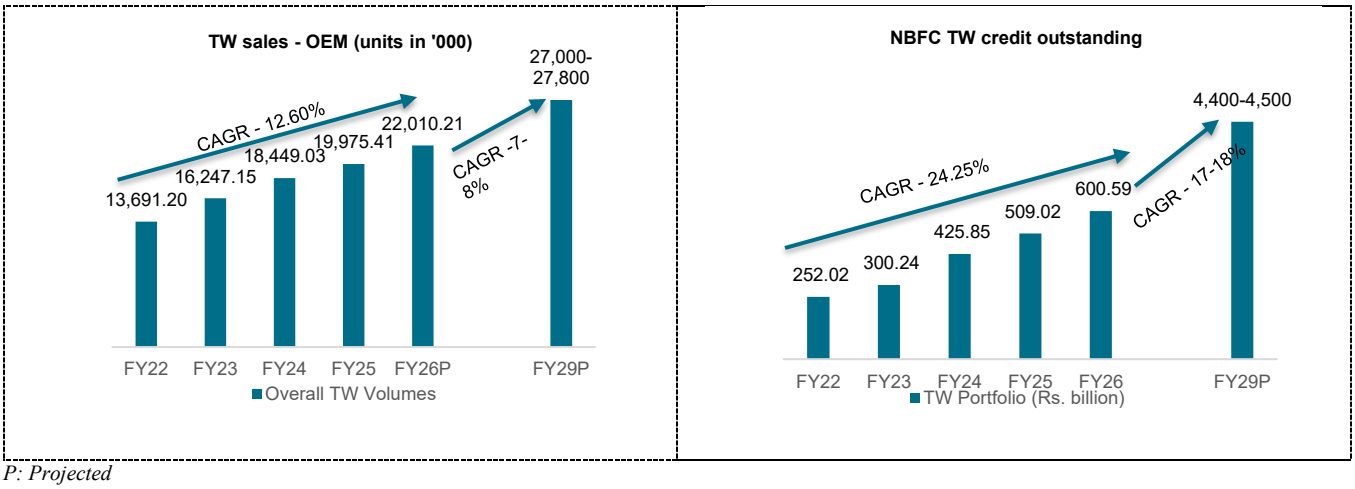
Two-wheelers (TWs)

India's growing urban population has increased the need for affordable and convenient personal mobility, while the expansion of public transportation infrastructure has not kept pace with rising demand. In this context, two-wheelers continue to serve as an efficient mode of transport due to their affordability, fuel efficiency, and ability to navigate congested urban roads. The segment's growth has also been supported by robust demand from rural and semi-urban markets, improving income levels, and wider availability of financing options, which have enhanced accessibility for a larger customer base. Additionally, government initiatives promoting electric two-wheelers through subsidies and policy support have accelerated adoption, further strengthening demand across the industry.

Between fiscals 2022 and 2026, TW volumes grew by 12.60%, supported by improving rural sentiment, above-normal monsoon, GST rate cuts, reductions in income tax and interest rates, healthy crop prices, and pent-up replacement demand. The recovery has moved beyond a low-base rebound, with fiscal 2026 volumes exceeding fiscal 2019 levels.

TW volumes are expected to grow by 7-8% till fiscal 2029, supported by the residual affordability benefits of GST rationalisation, a widening replacement pool as pre-Covid purchases enter their replacement cycle, and a continued shift towards scooters and electric TWs. Finance penetration for two wheelers is at 62% marking scope for growth in medium term.

The TW sector is expected to remain healthy in medium term



P: Projected
Source: SIAM, Company reports, Crisil Intelligence Estimates, Industry Interactions

Rainfall deviation remains a key monitorable for rural TW demand, given its direct bearing on farm incomes, liquidity and discretionary spending. While rainfall was ~8% above normal in fiscal 2026 and supported rural confidence and volume recovery, fiscal 2027 is expected to witness a ~10% deficit versus normal rainfall.

However, lenders with relatively higher exposure to rural and semi-urban markets are likely to remain watchful of demand trends and asset quality indicators, particularly if monsoon-related weakness persists beyond current expectations.

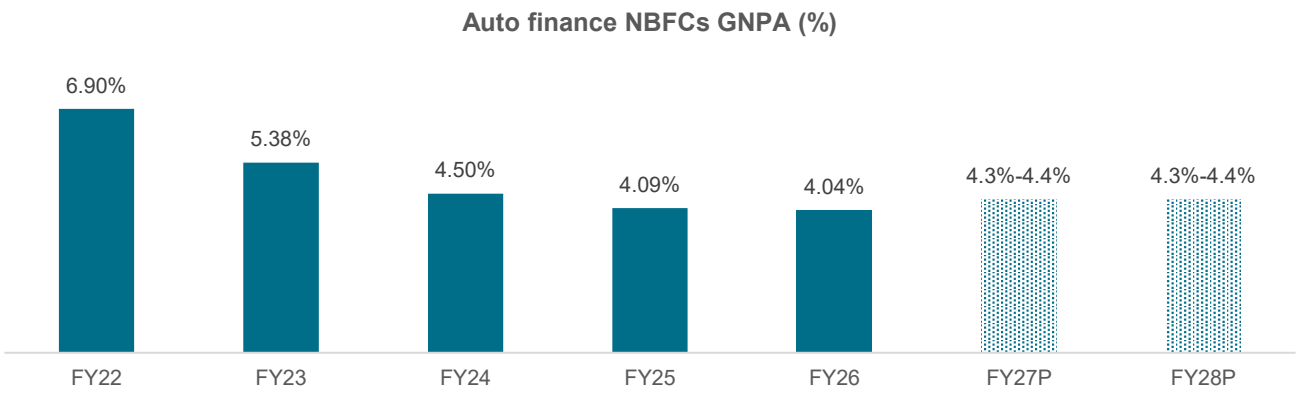
Asset quality of Auto financing NBFCs

Overall GNPA for auto finance NBFCs remained rangebound in fiscal 2026 versus fiscal 2025

Overall GNPA for auto finance NBFCs stood at 4.04% in fiscal 2026. While the headline GNPA remained broadly unchanged compared with fiscal 2025, the underlying asset quality improved. This is because a large auto finance NBFC undertook a technical write-off in fiscal 2025, which reduced the reported GNPA for that year and created a favourable base for comparison.

Asset quality improved sequentially during the second half of fiscal 2026, supported by stronger collection efficiencies, healthier rural cash flows, improving economic activity and better operating conditions across secured vehicle finance segments. However, stress continued to persist in relatively riskier borrower segments, particularly within TW and select CV portfolios, warranting continued monitoring.

Overall auto finance GNPA expected to remain slightly elevated in fiscal 2027 amid external headwinds



P – Projected
Notes:
1. *Overall GNPA data is based on nine key pure-play auto finance NBFCs with predominantly vehicle finance-focused portfolios*
2. *Auto finance GNPA data is based on six key NBFCs, representing ~81% of the vehicle finance AUM as of March 2026*

Source: Company reports, Crisil Intelligence

The overall GNPA ratio for auto finance NBFCs is expected to inch up to 4.3-4.4% in fiscal 2027 and remain broadly rangebound in fiscal 2028. The outlook factors in risks arising from adverse climatic developments, including the possibility of an El Niño event, which may affect rural cash flows and repayment behaviour, particularly in segments such as two-wheelers and tractors.

Moreover, geopolitical uncertainties and the risk of elevated inflation remain key monitorables, given their potential impact on borrower cash flows and debt-servicing ability. While portfolio performance remains stable at present, any prolonged deterioration in rural economic conditions or macroeconomic environment may exert pressure on asset quality during the second half of fiscal 2027 and extend into fiscal 2028.

Profitability

Yield moderation remained limited in fiscal 2026 despite cumulative repo rate cuts

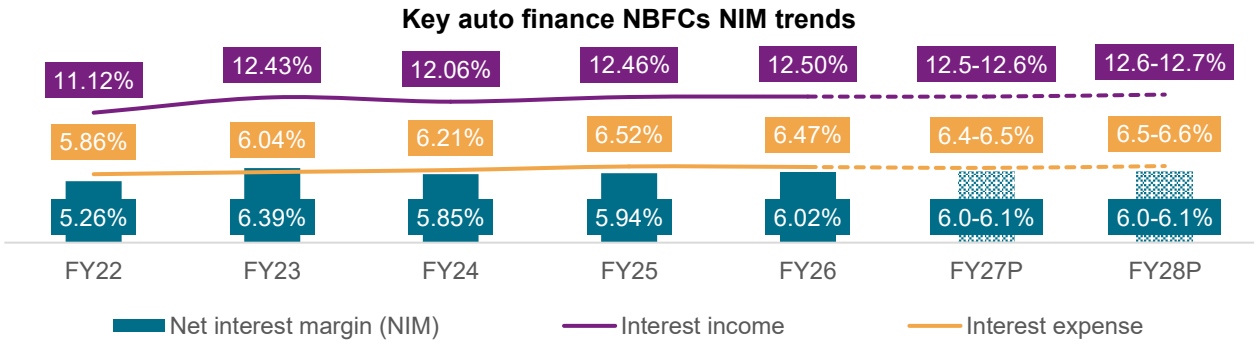
Vehicle financiers largely borrow at floating rates through bank and institutional term loans, while their lending portfolios are predominantly fixed rate in nature. As a result, repo rate changes are transmitted to lending yields with a lag. Despite cumulative repo rate cuts in fiscal 2026, yields softened only marginally, resulting in interest income easing slightly to 12.50% of average total assets from 12.56% in fiscal 2025. Yields are expected to remain broadly stable at ~12.5-12.6% in fiscal 2027, as lower rates on fresh disbursements during the early part of the year are likely to be offset by the October 2026 repo rate hike and potential further tightening. Given the high share of fixed-rate loans, portfolio re-pricing will remain gradual. Consequently, yields are projected to improve to ~12.6-12.7% in fiscal 2028 as a larger proportion of the loan book reflects lending in a higher interest rate environment.

The cost of funds remained broadly rangebound in fiscal 2026 despite cumulative repo rate cuts. This was primarily because one of the key auto finances, NBFCs, continued to carry a relatively higher average borrowing cost through most of the fiscal. Consequently, interest expense as a percentage of average total assets remained broadly stable at 6.47% in fiscal 2026.

Following the equity infusion, this key NBFC is expected to benefit from lower leverage and an improved funding profile, supported by structural funding advantages, a rating upgrade and lower deposit rates. Consequently, interest expense as a percentage of average total assets is expected to remain broadly stable at 6.40-6.50% in fiscal 2027. In fiscal 2028, it is projected to increase marginally to 6.50-6.60% as the higher interest rate environment progressively reflects in borrowing costs. Thereby, NIMs remained broadly rangebound at 6.02% in fiscal 2026. In fiscal 2027 and fiscal 2028, NIMs are

expected to remain broadly stable at 6.00-6.10%, with movements in lending yields expected to be largely offset by corresponding changes in borrowing costs.

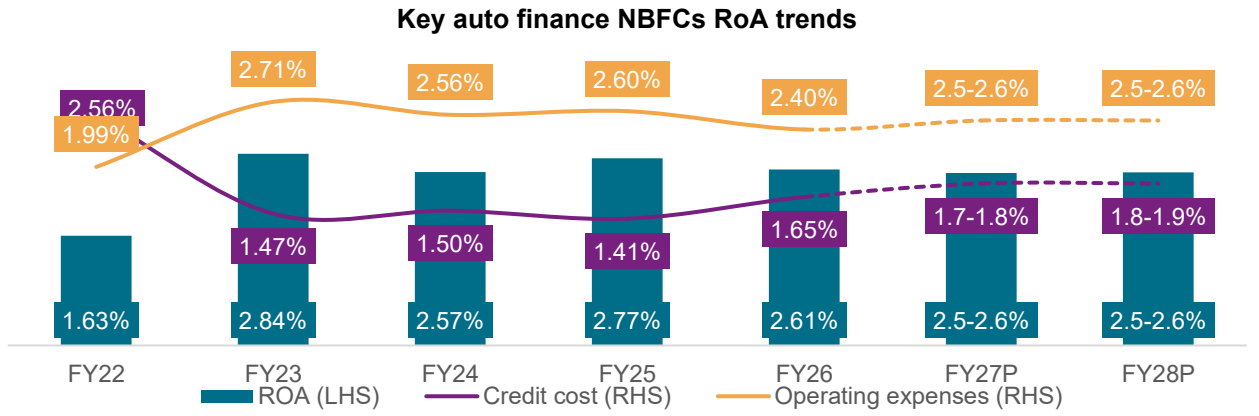
Stable NIMs and modestly higher credit costs to keep RoA rangebound in medium term



P: Projected
1. The above ratios are on average total assets
2. Companies considered comprising 9 key pure-play auto finance NBFCs
Source: Company reports, Crisil Intelligence

Credit costs increased to 1.65% in fiscal 2026 from 1.41% in fiscal 2025. While overall asset quality remained broadly stable, several leading auto finance NBFCs maintained prudent provisioning overlays to strengthen balance sheet resilience against geopolitical uncertainties, crude oil price volatility, supply chain disruptions and evolving macroeconomic conditions.

In fiscal 2027, credit costs are expected to remain marginally elevated at 1.70–1.80%, reflecting slightly weaker asset quality, persistent geopolitical and climatic uncertainties. Consequently, return on assets (RoA) is expected to remain broadly rangebound, albeit with a slight moderation, at 2.50-2.60% in fiscal 2027 and 2028.



P – Projected
Notes:
1. The above ratios are on average total assets
2. Companies considered comprise of nine key pure-play auto finance NBFCs
Source: Company reports, Crisil Intelligence

Auto leasing financing

Auto leasing finance is a financing arrangement in which a customer uses a vehicle for a predetermined period by paying regular lease rentals instead of purchasing the vehicle outright. Under this model, the leasing company or financier purchases the vehicle from the dealer and retains ownership throughout the lease tenure, while the customer gains the right to use the vehicle. The lessee pays fixed monthly rentals, which are generally lower than loan EMIs as they are based on the vehicle's usage and expected residual value rather than its full cost. At the end of the lease term, the customer may return the vehicle, renew the lease, or, in certain cases, purchase the vehicle at a pre-agreed residual value. Auto leasing offers benefits such as lower upfront costs, predictable payments, reduced ownership-related responsibilities, and potential tax advantages for businesses. Consequently, it has gained popularity among corporates, fleet operators, and retail customers seeking flexible and cost-effective access to vehicles without committing to full ownership.

Threats and challenges for vehicle finance

- **Market Competition and Interest Rate Pressure:** Intense competition among banks, NBFCs, and fintechs drives down interest rates, squeezing profit margins. Lenders must offer competitive terms to attract customers, affecting revenue growth.

- **Vehicle Depreciation and Resale Risk:** The rapid depreciation of vehicle value reduces the collateral strength, especially in the case of defaults. Poor resale values can lead to significant losses for lenders in repossession cases

- **Credit Risk and Loan Default:** Economic uncertainty and job instability increase the likelihood of loan defaults, impacting lenders' profitability. Borrowers with lower creditworthiness pose higher risks, requiring stringent credit assessments.

Consumer durable financing industry in India

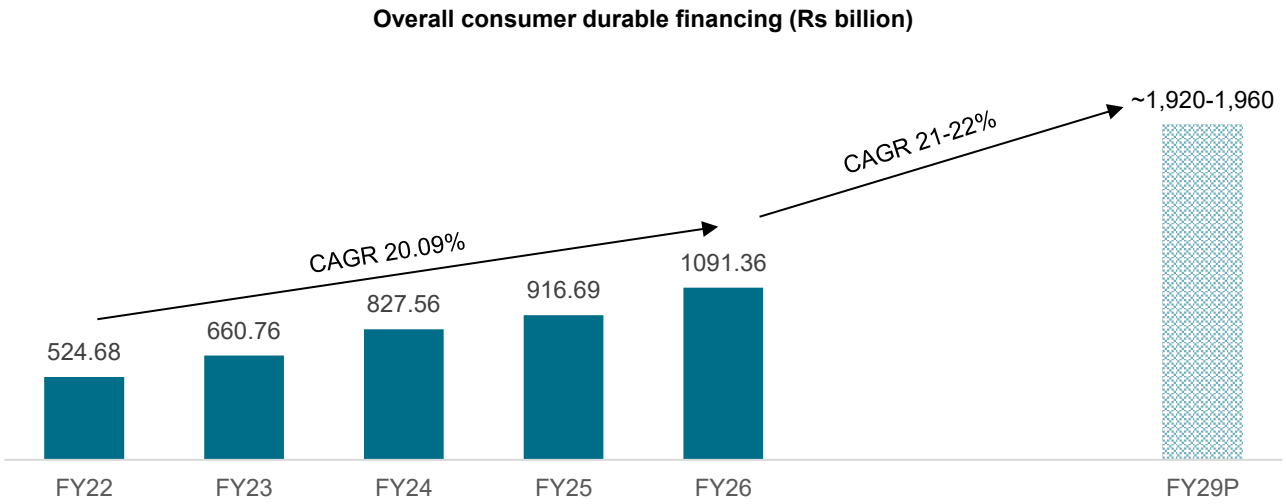
Rising product prices and healthy demand to propel consumer durable financing

India's consumer durables industry, comprising a broad range of household appliances and electronic products, is supported by rising household incomes, increasing urbanisation, low penetration across product categories, shorter replacement cycles and a growing preference for premium and technology-enabled products. The expansion of organised retail and e-commerce, together with improving distribution across smaller cities, has widened product availability and consumer access. Against this backdrop, financing has become an important enabler of consumer durable purchases, allowing customers to spread the cost of relatively high-value products through convenient instalment-based solutions and improving access to aspirational products. Banks, NBFCs, credit card issuers and fintech platforms are actively participating in the segment.

Consumer durable financing has emerged as a significant segment within India's retail credit landscape, registering a CAGR of 20.09% between fiscals 2022-26. As of March 2026, the consumer durable financing market crossed Rs 1 trillion to reach Rs 1,091 billion. The segment demonstrated resilient growth in fiscal 2026, with the loan book expanding by 19.05% on-year, following the growth of 10.77% in fiscal 2025. This momentum was supported by healthy retail consumption and the rationalisation of indirect taxes, which improved product affordability.

Crisil Intelligence projects the consumer durable financing segment to register a CAGR of 21-22% between fiscals 2026-29, supported by rising household disposable incomes and sustained retail consumption. Higher purchasing power, continued demand for premium products and easier access to financing are expected to support financed purchases, while product price increases arising from input-cost pressures could raise financing requirements and average ticket sizes. The growing number of nuclear families, increasing product penetration, premiumization and replacement demand are also expected to support the segment's growth over the medium term.

Consumer durable financing projected to nearly double by fiscal 2029, after crossing Rs 1 trillion in fiscal 2026

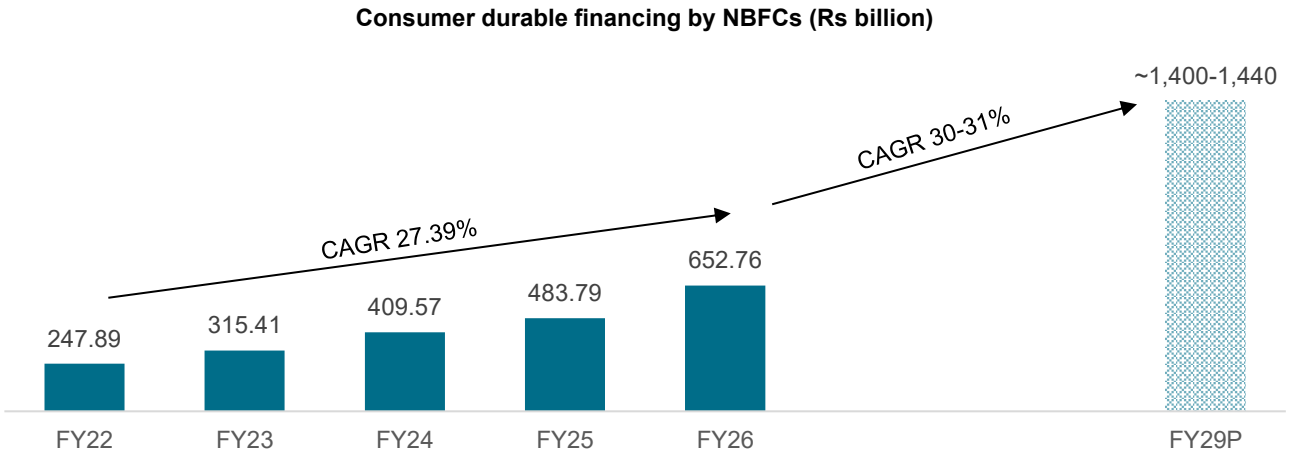


P: Projected
Source: RBI, Company reports, Crisil Intelligence

NBFCs led the consumer durable financing growth, registering a CAGR of 27.39% between fiscals 2022-26. Their expansion was underpinned by healthy consumption, a strong point-of-sale presence, merchant and manufacturer partnerships, flexible underwriting capabilities, and broad reach across customer segments and geographies. In comparison, consumer durable financing through credit cards and banks expanded at lower CAGRs of 19.91% and 6.47%, respectively, over the same period, reflecting tighter underwriting, corrective measures in response to asset-quality pressures, regulatory guardrails and continued caution towards unsecured lending.

Crisil Intelligence expects the NBFCs to remain the principal growth drivers in the segment, with their consumer durable financing portfolio projected to register a CAGR of 30-31% between fiscals 2026-29. This expansion is expected to be driven by rising disposable incomes, increasing premiumisation and higher product prices, which are likely to support financing volumes and average ticket sizes.

Premiumisation, higher ticket sizes and robust demand to drive strong growth in NBFCs' consumer durable financing portfolio



Note: P: Projected; Source: RBI, Company reports, Crisil Intelligence

Growth drivers of the consumer durable financing industry

Consumer durable financing is expected to benefit from a recovery in product volumes, supported by normalised seasonal demand, improving consumer sentiment and replacement and upgrade-led purchases. Over the medium term, low penetration across appliance categories, shorter replacement cycles, premiumisation and improving rural infrastructure are expected to sustain demand. While input-cost-led price increases may weigh on price-sensitive categories, higher product prices and a shift towards premium, feature-rich products are likely to increase financing requirements and average ticket sizes.

Prime and below-prime customers to support NBFC credit growth

NBFCs are well positioned to capture incremental demand through embedded point-of-sale financing, merchant and manufacturer partnerships, and differentiated underwriting capabilities. Growth is expected to be driven by prime and below-prime customers, particularly across Tier 2 and smaller cities and rural markets. Prime customers offer opportunities for repeat purchases and higher-value financing, while calibrated lending to below-prime and new-to-credit customers can broaden the addressable market beyond borrowers served by conventional bank credit.

The use of alternative data, transaction-level information and risk-based underwriting is expected to support credit assessment across these customer segments. However, expansion among below-prime and new-to-credit borrowers, together with rising average ticket sizes, will require prudent underwriting, monitoring of borrower indebtedness and robust collection capabilities.

Fintech partnerships to broaden access and streamline credit delivery

Fintech partnerships are expected to improve the reach and efficiency of consumer durable financing through digital onboarding, automated credit assessment and faster loan processing. Such arrangements combine NBFCs' balance-sheet and risk-management capabilities with fintechs' digital distribution, analytics and customer interfaces, enabling more customised and accessible credit solutions.

Embedded-finance offerings can further integrate credit into merchant checkouts and digital purchase journeys, reducing friction between product selection and loan disbursement. Growth through these partnerships will, however, remain contingent on responsible lending, transparent customer disclosures, data protection and appropriate oversight by regulated lending entities.

E-commerce expansion to widen the financing opportunity

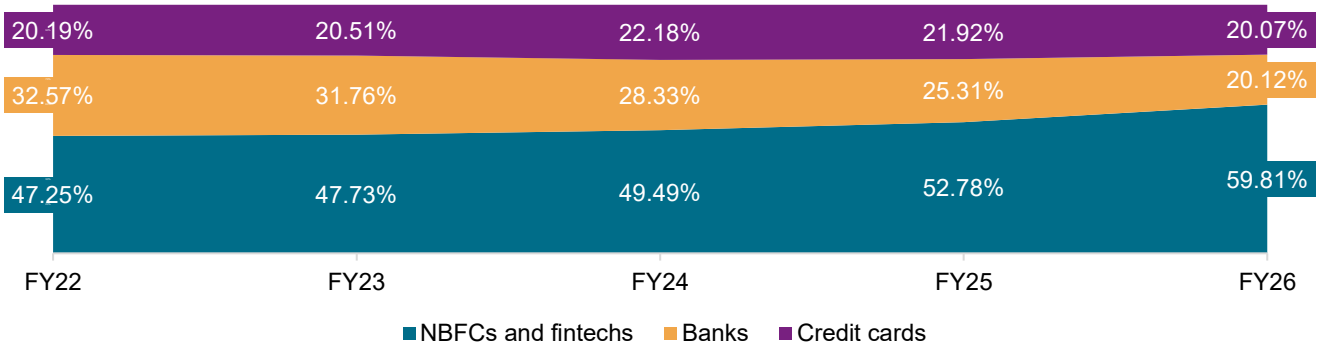
The expansion of e-commerce is expected to broaden the addressable market for consumer durable financing by improving product discovery, extending access to geographies with limited physical retail presence and integrating instalment-based credit at checkout. Crisil Intelligence expects the e-commerce industry to expand at a CAGR of 20-25% between fiscals 2026-29. This growth is expected to create additional opportunities for checkout-linked and embedded financing, particularly across smaller cities.

NBFCs and fintechs set to gain ground aided by their aggressive expansion strategies

NBFCs have consistently strengthened their position in consumer durable financing. In fiscal 2026, the consumer durable loan portfolio of NBFCs grew by 34.93% on-year, increasing their market share to 59.81%. In contrast, banks' portfolios declined by 5.34%, with their market share moderating to 20.12%, amid asset-quality concerns, regulatory guardrails and continued caution towards unsecured lending. Credit card-linked financing also faced pressure from weaker card spending, selective customer acquisition and increasing competition from personal loans and fintech-enabled credit, resulting in moderating the share of credit-card financing in the segment to 20.07%.

Crisil Intelligence expects NBFCs and fintechs to continue gaining market share over the medium term supported by embedded point-of-sale financing, technology-led underwriting and deeper penetration across customer segments and geographies. The scaled incumbent NBFCs and fintech platforms also benefit from network effects arising from their larger customer bases and established merchant relationships. Repeat transactions, particularly among prime and below-prime customers, generate proprietary repayment and transaction data, enabling lenders to refine credit assessment, offer customised financing and undertake more targeted cross-selling. Such repeat engagement also reduces incremental customer acquisition costs and strengthen merchant integration, reinforcing the competitive position of established participants. Consequently, the share of banks and credit card linked financing is expected to decline over the medium term as they continue to manage their exposure in the unsecured lending space.

NBFCs and fintechs set to gain ground aided by the aggressive expansion strategies



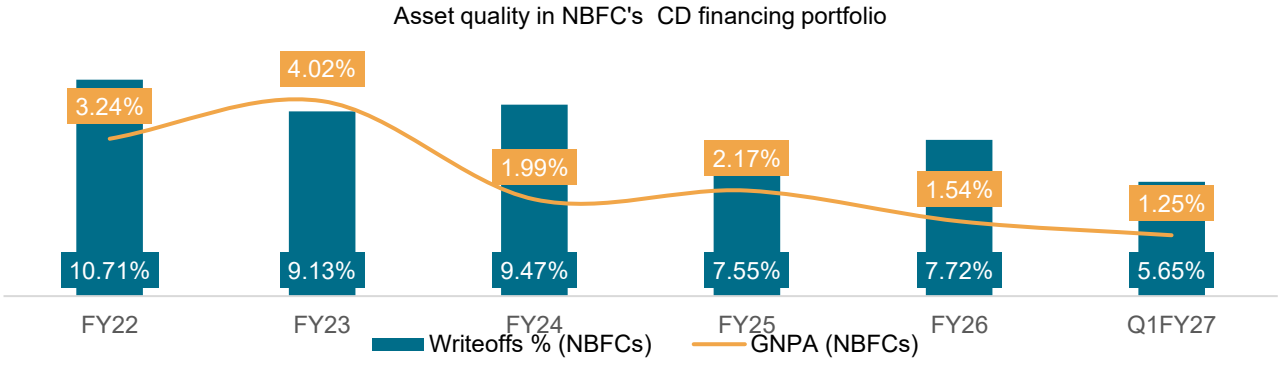
Source: RBI, Company reports, Crisil Intelligence

Asset quality of consumer durable loans improves, though rising ticket size remain a key monitorable

Historically, NBFCs have been able to maintain better asset quality in the consumer durable financing segment as against banks, with their GNPA ratio staying lower than that of banks owing to their robust collection efficiencies and effective leverage of fintech innovations in credit underwriting processes.

Post the pandemic-induced economic disruptions in fiscal 2021, asset quality of both NBFCs and banks has gradually improved with the recovery in consumption and retail demand. In fiscal 2026, GNPAs of NBFCs fell 63-bps to 1.54% from 2.17% in fiscal 2025. However, owing to increased write-offs during the period, their asset quality continued to be vulnerable despite the moderation in GNPAs. As banks account for only 20.12% of the total consumer durable financing portfolio, the impact of deterioration in their GNPA on the overall industry has been moderate.

Improving asset quality of banks and NBFCs with the steadily declining write-offs over the period



Source: Company reports, Crisil Intelligence Estimates

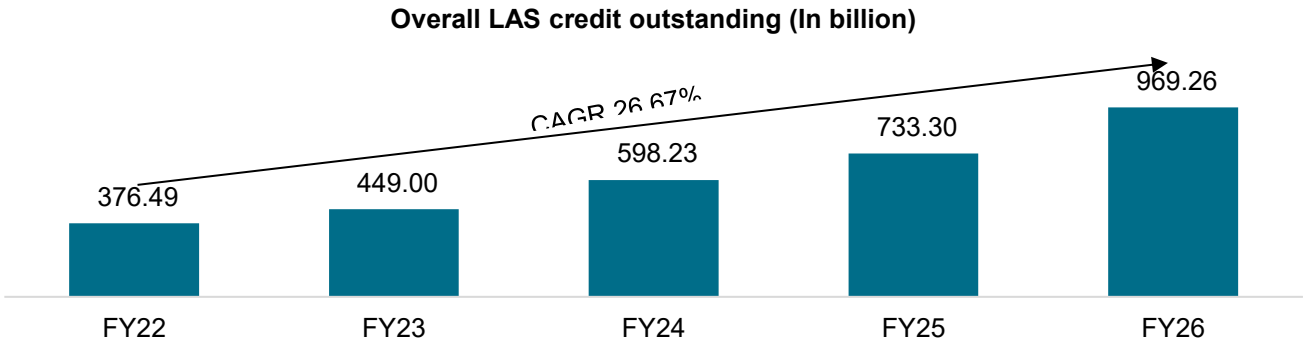
Loan Against Securities (LAS)

Loan against securities, riding the secured credit opportunity

Loan Against Shares (LAS) represents a specialised secured lending segment wherein credit is extended against the collateral of listed, debentures, bonds or mutual fund units. This segment forms part of the secured lending portfolio of banks and NBFCs, where credit exposure is backed by market-linked financial securities. Borrowers including individuals, promoters, stock and share brokers and market makers can leverage their investment portfolios to access liquidity without liquidating holdings. Given the liquid and mark-to-market nature of the underlying collateral, LAS enables lenders to build a granular secured book with relatively shorter tenures, dynamic collateral coverage and faster enforceability compared with many traditional secured asset classes. This segment has gained prominence as retail participation in capital markets has deepened, creating a growing pool of pledgeable financial assets and expanding the addressable market for collateral-backed lending.

Against this backdrop, LAS credit outstanding increased from Rs 376.49 billion in fiscal 2022 to Rs 969.26 billion in fiscal 2026, reflecting a CAGR of 26.67%. The segment has benefited from sustained growth in financial asset ownership and increasing demand for liquidity solutions that allow investors to monetize holdings without disrupting long-term investment strategies.

LAS emerges as a high-growth secured lending segment for Banks, NBFCs and Fintech Platforms



Note: The above market estimation is based on the reporting by key NBFCs in LAS ecosystem and RBI sectoral deployment of credit for banks
Source: Company reports, RBI, Crisil intelligence

Going forward, the segment is well positioned to benefit from the continued expansion of household financial assets and digital distribution channels. Additionally, the combination of liquidity, flexibility and risk mitigation is likely to support product adoption across investor segments. However, portfolio performance remains sensitive to movements in capital market valuations, which can affect collateral coverage and lending activity during periods of heightened volatility. Accordingly, prudent LTV discipline and active collateral management will remain central to maintaining portfolio quality and sustainable growth.

Key growth drivers of the LAS market

- **Rising retail participation in capital markets:** India has witnessed a significant surge in retail investor participation, driven by digital onboarding, increased financial literacy, and robust market performance. The growing demat account base and mutual fund SIP inflows have expanded the eligible customer pool for LAS products. This trend is expected to continue, supported by regulatory initiatives and fintech innovations.

- **Lower asset quality risk:** The segment benefits from highly liquid collateral, typically restricted to approved list of securities, along with prescribed margin requirements that provide a risk buffer against market volatility. This supports lower NPA levels and makes LAS an attractive secured lending product for lenders.

- **Regulatory environment turning favorable:** Regulatory bodies such as SEBI and RBI have provided clear guidelines for pledging shares and mutual fund units, ensuring transparency and investor protection. Recent regulatory relaxations, such as increased loan-to-value (LTV) ratios and simplified documentation, have made LAS more attractive for both lenders and borrowers.

- **Innovation and technological progress:** New-age lenders (fintechs), wealth-tech platforms and brokerages are entering the LAS space. Real time paperless pledge creation and release, seamless lien marking on mutual fund folios, automated margin call triggers and end-to-end digital journeys are reducing operational risk along with lowering the turnaround time.

- **Expansion of eligible collateral universe**: Lenders are progressively expanding eligible security lists beyond large cap equities to include:

1. **Equities:** Large-cap, mid-cap, and selective small-cap listed shares held in a demat account, subject to individual lender risk policies.

2. **Mutual funds:** Equity, debt, and hybrid schemes registered through platforms like CAMS or KFintech.

3. **Fixed income & Debt:** Government securities, treasury bills, and corporate bonds or non-convertible debentures (NCDs).

4. **Passive funds:** Exchange-Traded Funds (ETFs) and index funds.

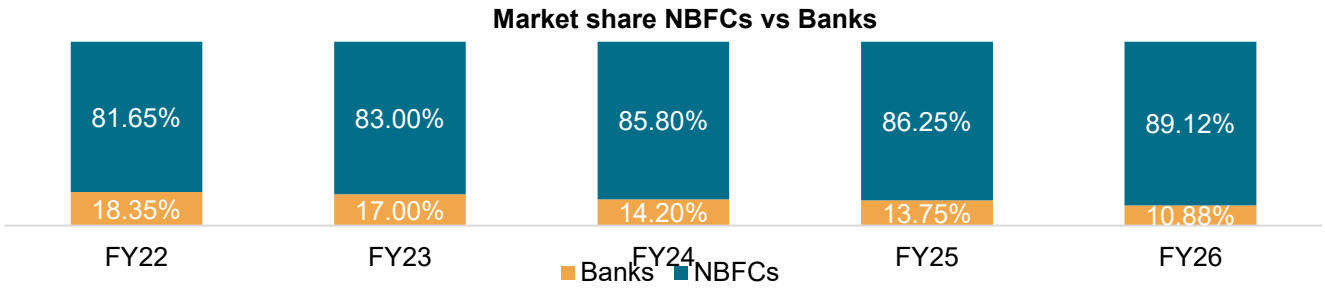
5. **Tax saving units:** ELSS (Equity Linked Savings Scheme) units, but only after the completion of their mandatory 3-year lock-in period.

Competitive Scenario

The lenders participation in this segment has expanded considerably over the past few fiscals. While banks continue to account for modest share of outstanding LAS credit, NBFCs have increased their participation by targeting customer segments that value faster processing, flexible eligibility criteria, and digital servicing capabilities. NBFCs operating in this segment have shown significant market share gains, with market share rising from 81.65% in fiscal 2022 to 89.12% share as of fiscal 2026. Several diversified NBFCs, wealth management firms and broker-affiliated lending platforms have actively scaled their presence in the segment, leveraging existing investor ecosystems to originate business at relatively low acquisition costs. The strong growth in LAS segment is reflected across key players, with Bajaj Finance, Aditya Birla Capital, 360 ONE Prime and Anand Rathi Global Finance expanding their books 3-4 times from fiscal 2022 to fiscal 2026 respectively.

Differences in the applicable regulatory framework also influence the competitive positioning of banks and NBFCs in the LAS/LAMF market. Effective July 1, 2026, loans by commercial banks and small finance banks to an individual against eligible securities are capped at **Rs 10 million**, aggregated across the banking system, excluding specified instruments such as government securities, listed debt securities and debt mutual fund units. As this ceiling does not apply to NBFCs, NBFCs may sanction higher limits based on their internal exposure, LTV and risk-management policies. This provides NBFCs with greater flexibility in serving higher-ticket and customised borrowing requirements, subject to their underwriting standards and applicable regulatory requirements.

LAS credit of NBFCs has grown faster, leading to market share gains



Note: The above market estimation is based on the reporting by key NBFCs in LAS ecosystem and RBI sectoral deployment of credit for banks
Source: Company reports, RBI, Crisil intelligence

Execution agility and product flexibility underpin NBFC leadership

NBFCs have built a strong presence in the LAS segment by offering faster turnaround times, flexible ticket sizes and customised lending structures compared with the more standardised credit processes typically followed by banks. Their specialised underwriting capabilities and technology-led platforms enable rapid onboarding, real-time collateral valuation, digital pledge creation and quicker disbursement. Integration with depository infrastructure also allows lenders to access securities holdings, establish pledges and disburse loans through a largely digital process, improving scalability and customer experience.

NBFCs also cater to a broader range of borrower requirements, including smaller retail loans, large portfolio-backed facilities and customised financing for HNIs and promoters. Their ability to dynamically monitor collateral, issue margin calls and adjust drawing power allows them to manage market-linked credit risk while maintaining service agility. These capabilities, combined with focused distribution partnerships and cross-selling to existing wealth-management customers, have enabled specialised NBFCs to establish a stronger position in the segment. However, banks retain an advantage in funding costs, making operating efficiency, risk-based pricing and collateral management critical to sustaining NBFC profitability.

Threats and challenges

- **Regulatory changes & compliance risks:** The segment is regulated by multiple regulators like SEBI and RBI exposing it to evolving regulatory frameworks. Change in policies, stricter lending norms, and taxation policies can impact loan structuring, affecting lender profitability and borrower accessibility.

- **Market volatility & collateral erosion:** Sharp market corrections can trigger simultaneous margin calls across portfolios, leading to forced liquidation cascades, borrower distress and procyclical selling pressure that further depresses collateral values. Black swan events (global financial crises, geopolitical shocks) can render even diversified collateral pools inadequate.

- **System integration failures:** Real-time lien marking depends on seamless integration with CDSL, NSDL, CAMS, KFintech, and broker systems. Any system downtime, API failures or data mismatches can result in delayed pledge creation/release, inability to invoke collateral during market stress**,** reconciliation errors leading to financial/legal exposure.

- **Interest rate cycle sensitivity:** Rising interest rate environments increase borrowing costs, potentially reducing demand for LAS. Simultaneously, rising rates may depress equity and bond fund valuations, creating a double impact of reduced demand and collateral erosion.

MTF: An expanding segment of funded equity investing

Overview of Margin Trading Facility (MTF)

Margin Trading Facility (MTF) is a regulated financing arrangement under which eligible stockbrokers fund a portion of an investor's purchase of permitted equity securities, with the investor contributing the prescribed initial margin. Securities acquired through MTF are pledged in accordance with applicable regulatory requirements and remain subject to maintenance margins and mark-to-market monitoring. Under the Securities and Exchange Board of India ("SEBI") framework, MTF is available for Group I equity shares and units of Group I equity exchange-traded funds ("ETFs").

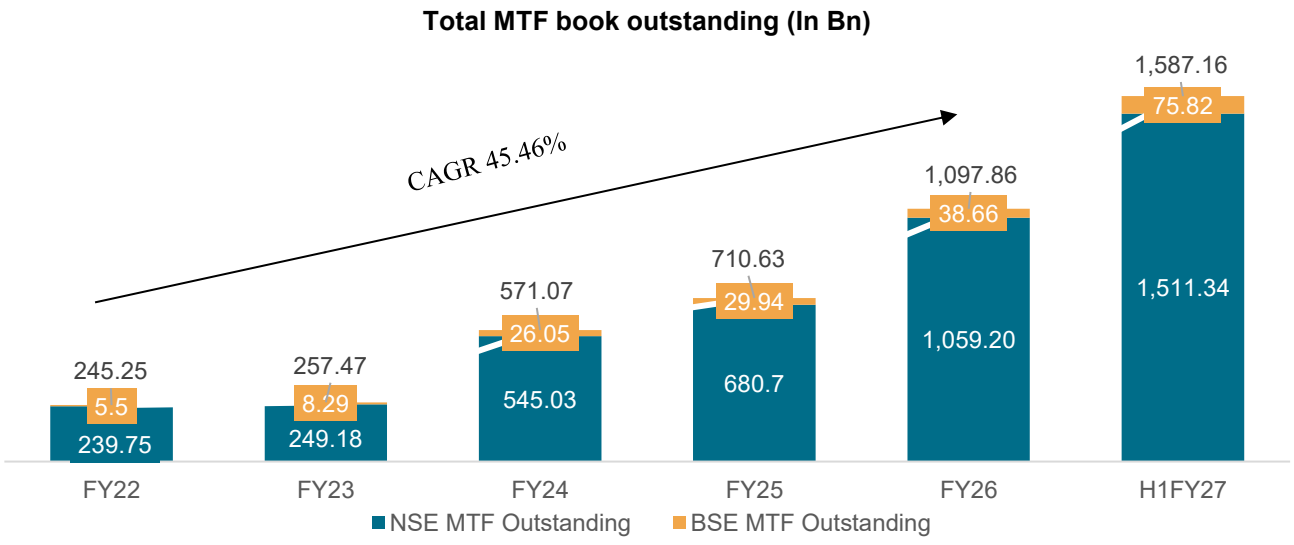
MTF allows investors to take delivery-based equity exposure while committing less capital upfront than a fully funded purchase. Unlike futures contracts, MTF positions do not have a predetermined contractual expiry date; their continuation is subject to interest costs, applicable margins, broker policies and regulatory requirements. Leverage magnifies gains and losses, and investors may face margin calls or liquidation of securities.

The development of MTF is linked to the expansion of India's investor base, digital trading platforms, pledge infrastructure and brokers' ability to offer funded equity products at scale.

MTF outstanding expanded more than sixfold since fiscal 2022

The MTF market has witnessed substantial expansion over fiscal 2022–2026, supported by greater investor participation, increased availability of financing through stockbrokers and the growing integration of MTF into digital broking platforms. Aggregate MTF outstanding across the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) increased from approximately Rs. 245.25 billion in fiscal 2022 to Rs. 1,097.86 billion in fiscal 2026, representing a CAGR of approximately 45.46%. MTF outstanding increased further to approximately Rs. 1,587.16 billion as of September 30, 2026, reflecting continued expansion in the funded equity investment market.

MTF Outstanding Increased More Than Sixfold Between fiscal 2022 and H1 fiscal 2027



Note: The data represent period-end balances and may differ from average outstanding balances during the respective periods.
Source: NSE, BSE and Crisil Intelligence

The acceleration in outstanding balances since fiscal 2024 indicates a structural broadening of funded equity investment activity. Growth has been supported by increased availability of MTF products, simplified digital access and greater deployment of broker funding capacity. However, outstanding MTF balances are also sensitive to movements in equity prices, changes in investor leverage, trading activity and market sentiment. Accordingly, growth in period-end outstanding should not be interpreted solely as an increase in the number of MTF users or underlying financing volumes.

Growth Drivers

The expansion of India's retail and affluent investor base has increased the potential addressable market for funded equity investments. As investors gain familiarity with listed equities and digital trading platforms, MTF provides an additional means of accessing delivery-based equity positions. However, the extent of adoption remains dependent on investor risk appetite and market conditions.

- **Digitalisation and improved accessibility:** Technology-led broking platforms have simplified access to MTF through integrated trading interfaces, electronic pledging, real-time margin information and automated risk monitoring. These

capabilities reduce operational friction, improve transparency and allow stockbrokers to service larger customer bases without a proportionate increase in manual processes.

- **Demand for delivery-based leveraged equity exposure:** MTF enables investors to retain funded positions in eligible securities without the contractual expiry associated with futures. This flexibility can support demand from investors seeking leveraged equity exposure over varying investment horizons, subject to applicable interest costs and maintenance margin requirements.

- **Diversification of revenue:** MTF provides stockbrokers with an interest-income stream alongside transaction-linked brokerage and other fee-based revenues. Growth in financing balances can contribute to revenue diversification, although the economic benefits depend on the spread between lending yields and funding costs, portfolio utilisation, credit losses and operating expenses.

- **Capital availability and funding capacity**: The ability to scale an MTF portfolio depends on stockbrokers' capital adequacy, access to permissible funding sources, liquidity management and risk controls. Institutions with stronger capital positions and efficient funding arrangements may be better placed to expand financing books and offer competitive pricing.

- **Evolving derivatives-market participation:** Regulatory measures aimed at strengthening risk management in equity derivatives may influence investors' relative preferences for different forms of leveraged equity exposure. MTF could benefit from some substitution towards delivery-based funded positions; however, the magnitude and persistence of such a shift remain uncertain, given the differences in product economics, leverage, liquidity and investor objectives.

Competitive dynamics

Funding efficiency, scale and risk-management capabilities are important determinants of competitive positioning in the MTF market

Unlike conventional transaction-based broking, MTF involves the deployment of financing capital against securities collateral. Consequently, competitive differentiation is influenced not only by customer acquisition and trading-platform capabilities but also by access to funding, interest spreads, collateral monitoring and the ability to manage exposures during periods of heightened market volatility.

Larger, well-capitalised stockbrokers may benefit from diversified financing arrangements, established customer relationships and technology infrastructure that supports automated margin management. Such advantages can enable greater scale and operational efficiency. Nevertheless, smaller and specialised brokers may compete through customer engagement, product features and targeted pricing.

The profitability of MTF portfolios is principally influenced by interest income on funded balances, cost of borrowings, utilisation of available funding capacity, operating expenses and losses arising from collateral shortfalls. Competitive pricing may support portfolio expansion but can compress financing spreads, particularly when funding costs remain elevated. As MTF adoption increases, the ability to combine prudent leverage limits, adequate liquidity buffers, disciplined security-level concentration limits and efficient liquidation mechanisms is likely to remain central to sustainable portfolio growth.

Regulatory framework and evolving market structure

MTF operates within the regulatory framework prescribed by the Securities and Exchange Board of India (SEBI) and the stock exchanges, covering eligible securities, initial and maintenance margins, collateral, broker eligibility, funding arrangements, disclosure and risk-management requirements.

Under the framework referenced in SEBI's December 2024 master circular, eligible securities include Group I equity shares and units of eligible equity exchange-traded funds. SEBI has also introduced changes to collateral-related requirements over time, including provisions relating to the treatment of securities funded through cash collateral.

On June 18, 2026, SEBI issued a consultation paper proposing a review of the MTF framework. The proposals address matters including broker eligibility, funding sources, margins and operating requirements, with the objective of improving operational efficiency while maintaining appropriate risk controls. These proposals represent potential changes and should not be presented as effective regulations unless subsequently notified.

The evolution of the regulatory framework could influence the competitive structure and economics of the MTF industry. Changes to permissible funding arrangements, collateral requirements or leverage limits may affect brokers' financing capacity, capital efficiency and cost of operations. At the same time, enhanced risk controls may support market resilience and investor protection.

Technology and risk-management infrastructure

Technology plays a central role in the scalability and operational resilience of MTF portfolios. Given the daily fluctuation in the market value of financed securities, stockbrokers require integrated systems for collateral valuation, margin computation, exposure monitoring, customer communication and liquidation management.

Digital trading and risk-management infrastructure enables stockbrokers to monitor funded positions at the security, client and portfolio levels. Automated alerts, margin calls and collateral shortfall identification can improve response times during market volatility, while integration with depository and exchange systems supports transaction processing and regulatory compliance.

Advanced analytics can also assist in identifying concentrated exposures, changes in collateral liquidity and emerging portfolio vulnerabilities. However, the effectiveness of such systems depends on data quality, model design, governance and the ability to execute risk-mitigation measures under stressed market conditions.

Key Threats and Challenges

Despite the expansion in MTF outstanding, the segment remains exposed to market, funding, operational and regulatory risks.

- **Market cyclicality:** Demand for leveraged equity investments is sensitive to market returns, volatility and investor sentiment. Sustained market corrections may lead to lower utilisation, deleveraging and contraction in outstanding balances.

- **Collateral and liquidation risk:** Sharp declines in security prices can trigger margin shortfalls. During periods of limited market liquidity, collateral liquidation may not fully cover funded exposures.

- **Funding and liquidity risk**: Higher borrowing costs, reduced funding availability or mismatches between financing assets and liabilities can affect margins and the ability to expand MTF portfolios.

- **Concentration risk:** Significant exposure to individual securities, sectors or clients can amplify losses during adverse market movements.

- **Operational and technology risk:** Errors or disruptions in collateral valuation, pledge processing, margin computation and liquidation systems may result in financial losses or regulatory non-compliance.

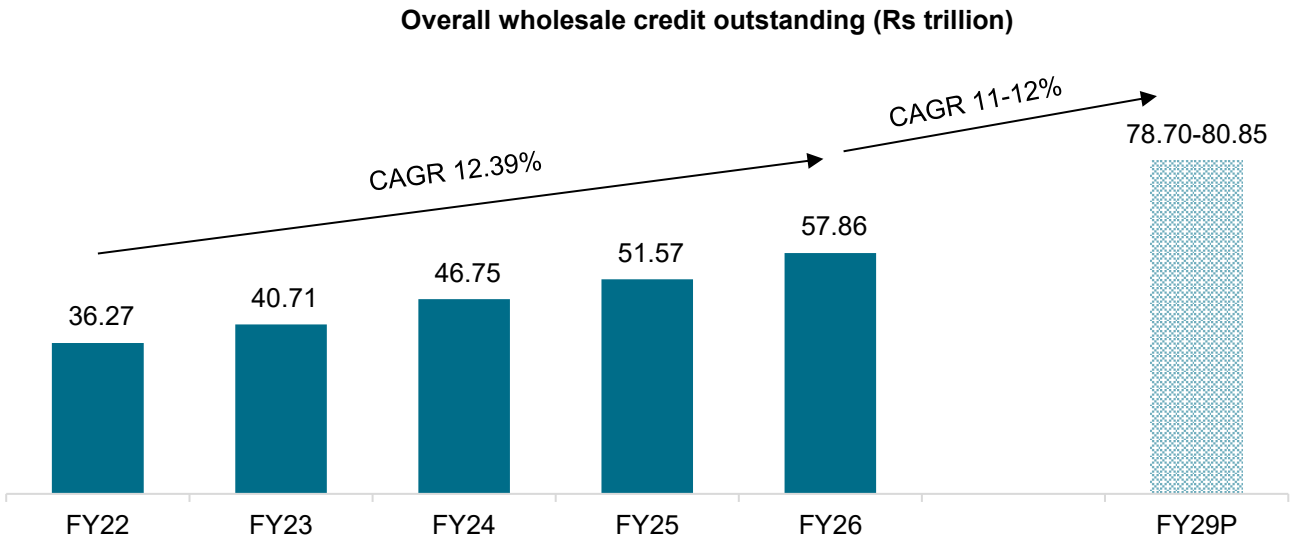
- **Regulatory risk:** Changes to eligible securities, margin requirements, permissible funding arrangements or broker-level exposure limits may affect MTF economics and growth.

Wholesale finance industry in India

Wholesale finance – Industry overview

Over the past decade, the wholesale finance landscape has evolved significantly, shaped by regulatory reforms, shifting risk appetites, and the emergence of new financing structures. The industry has demonstrated resilience through periods of economic volatility, including the NBFC crisis and the pandemic, and has adapted by recalibrating exposure strategies, strengthening risk management frameworks, and diversifying product offerings. As India continues to focus on infrastructure build-out, urbanisation, and manufacturing competitiveness, the wholesale finance sector is poised to play an increasingly strategic role in supporting the nation's growth ambitions.

Wholesale loans projected to sustain growth at a CAGR of 11-12% till fiscal 2029



P: Projected
Note:
1. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends.*
2. *Wholesale lending book excludes infrastructure financing*

Sources: Company reports, RBI, Crisil Intelligence

Wholesale credit market has recorded steady growth over the past five fiscals, with outstanding credit increasing from Rs 36.27 trillion in fiscal 2022 to Rs 57.86 trillion in fiscal 2026, translating into a CAGR of 12.39% over the period. Growth has been supported by credit demand across infrastructure, basic metals, chemicals, engineering and services sectors, aided by public capital expenditure, improving capacity utilisation in select industries, and continued expansion in economic activity. Going forward, Crisil Intelligence projects wholesale credit to grow at a CAGR of 11–12% between fiscals 2026-29.

The key growth drivers for the wholesale finance industry in India include:

- **Growth in mid-corporate lending**: As banks have increasingly focused on large and highly rated corporates, NBFCs have found a growing opportunity in the mid-corporate segment. These borrowers often require customised credit solutions, faster turnaround times, and flexible structuring that NBFCs are well-positioned to provide, driving incremental wholesale credit growth.

- **Revival in real estate and construction activity**: The real estate sector remains a significant driver of wholesale credit demand. A pickup in new project launches, particularly in Tier II and Tier III cities, rising residential sales volumes, and improving developer cash flows have supported sustained demand for construction finance and developer loans. Government initiatives such as PM Gati Shakti and the SWAMIH fund have further strengthened the pipeline of affordable and mid-income housing projects requiring wholesale funding.

- **Pick-up in the capital expenditure cycle**: India's sustained push towards infrastructure development, supported by increased government capital expenditure and public-private partnerships, has generated significant demand for project financing and working capital among mid and large corporates engaged in infrastructure-adjacent activities such as construction materials, logistics, and industrial manufacturing.

- **Improved underwriting and risk frameworks**: Post the NBFC crisis and pandemic, lenders have significantly strengthened their underwriting models, exposure management frameworks, and collateral assessment capabilities. This has enabled a more disciplined re-entry into wholesale lending, with portfolios becoming increasingly granular and backed by robust cash flows and tangible security, supporting sustainable credit growth.

Challenges faced by the wholesale finance industry

- **Concentration risk:** Wholesale finance remains inherently exposed to borrower, project and sector concentration making lenders vulnerable to delays in approvals, project execution, sales velocity and refinancing. Even where collateral coverage appears adequate, recovery values can fall sharply under stress because multiple lenders may have exposure to the same developer group, project cluster or micro-market.

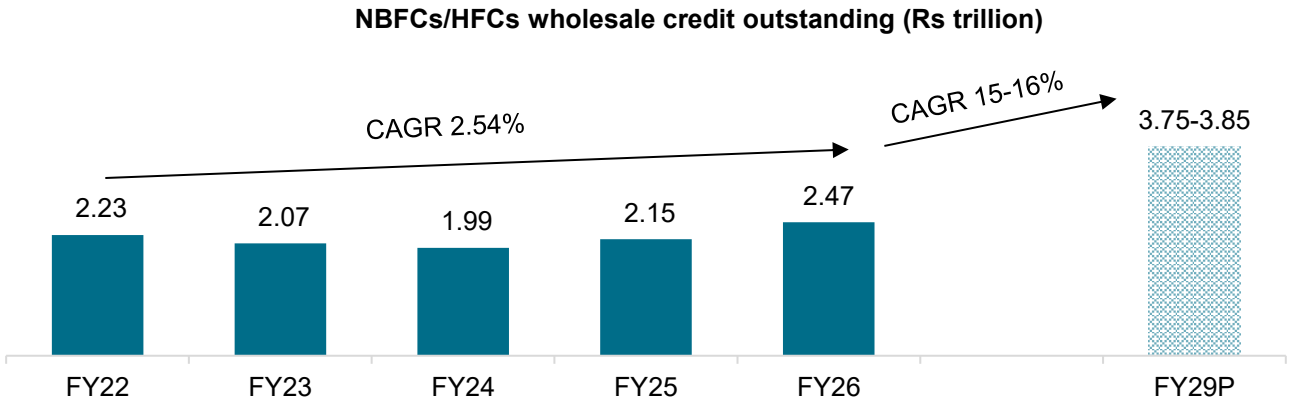
- **Asset-liability and refinancing risk:** Wholesale loans generally have longer and less predictable repayment cycles, while NBFCs often fund these assets through bank borrowings and market instruments of shorter duration. Any tightening in systemic liquidity or reduced lender appetite can increase borrowing costs and create refinancing pressure.

- **Cyclicality and sector-specific shocks:** Corporate borrowers remain sensitive to changes in commodity prices, demand conditions, government spending, regulation and foreign exchange rates. NBFCs with concentrated exposure to sectors such as real estate, infrastructure, construction, metals or textiles may experience correlated stress across multiple borrowers during a downturn.

Regulatory reforms, financial-market formalisation and growing demand for alternative credit have reshaped India's wholesale finance sector. While real estate remains a key component of wholesale NBFC lending, financing to NBFCs, HFCs, emerging financial institutions and mid-sized corporates has steadily expanded. The emergence of private credit funds, AIFs and institutional investors has further broadened the ecosystem, strengthening the role of NBFCs as origination, structuring and distribution platforms for institutional capital.

Wholesale book of NBFCs to grow at double-digits

NBFCs growth momentum expected to pick up with mid-teens growth in coming fiscals



P: Projected
Note:
1. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends.*
2. *Wholesale credit numbers exclude Infrastructure finance and Lease Rental Discounting*

Sources: Company reports, RBI, Crisil Intelligence

Wholesale loan portfolios of NBFCs/HFCs have returned to growth after a period of balance sheet recalibration. The aggregate non-banks wholesale book is estimated to have grown 14.80% on-year in fiscal 2026 to reach Rs 2.47 trillion, compared with a growth of 7.98% in fiscal 2025. Growth in fiscal 2026 was supported by rising demand for developer finance, increased project launches in the residential real estate sector, and a recovery in working capital requirements among corporates. NBFCs also continued to increase their focus on mid-corporate borrowers, a segment where funding requirements remain significant and where lenders are able to differentiate through structuring capabilities and turnaround times. To support portfolio expansion, several NBFCs have refined their underwriting frameworks, exposure parameters and product strategies, while simultaneously diversifying across borrower segments including other NBFCs, mid-sized corporates and select large corporates. As a result, wholesale portfolios are becoming more granular relative to earlier years, with greater emphasis on cash flow visibility, collateral coverage and portfolio diversification.

The improvement follows a multi-year restructuring of wholesale portfolios undertaken by several NBFCs after the liquidity disruptions of 2019 and the asset quality challenges that emerged during the pandemic period. Over the subsequent fiscals, many lenders reduced wholesale exposures, resolved legacy assets, and strengthened portfolio risk management frameworks. As a result, wholesale lending now constitutes a smaller share of the overall loan book for several diversified NBFCs compared with historical levels.

By fiscal 2025, most large NBFCs had largely completed the process of resizing their wholesale portfolios to targeted levels. At the same time, a number of lenders continued to pursue wholesale lending as a strategic business segment, leading to a return to portfolio growth at the industry level. During fiscal 2025, growth was supported by increased exposure to mid-corporate

borrowers, real estate developers and construction-related businesses. Lending to corporates also expanded through increased financing to other NBFCs/HFCs, resulting in corporate finance growing faster than real estate financing during the year.

The composition of wholesale books has also evolved. In addition to real estate financing, lenders have increased their focus on lending to other NBFCs/HFCs, mid-sized corporates and select large corporates. This diversification has enabled NBFCs/HFCs to broaden their borrower base while reducing dependence on a limited set of sectors. Concurrently, lenders have refined underwriting standards, exposure limits and collateral structures, resulting in a more granular portfolio profile compared with the pre-2019 period. Going forward, Crisil Intelligence projects the NBFCs/HFCs wholesale lending book to grow at a CAGR of 15-16% between fiscals 2026-29. Growth is expected to be supported by funding requirements across real estate, corporates and financial institutions. Demand for funding from other NBFCs is also expected to remain steady as lenders continue to diversify their borrowing mix.

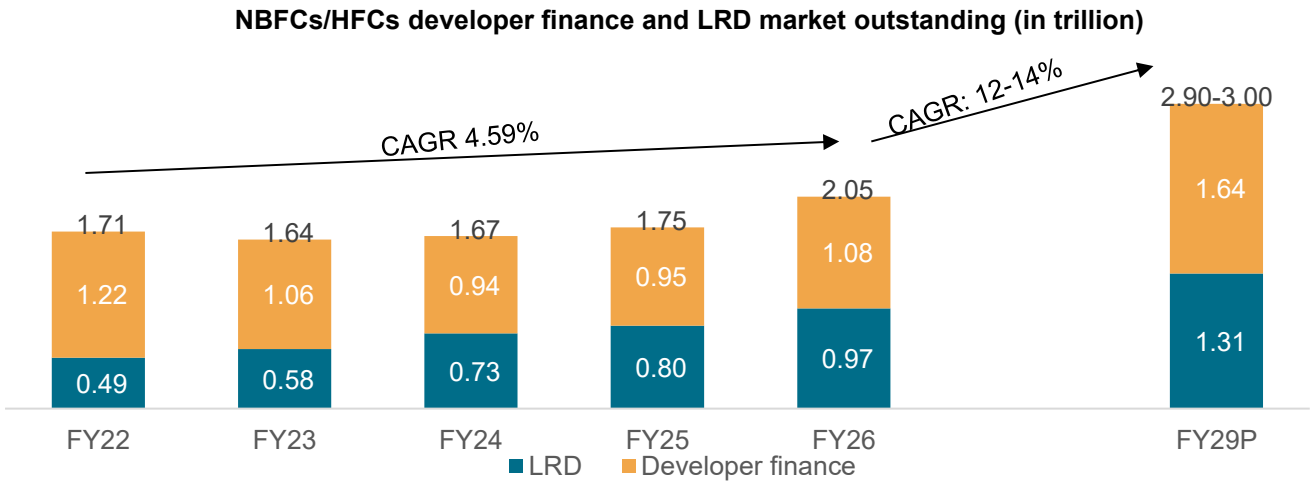
Asset quality

Stress in the wholesale loan books of NBFCs is expected to be higher

Stress in the wholesale loan books of NBFCs is expected to be high, particularly in the real estate and corporate segments, due to the concentration of large loans. This is exacerbated by extensions to contractual moratorium and the date of commencement of commercial operations (DCCO). Crisil Intelligence estimates the overall GNPAs in the wholesale lending segment to remain elevated at approximately 6–9% in fiscal 2027. For certain lenders, the GNPA levels are in the high double digits, primarily due to the continued run-down of their wholesale portfolios and limited fresh disbursements. Consequently, the pace of asset quality improvement for these players is largely dependent on recoveries, resolutions and write-offs of legacy stressed assets. However, recovery efforts continue to be constrained by lengthy legal proceedings and resolution timelines, resulting in a gradual reduction in stressed exposure.

Developer finance and Lease Rental Discounting (LRD) market for NBFCs/HFCs to showcase steady growth

Developer finance and LRD market for NBFCs and HFCs projected to rebound after a long period



P: Projected
Note:
1. *HDFC Limited merged with HDFC Bank effective July 01, 2023. Prior-period figures have been adjusted to maintain consistency and comparability of reported trends.*

Sources: Company reports, RBI, Crisil Intelligence

The combined NBFC developer finance and lease rental discounting (LRD) market grew to Rs 2.05 trillion in fiscal 2026, recovering from Rs 1.67 trillion in fiscal 2024 and surpassing the fiscal 2022 level of Rs 1.71 trillion. Developer finance remained the larger segment, growing 13.42% on-year to Rs 1.08 trillion, following modest growth of 1.13% in fiscal 2025. The recovery was supported by higher funding requirements from residential developers, particularly in Tier II and Tier III markets, increased project launches and portfolio expansion by select HFCs.

The recovery in developer finance follows a prolonged period of portfolio contraction after the pandemic, when construction disruptions, project delays and developer liquidity constraints affected asset quality. NBFCs and HFCs responded by reducing exposures, resolving legacy assets and tightening underwriting. Subsequent policy-rate increases further moderated project launches and credit demand. By fiscal 2025, a substantial part of this portfolio rationalisation had been completed, allowing select lenders to resume project finance in a calibrated manner, although continued rundown by lenders exiting or reducing the segment limited growth during the year.

LRD complements developer finance by providing exposure to completed income-generating commercial properties. Unlike construction finance, where repayment depends on project execution and sales collections, LRD is typically serviced through

rentals routed to an escrow account, providing greater cash-flow visibility and supporting longer loan tenures. However, credit quality remains dependent on tenant strength and concentration, lease and lock-in tenures, rental escalations, occupancy and the property's reletting potential.

Consequently, NBFC real-estate portfolios are becoming more balanced across development-linked and rental-yielding assets. In developer finance, lenders increasingly prioritise credible sponsors and projects with strong sales visibility, adequate promoter equity and identifiable cash flows. In LRD, underwriting focuses on tenant quality, lease maturity relative to loan tenure, debt-service coverage, property quality and enforceability of the rental escrow. Specialised underwriting, flexible structuring and faster execution remain key differentiators for NBFCs across both segments.

Crisil intelligence projects the market to reach Rs 2.90-3.00 trillion by fiscal 2029, implying a CAGR of approximately 12-14% between fiscals 2026 and 2029. Developer finance growth should be supported by residential project launches, improving affordability and the completion of legacy portfolio clean-ups. LRD growth should benefit from additions to leased commercial stock, sustained occupier demand and refinancing opportunities across stabilised assets.

Together, developer finance and LRD provide NBFCs with a differentiated real-estate credit proposition. Developer finance offers stronger growth and yield potential, while LRD introduces relatively predictable rental-backed cash flows and helps diversify portfolio risk. By financing assets during construction and subsequently refinancing completed, stabilised properties through LRD, NBFCs can support borrowers across the asset lifecycle, deepen client relationships and generate recurring origination opportunities.

Key growth drivers for developer finance and LRD

- **Urbanisation and infrastructure-led development:** Rising urbanisation and investments in roads, metro networks, airports and social infrastructure are opening new residential and commercial corridors. This should support project launches and developer finance demand, while progressively expanding the stock of completed, leased assets eligible for LRD.

- **Sustained housing demand and project launches:** Household formation, improving connectivity and demand for organised housing are expected to support residential development, particularly across emerging urban centres. This should drive construction finance requirements for established developers and projects with strong sales visibility, adequate promoter contribution and ring-fenced cash flows.

- **Expansion of income-generating commercial assets:** Demand for Grade-A offices, retail spaces, warehouses and other commercial properties is enlarging the pool of stabilised, rental-generating assets. Properties with quality tenants, healthy occupancy, longer lease tenures and contracted rental escalations provide stronger cash-flow visibility and are therefore well suited for LRD.

- **Improved transparency, underwriting and monitoring:** RERA, digital title verification, escrow structures and technology-led project monitoring are strengthening lender oversight. These mechanisms allow NBFCs to track construction progress and sales collections in developer finance, while monitoring tenant quality, lease terms, rental receipts and collateral performance in LRD.

- **Complementary growth opportunity for NBFCs:** Developer finance offers stronger growth and yield potential, while LRD provides relatively stable repayments backed by contracted rentals from completed assets. The ability to provide construction finance and subsequently refinance stabilised properties through LRD allows NBFCs to serve developers across the asset lifecycle, deepen borrower relationships and build a more balanced real-estate portfolio.

Key Threats and Challenges for Developer Finance and LRD

- **Project execution and monetisation risk:** Developer finance remains exposed to delays in approvals, construction and project completion, as well as slower sales and customer collections. Even completed projects can face repayment pressure if inventory absorption weakens, creating funding gaps and increasing dependence on refinancing.

- **Tenant rollover and rental disruption risk:** LRD cash flows can weaken if key tenants exit, downsize or renegotiate lease terms, particularly where loan tenures extend beyond tenant lock-in periods. Prolonged vacancies, rent-free periods and fit-out costs for replacement tenants can reduce debt-service coverage despite adequate property value.

- **Asset obsolescence and refinancing risk:** Older or poorly located properties may lose tenants to newer Grade-A assets, leading to lower occupancy, weaker rentals and higher refurbishment costs. Further, construction loans can be refinanced through LRD only after project completion, lease stabilisation and commencement of rentals. Delays in achieving these milestones can extend construction exposure and limit the refinancing available against the asset.

- **Regulatory approval and compliance risk:** Delays in project approvals, environmental clearances, occupancy certificates or other statutory permissions can defer construction, sales and rental commencement. Changes in development regulations or non-compliance with RERA and local building requirements can further disrupt project cash flows and delay the transition from construction finance to LRD.

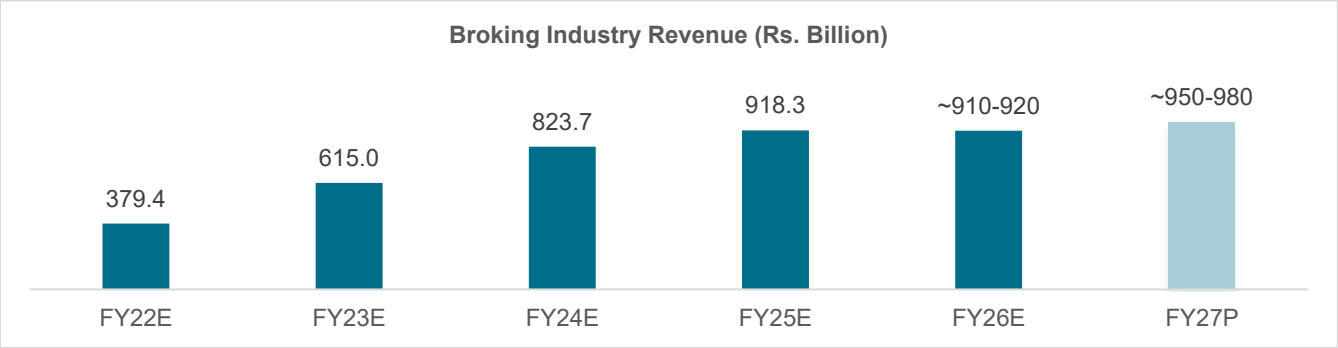
Broking Industry in India

Indian Broking Industry

The Indian broking industry has witnessed strong expansion over the past few years, supported by robust capital market performance, increasing retail participation and rapid digital adoption. Industry revenue grew at an estimated CAGR of approximately 24% between fiscal 2022 and fiscal 2026, driven by heightened trading activity during fiscals 2023 and 2024 and the emergence of discount broking platforms as the dominant channel. However, fiscal 2026 witnessed a moderation in industry performance as regulatory interventions in the derivatives segment and softer trading activity weighed on transaction-led revenues. While market volumes showed signs of stabilization during the year, activity levels remained below historical peaks, constraining growth for broking-focused players. In contrast, diversified capital market intermediaries demonstrated greater resilience, supported by broader revenue streams such as wealth management, distribution, investment banking and margin funding income.

Going ahead, Crisil Intelligence expects industry revenues to grow by around 4-6% in fiscal 2027 reaching ~Rs 950-980 billion, reflecting a gradual recovery from the subdued performance witnessed in fiscal 2026. Growth is expected to be driven by structural factors, including increasing investor participation and continued financialization of savings, while transaction-led revenues may remain constrained by a more regulated derivatives market and competitive pricing pressures. The increasing contribution of non-broking businesses, including wealth management, distribution and margin funding, is expected to support overall industry growth and enhance revenue stability.

Domestic Broking Industry seen healthy growth on account of increasing penetration of discount brokers



Note: E: Estimated, P: Projected, Total revenue of the broking companies has been considered.
Source: Company Reports, Crisil Intelligence

Growth Drivers

Demographics profile to aid folio growth in capital markets

As of calendar year 2022, India has one of the largest young populations in the world. With a median age of ~28 years and over 60% of the population in the working-age bracket, the country is positioned to benefit from a large and growing pool of potential investors. Rising life expectancy, increasing financial awareness, and the need to build long-term retirement savings are expected to support greater allocation towards equity and capital market-linked investment products, aiding sustained growth in investor folios and market participation.

Riding the digital wave – growth of new age fin-tech brokers or discount brokers and increasing mobile penetration to drive retail participation

The emergence of discount brokers and fintech-led platforms has transformed the broking landscape by lowering investment costs and improving accessibility through digital channels. Rising internet penetration, smartphone adoption and financial literacy have accelerated retail participation, with technology-driven platforms expected to remain key enablers of investor growth.

Preference for do-it yourself (DIY) models and higher risk-taking ability of Millennials aiding growth especially for Low-Cost Digital Only Discount Brokers

The growing preference for do-it-yourself (DIY) investing, particularly among digitally savvy retail investors, has accelerated the adoption of discount broking platforms. Supported by seamless digital onboarding, low-cost execution and mobile-based trading, these platforms have expanded market access and contributed to increased participation across cash and derivatives segments. The shift towards digital distribution has also intensified competition, with technology, user experience and pricing emerging as key differentiators.

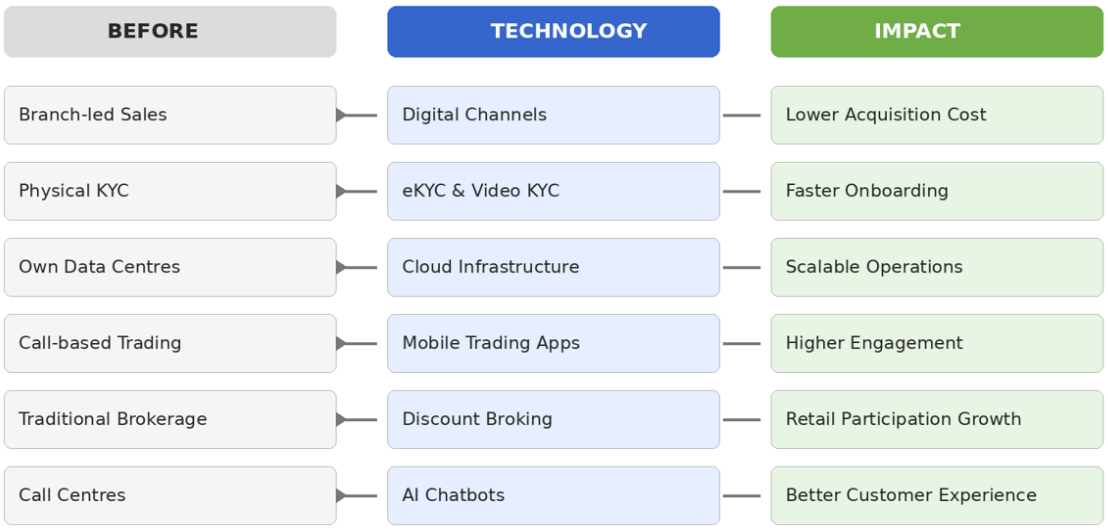
Emergence of AI-Enabled Investing and DIY Platforms

AI-powered tools and digital-first DIY platforms are reshaping the broking industry by offering personalised insights, portfolio analytics, automated support and seamless investing experiences. Leading brokers such as Groww, Zerodha, Angel One and Upstox have leveraged technology to simplify investing, enhance customer engagement and improve platform stickiness, supporting continued growth in retail investor participation, particularly among younger and first-time investors.

Industry undergoing transformation

The industry structure has consequently undergone a notable transformation, with technology-led discount brokers displacing traditional bank-led brokerages and capturing a substantial share of incremental client additions, underscoring the deepening participation of retail investors in Indian capital markets.

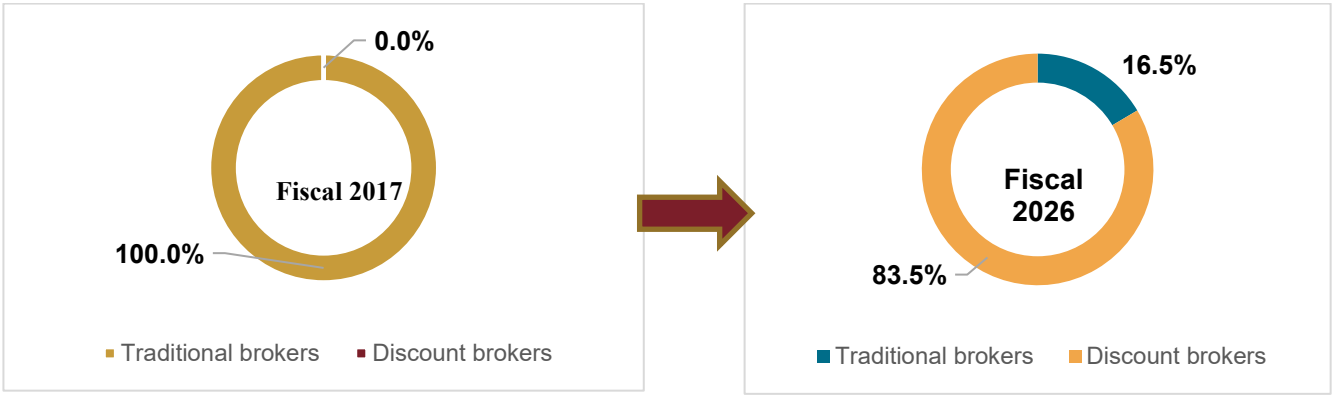
Broking Industry transitioning from Traditional to Digital



Source: Crisil Intelligence

The new age discount brokers have successfully integrated technology in their workflows thereby enabling them to operate at efficient cost structures. Further, lower brokerage/flat-fee brokerage offered by new age discount brokers, has led to adoption of these players amongst the retail customers. Reflecting this structural shift, discount brokers such as Groww, Zerodha and Angel One occupied the top three positions by active NSE clients as of fiscal 2026, collectively accounting for market share of 28.3%, 15.1% and 14.8% respectively.

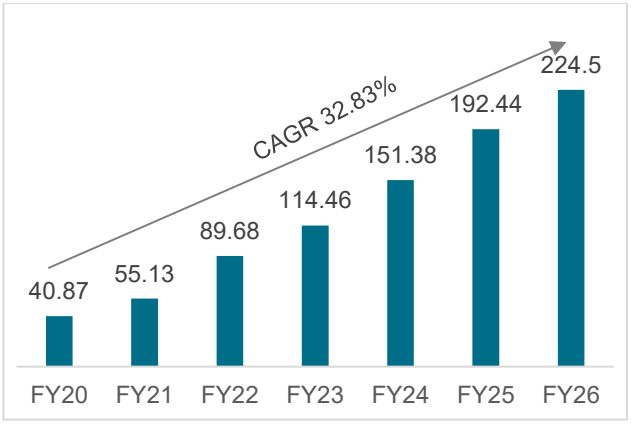
Share of discount brokers among the top 10 brokers as per NSE active clients



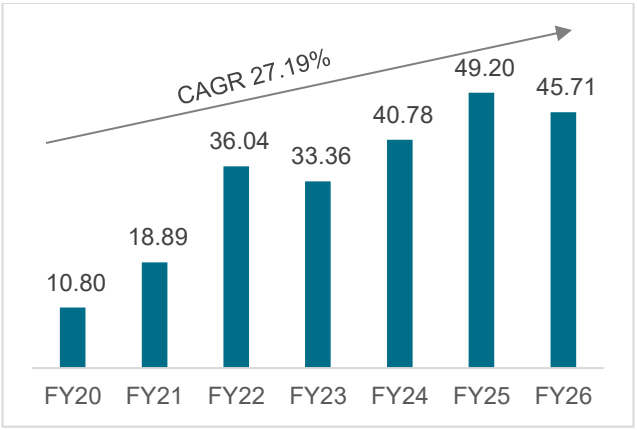
Source: NSE, Crisil Intelligence

The expanding investor base is evidenced by the sharp rise in demat accounts, which increased at a CAGR of 32.82% from 40.9 million in fiscal 2020 to 224.5 million in fiscal 2026, reflecting the structural deepening of retail participation in Indian capital markets. The decline in FY26 was primarily driven by lower retail trading activity, tighter F&O regulations, market volatility, and the normalization of participation following the post-pandemic retail investing boom.

Number of total demat accounts grew at CAGR of 32.83% during fiscal 2020 and fiscal 2026



Number of total active accounts grew at CAGR of 27.19% during fiscal 2020 and fiscal 2026

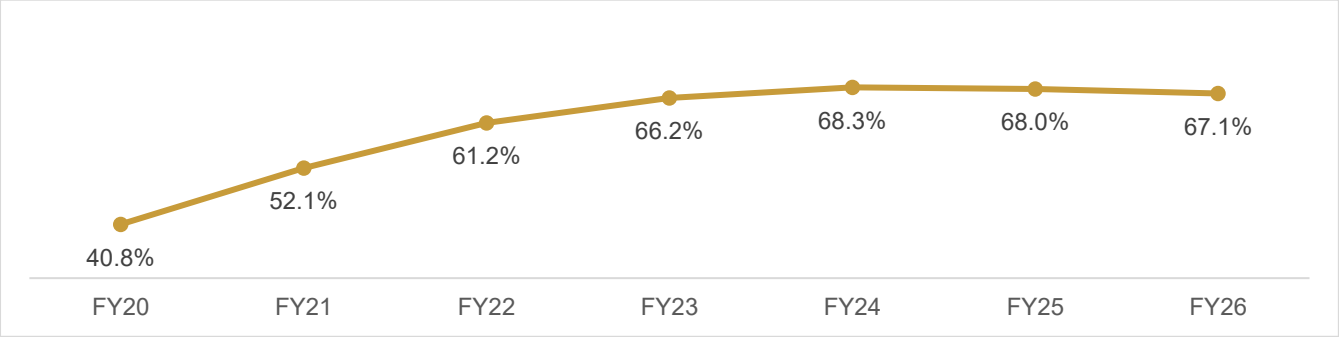


Source: SEBI monthly bulletins, NSE, Crisil Intelligence

Industry seeing a consolidation over the last five years

The Broking Industry witnessed consolidation during the last five years. The market share of the top 5 players on active client's basis has increased from 40.8% in Fiscal 2020 to 67.1% as of Fiscal 2026.

Market Share of the Top 5 Players has also increased considerably



Note: Top 5 players for every fiscal year have been considered for FY26, top 5 players: Groww Invest Tech Private Limited, Zerodha Broking Limited, Angel One Limited, ICICI Securities Limited, and Upstox Securities Private Limited. Total UCC of active clients
Source: NSE, Crisil Intelligence

The composition of top 3 players basis NSE active clients have also witnessed consistent change from fiscal 2017 onwards. As of March 2017, the top 3 players in the industry were Full-Service Brokers. However, as of March 2026, the top 3 players were Discount Brokers.

Trend in composition of top 3 players basis NSE active clients

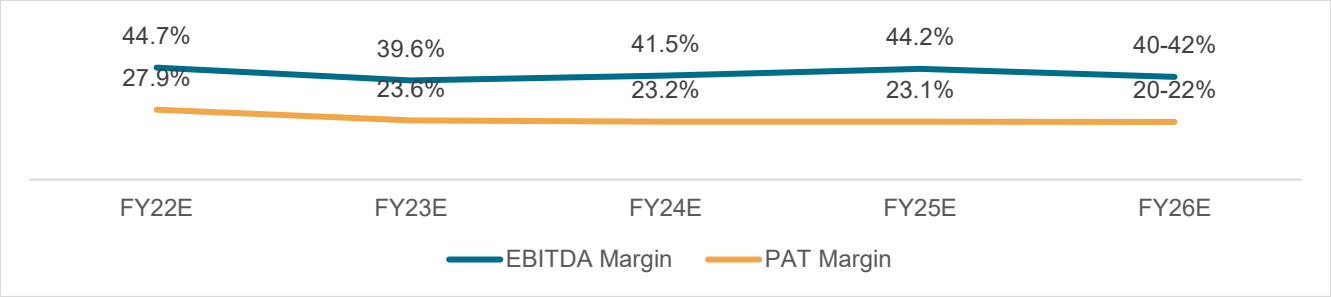
March 2017	March 2018	March 2021	March 2022	March 2025	March 2026
ICICI Securities	ICICI Securities	Zerodha	Groww	Groww	Groww
HDFC Securities	HDFC Securities	Upstox	Zerodha	Zerodha	Zerodha
Sharekhan	Zerodha	ICICI Securities	Angel One	Angel One	Angel One

Note: RKSV Securities India Private Limited ("Upstox"), Angel One Limited ("Angel One"), HDFC Securities Limited ("HDFC Securities"), ICICI Securities Limited ("ICICI Securities"), Zerodha Broking Limited ("Zerodha"), and Nextbillion Technology Private Limited ("Groww"),
Source: NSE, Crisil Intelligence

EBITDA and PAT margins remain resilient amid evolving market dynamics

Profitability remained healthy in fiscal 2026 despite a moderation in trading activity and the impact of regulatory changes in the derivatives segment. Industry EBITDA margins are estimated at 40-42%, while PAT margins are expected to be around 22-24%, supported by the inherently scalable and technology-driven nature of broking operations.

PAT margin remained below the elevated levels witnessed during periods of strong capital market activity, reflecting lower transaction volumes and a relatively subdued trading environment, and intensifying competition across the broking ecosystem. Margin moderation was also influenced by intensifying competition from discount brokers and platform-led players, potentially leading to lower brokerage yields across the industry. Diversification into margin funding, wealth management, distribution and other ancillary businesses provided a degree of earnings stability and helped mitigate pressure on core broking revenues.



Note: E: Estimated, Total revenue of the broking companies has been considered.
Source: Company Reports, Crisil Intelligence

Going forward, industry profitability is expected to remain robust, supported by continued growth in the investor base and increasing financialization of household savings. Nevertheless, the ability to diversify revenue streams and reduce dependence on transaction-based income will remain critical for sustaining margins across market cycles

Payments

Indian payments landscape has seen healthy growth over the years

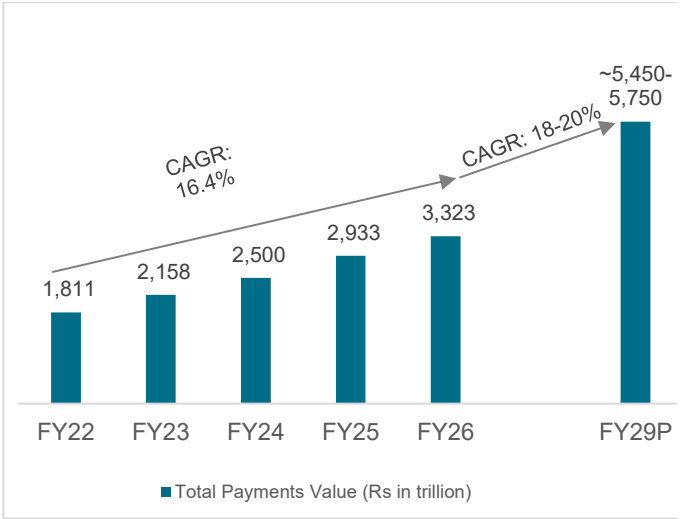
India has emerged as one of the world's leading digital payments markets, driven by strong regulatory support, robust public digital infrastructure, and widespread consumer adoption. Over the past decade, initiatives led by the RBI and NPCI, including UPI, BBPS, AePS, NETC and the Digital Rupee, have significantly expanded the reach, convenience and efficiency of digital transactions. Digital payments in India are experiencing a remarkable surge, with a CAGR growth of 40.4% in transaction volume and 16.4% in transaction value during fiscal 2022 and fiscal 2026.

The ecosystem has benefited from rising smartphone and internet penetration, growing e-commerce activity, expanding merchant acceptance infrastructure, and continuous innovation from banks, fintechs and payment service providers. The proliferation of QR-code based payments, real-time payment systems and embedded payment solutions has accelerated the shift away from cash and enabled digital payments to penetrate everyday use cases across consumer and business segments.

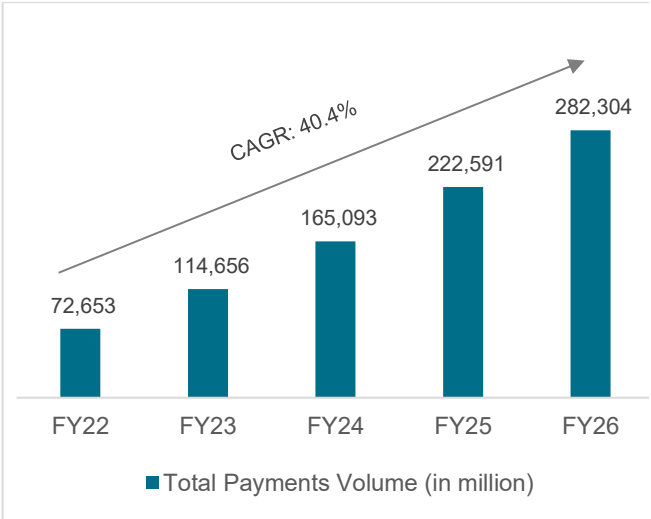
India's payments landscape is supported by a diverse set of participants, including banks, fintechs, payment aggregators, payment banks and technology platforms. The rapid adoption of digital payment applications has also contributed to greater financial formalisation by creating digital transaction trails, improving access to financial services and supporting broader financial inclusion.

With continued regulatory support, expanding digital infrastructure, growing merchant digitisation and increasing integration of payments into digital commerce, India remains well positioned for sustained growth in digital transactions over the medium term.

Total payments value to reach around Rs. 5,450-5,750 trillion in Fiscal 2029 supported by surge in digital payments



Total payments volume to see healthy growth in the near term due to increasing adoption of digital payments



Note: The data for total payments includes digital payments and payments through paper-based instruments; P = Projected
Source: RBI, Crisil Intelligence

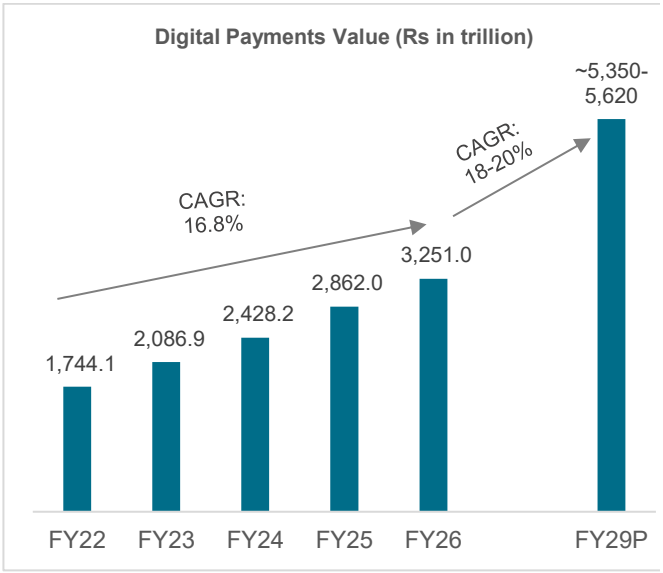
Digital payments have surged over the years and is expected to see healthy growth in the near term

India's digital payments industry has grown strongly, with transaction value rising from Rs. 1,744 trillion in FY22 to Rs. 3,251 trillion in FY26, translating into a CAGR of 16.8%. Growth has been driven by UPI adoption, expanding merchant acceptance, increasing digital commerce, and supportive regulatory initiatives.

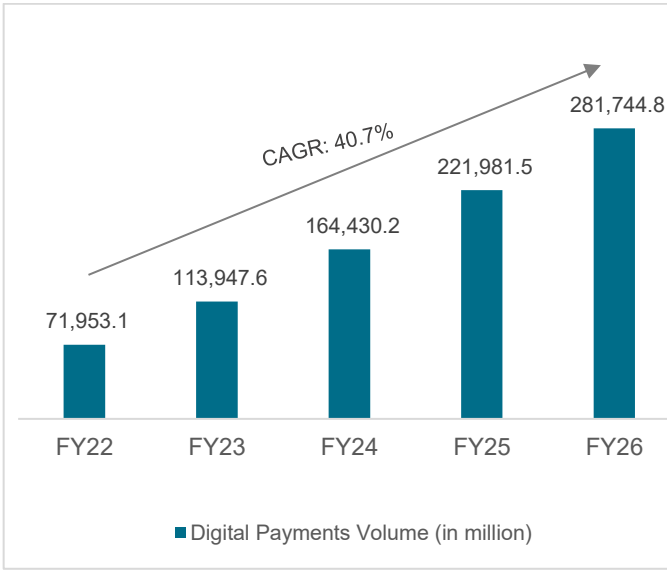
As per Crisil estimates, transaction value is projected to reach Rs. 5,350-5,620 trillion by FY29, with a CAGR of ~18-20% over FY26-FY29. Continued growth is expected to be supported by rising digital penetration, embedded finance, merchant digitisation, and ongoing innovation across India's payments ecosystem.

The proposed introduction of merchant discount rate (MDR) on high-value UPI merchant transactions (above Rs. 2000) remains a key monitorable. While the measure could improve the long-term sustainability of the payments ecosystem by creating an additional revenue stream for participants, its impact on transaction growth is expected to be limited given the targeted nature of the framework and the continued cost and convenience advantages of digital payments. However, its effect on merchant payment preferences and transaction mix, particularly in higher-value segments, remains a monitorable.

Growth in value of digital payments expected to mimic growth in total payments value

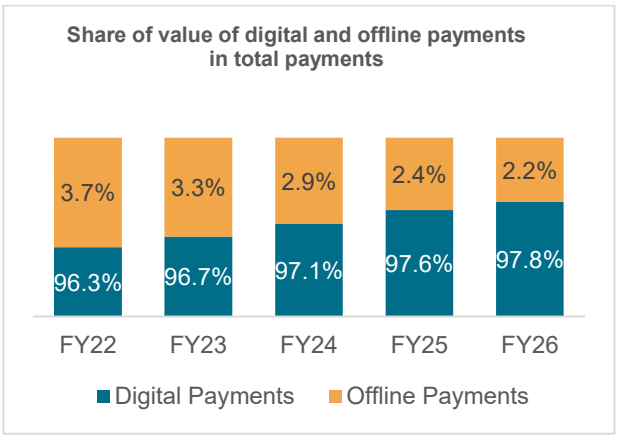


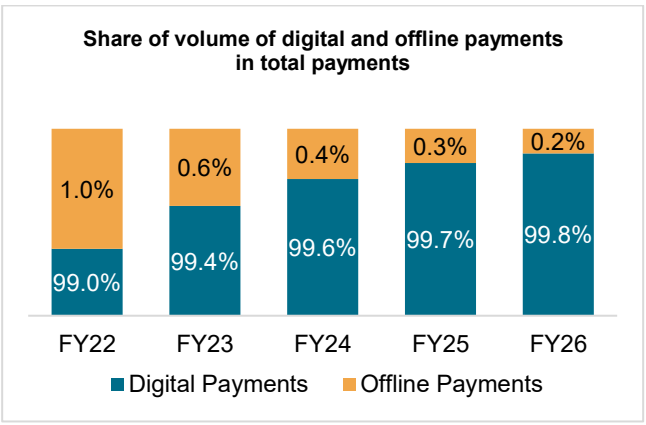
Volume of digital payments has seen a boom over the years



Note: Digital Payments includes RTGS payments, Credit transfers, Debit Transfers, Card Payments and Prepaid Payments Instruments; P = Projected
Source: RBI, Crisil Intelligence

Share of value and volume in digital payments in total retail payments has seen a steady increase from Fiscal 2022 to Fiscal 2026





Source: RBI, Crisil Intelligence

Digital payments continue to consolidate their dominance in India's payments ecosystem, accounting for 97.8% of total transaction value and 99.8% of transaction volume in FY26, compared with 96.3% and 99.0%, respectively, in FY22. The steady increase in digital share reflects deeper consumer adoption, expanding merchant acceptance infrastructure, and the widespread use of UPI and other electronic payment modes across both retail and commercial transactions.

On a value basis, the share of offline payments declined from 3.7% in FY22 to 2.2% in FY26, indicating that even higher-value transactions are increasingly migrating to digital channels. This trend has been supported by improvements in payment security, interoperability, real-time settlement capabilities, and greater acceptance among businesses and consumers.

The shift is even more pronounced on a volume basis, where offline payments now account for only 0.2% of transactions. This underscores the near-complete digitization of everyday low-ticket payments, driven by QR-code acceptance, smartphone penetration, and the convenience of instant payment platforms.

The narrowing gap between digital penetration in value and volume also suggests that digital payments are no longer confined to small-ticket transactions but are increasingly becoming the preferred mode across transaction sizes, reinforcing India's transition towards a predominantly digital payments economy.

Growth drivers for digital transactions

In India, the Central bank has been the primary enabler of digital transactions in India. Over the years, it has laid emphasis on the development of digital payment ecosystem, right from conceptualisation to execution and propelling investments in technology to enable the customer to transact in a seamless manner while addressing security concerns. This, along with rising internet penetration, increasing usage of cards and e-commerce, acceptance and adoption of various payments infrastructure with merchants and customers, launch of the Digital Rupee and changing consumer behaviour is expected to enable and drive digital transactions in the country.

Rising Consumption and Digital Commerce

Growth in retail spending, expanding e-commerce penetration, and increasing digital consumption are driving higher transaction volumes. As consumer spending formalizes and moves online, digital payments are becoming the preferred mode of transaction.

Growth of Embedded Finance

Payments are increasingly integrated into e-commerce, mobility, social commerce, insurance, and lending platforms, enabling frictionless customer journeys. This is transforming payments from a standalone service into a core component of digital ecosystems.

Advancements in Payment Technologies

The proliferation of contactless cards, NFC-enabled smartphones, tokenization, and digital wallets is enhancing convenience and security, encouraging higher adoption of cashless transactions.

Supportive Regulatory Framework and MDR Rationalization

A stable and innovation-friendly regulatory environment has accelerated digital payment adoption in India. The government's zero-MDR policy on UPI and RuPay transactions has lowered acceptance costs for merchants, encouraging wider adoption, while recent regulatory initiatives focused on interoperability, data security, digital lending, tokenization, and payment infrastructure resilience continue to strengthen trust and expand the digital payments ecosystem

Expanding Merchant Acceptance Network

In recent years, there has been a swift increase in merchant adoption of digital payments, primarily propelled by the ease, minimal setup and maintenance costs associated with QR codes. Moreover, fintech companies have been pivotal in promoting the widespread implementation of QR codes at merchant point of sale (POS) terminals. Standardization of QR codes has been instrumental in streamlining the digital infrastructure for merchant acceptance, ensuring a consistent user experience for both customers and businesses, thereby supporting the shift towards making digital payments.

CBDC and Next-Generation Payment Infrastructure

The rollout of the Digital Rupee (CBDC) has the potential to further increase digital payment adoption by enabling efficient, low-cost, real-time transactions while reducing dependence on cash and enhancing financial inclusion.

Peer Comparison

For the purpose of peer benchmarking, Crisil has identified a peer set comprising Bajaj Finance Limited, Tata Capital Limited, Shriram Finance Limited, Cholamandalam Investment and Finance Company Limited, Aditya Birla Capital Limited, Mahindra & Mahindra Financial Services Limited, HDB Financial Services Limited, and L&T Finance Limited, with comparisons based on consolidated financials as of March 31, 2026, and as of September 30, 2026. Bajaj Finance Limited is part of the Bajaj

Group, which was founded in 1926 and is one of the oldest & most trusted retail business houses in India. It is also one of the leading financial services names in the NBFCs industry, with a strong and diversified financial services franchise.

Bajaj Finance is the largest private sector NBFCs in terms of AUM

Bajaj Finance Limited is the largest private sector NBFCs in terms of AUM on a consolidated basis and has established a leading position through its diversified presence across lending, deposits, insurance distribution, payments, and broking and demat services. The Company's consolidated AUM reached Rs. 5,099.75 billion as of March 31, 2026, representing a 24.20% CAGR over Fiscal 2024 - 2026. Supported by its scale, diversified business model, and strong execution capabilities, Bajaj Finance recorded the highest PAT among the selected peers as of March 31, 2026. According to Crisil Intelligence, Bajaj Finance was the largest player amongst NBFCs-UL by AUM in FY26, commanding a market share of 8.11%, underscoring its strong scale and leadership position among NBFCs.

Size of the companies (FY26):

Players	Market Share (as per AUM) FY26	AUM (Rs Billion) FY26	AUM CAGR (FY24-FY26)	Deposits (Rs Billion) (FY26)	Deposits CAGR (FY24-FY26)	PAT (Rs billion) FY26	PAT CAGR (FY24-FY26)	Shareholder Equity (Rs billion) FY26
Bajaj Finance Limited	8.11%	5,099.75	24.20%	685.33	6.74%	190.17	14.72%	1,139.99
Shriram Finance Limited	4.80%	3,022.74	15.94%	694.80	25.03%	100.24	16.65%	659.19
Tata Capital Limited	4.41%	2,772.75	32.53%	N.A	N.A	48.46	24.03%	458.61
Cholamandalam Investment and Finance Company Limited	3.57%	2,243.34	24.14%	N.A	N.A	52.33	23.69%	304.58
Aditya Birla Capital Limited	3.30%	2,073.68*	29.29%	N.A	N.A	37.74	6.79%	344.21
Mahindra & Mahindra Financial Services Limited	2.27%	1,426.08	13.96%	141.30	36.95%	28.55	21.53%	266.39
L&T Finance Limited	1.93%	1,217.28	19.27%	N.A	N.A	29.81	13.36%	279.84
HDB Financial Services Limited	1.89%	1,187.33	14.71%	N.A	N.A	25.44	1.67%	206.64

Note:
N. A: Not Available,
** Aditya Birla Capital AUM includes Aditya Birla Finance AUM is Rs. 1,599.16 billion and Aditya Birla Housing AUM is Rs. 474.52 billion; Mahindra & Mahindra Financial Services Limited AUM includes Mahindra & Mahindra Financial Services Limited and Mahindra Housing Rural Finance Limited; Market Share: Company's AUM/ Total NBFC Industry AUM; PAT includes: PAT attributable to Owners of Company for all peers (remove non-controlling interest), Shareholder's Equity includes: Shareholder Equity attributable to Owners of Company for all peers (remove non-controlling interest) Source: Company Reports, Crisil Intelligence*

As of September 30, 2026, Bajaj Finance is the largest private sector NBFC in terms of AUM on a consolidated basis (Rs. 5,846.24 billion) and one of the most profitable and diversified NBFCs in India with offerings spanning across lending, deposits, insurance, payments, and broking and demat solutions. Bajaj finance has one of the largest deposit base among NBFCs in India with deposits of Rs. 697.54 billion as of September 30, 2026. Its' profit after tax (PAT) was recorded at Rs. 122.52 billion for half year ended September 30, 2026. Among the peers considered, Bajaj Finance had the highest total shareholders' equity of Rs. 1,231.80 billion, which was followed by Shriram Finance at Rs. 1,114.34 billion as of September 2026.

Size of the companies (as of September 30, 2026)

Players	AUM (Rs Billion)	Deposits (Rs Billion)	PAT (Rs billion)	Shareholder Equity (Rs billion)
Bajaj Finance Limited	5,846.24	697.54	122.52	1,231.80
Shriram Finance Limited	3,290.22	735.98	71.37	1,114.34
Tata Capital Limited	3,080.30	N.A	32.07	489.81
Cholamandalam Investment and Finance Company Limited	2,480.45	N.A	32.87	345.31
Aditya Birla Capital Limited	2,339.30	N.A	24.62	426.88
Mahindra & Mahindra Financial Services Limited	1,563.11	147.00	18.35	274.87
L&T Finance Limited	1,366.35	N.A	18.78	292.67
HDB Financial Services Limited	1,244.69	N.A	15.65	221.53

*Note: N.A: Not Available, * Aditya Birla Capital AUM includes Aditya Birla Finance AUM is Rs. 1,599.16 billion and Aditya Birla Housing AUM is Rs. 474.52 billion; Mahindra & Mahindra Financial Services Limited AUM includes Mahindra & Mahindra Financial Services Limited and Mahindra Housing Rural Finance Limited; PAT includes: PAT attributable to Owners of Company for all peers (remove Non-controlling interest), Shareholder's Equity includes: Shareholder Equity attributable to Owners of Company for all peers (remove Non-controlling interest) Source: Source: Company Reports, Crisil Intelligence*

Bajaj Finance had the highest ROAA amongst NBFCs-UL for Fiscal 2026

Bajaj Finance had the highest RoAA (consolidated) among select NBFCs with RoAA of 4.19% and second highest RoAE (consolidated) at 18.05% amongst the select peers at end of Fiscal 2026. Amongst the peer set considered, Shriram Finance had the second highest ROAA of 3.80% in fiscal 2026, followed by L&T Finance Limited (2.82%). Cholamandalam has the highest ROAE of 19.33% as of Fiscal 2026. Shriram Finance had the lowest leverage of 4.88 times, followed by Bajaj Finance (4.91 times) and L&T Finance Limited (5.08 times). Shriram has the best operating efficiency amongst the peers considered of 30.12% followed by Bajaj Finance having second lowest at 33.34% as of 31st March 2026.

Profitability parameters – Fiscal 2026

Players	Yield on advances (%)	NIMs (%)	Non-interest income (%)	Cost of funds (%)	Opex (%)	Credit cost (%)	RoAA (%)	ROAE (%)	Leverage (times)	Opex to NTI
Bajaj Finance Limited	15.39	9.73	0.28	7.20	3.46	2.09	4.19	18.05	4.91	33.34
Shriram Finance Limited	16.86	9.52	0.34	8.88	2.61	2.02	3.80	16.38	4.88	30.12
Tata Capital Limited	11.48	5.17	0.46	7.19	2.22	1.23	1.98	12.28	6.34	38.29
Cholamandalam Investment and Finance Company	13.79	7.01	0.46	7.45	2.97	1.77	2.62	19.33	8.06	38.74
Aditya Birla Capital Limited	11.16	5.15	7.85	7.30	8.94	0.96	2.17	11.65	9.74	80.76
Mahindra & Mahindra Financial Services Limited	13.32	7.23	1.16	7.22	3.82	1.89	2.17	11.85	5.96	47.57
L&T Finance Limited	15.15	9.35	0.05	6.65	3.80	2.06	2.82	11.13	5.08	44.53
HDB Financial Services Limited	14.27	8.23	2.27	7.22	4.66	2.58	2.33	13.94	5.98	46.59

Note: Formulae: Yield on Advances: Interest Income/ Average of Total Advances, NIMs: Net Interest Income/Average Advances, Non-Interest Income: Non-Interest Income/ Average Total Assets, Cost of Funds: Total Interest Expense/ Average Sum of Deposits & Borrowings, Opex: Opex/Average Total Assets, Credit Cost: Provisioning/ Average Advances, RoAA (Return on Average Advances): PAT/ Average Advances, ROAE: PAT/Average Shareholder's Equity, Leverage: Total Assets/Equity, Opex to NTI: Opex/ (Fee income+Net interest income+Other income) Source: Company Reports, Crisil Intelligence

Profitability parameters – H1 FY27

Bajaj Finance has a RoAA of 4.57% and ROAE of 20.66% for the six months ended September 30, 2026.

Players	Yield on advances (%)^*	NIMs (%)^	Non-interest income (%)^	Cost of funds (%)^	Opex (%)^	Credit cost (%)^	RoAA (%)^	ROAE (%)^	Leverage (times)	Opex to NTI^
Bajaj Finance Limited	15.82	9.66	0.18	7.06	3.46	1.55	4.57	20.66	5.19	33.21
Shriram Finance Limited	17.82	10.93	0.38	8.35	2.46	2.26	4.84	16.10	3.18	24.35
Tata Capital Limited	11.52	5.13	0.63	7.29	2.16	0.92	2.26	13.53	6.52	36.06
Cholamandalam Investment and Finance Company	14.46	7.18	0.40	7.53	2.95	1.57	2.87	20.23	7.82	38.00
Aditya Birla Capital Limited	11.89	5.20	7.53	7.40	8.63	0.79	2.37	12.77	8.71	79.06
Mahindra & Mahindra Financial Services Limited	13.75	7.04	1.29	7.04	3.75	1.64	2.51	13.56	6.56	46.74
L&T Finance Limited	16.08	9.78	0.04	6.76	4.03	1.94	3.00	13.12	5.39	44.50
HDB Financial Services Limited	14.66	8.58	2.09	7.01	4.48	2.43	2.66	14.62	5.90	44.67

Note: Note: NA: Not Available, (^) Annualized Numbers (*) Yield on advances calculated on total interest income NIMs: Net Interest Income/ Average Advances, Non-Interest Income: Non-Interest Income/ Average Total Assets, Cost of Funds: Total Interest Expense/ Average Sum of Deposits & Borrowings, Opex: Opex/Average Total Assets, Credit Cost: Provisioning/ Average Advances, RoAA (Return on Average Advances): PAT/ Average Advances, ROAE: PAT/Average Shareholder's Equity, Leverage: Total Assets/Equity, Opex to NTI: Opex/ (Fee income+ Net interest income+ Other income)
Source: Company Reports, Crisil Intelligence

Bajaj Finance has the best asset quality amongst the considered peer set

Bajaj Finance has the lowest GNPA ratio of 1.01% and NNPA ratio of 0.41% on a consolidated level, amongst large NBFCs in India as of 31st March 2026.

Bajaj finance has GNPA ratio of 1.06% and NNPA ratio of 0.42% on a consolidated basis at end of September 30, 2026. This is followed by Aditya Birla Capital Ltd. with GNPA & NNPA of 1.28% and 0.66% respectively.

Bajaj Finance has the best capital adequacy & second-best provision coverage ratio amongst peers as of 31st March 2026

In terms of Capital adequacy, Bajaj Finance has the highest CRAR ratio of 21.55%, followed by HDB Financial (21.40%) and Shriram Finance (20.40%) at end of Fiscal 2026. L&T Finance's Provision Coverage Ratio (PCR) of 67.00%. Bajaj Finance has the second-best Provision Coverage Ratio (PCR) of 59.71% followed by Mahindra & Mahindra Financial at 58.60% at end of Fiscal 2026.

Capitalisation and asset quality – FY26

Players	Capital adequacy ratio	Provision Coverage Ratio	Tier-1 capital	Gross NPA ratio	Net NPA ratio
Bajaj Finance Limited	21.55%	59.71%	20.67%	1.01%	0.41%

Players	Capital adequacy ratio	Provision Coverage Ratio	Tier-1 capital	Gross NPA ratio	Net NPA ratio
Shriram Finance Limited	20.40%	50.34%	19.80%	4.58%	2.33%
Tata Capital Limited	19.00%	56.20%	15.60%	2.03%	0.90%
Cholamandalam Investment and Finance Company Limited	19.21%	47.29%	14.73%	3.05%	1.61%
Aditya Birla Capital Limited	16.79%	47.80%	13.82%	1.33%	0.70%
Mahindra & Mahindra Finance Services Limited	18.84%	58.60%	16.66%	3.41%	1.44%
L&T Finance Limited	18.34%	67.00%	17.60%	2.88%	0.96%
HDB Financial Services Limited	21.40%	55.50%	17.06%	2.44%	1.09%

Note: Reported PCR is taken
Source: Company Reports, Crisil Intelligence

At end of September 2026, Bajaj Finance had a CRAR of 20.33% and Tier I Capital of 19.43%. The Provision Coverage ratio of Bajaj Finance stood at 60.41%, which was the second-best at end of September 2026.

Capitalisation and asset quality – H1 FY27

Players	Capital adequacy ratio	Provision Coverage Ratio	Tier-1 capital	Gross NPA ratio	Net NPA ratio
Bajaj Finance Limited	20.33%	60.41%	19.43%	1.06%	0.42%
Shriram Finance Limited	33.24%	51.48%	32.44%	4.65%	2.31%
Tata Capital Limited	17.30%	58.60%	14.70%	1.90%	0.80%
Cholamandalam Investment and Finance Company Limited	20.62%	45.32%	16.02%	3.25%	1.78%
Aditya Birla Capital Limited	18.76%	48.40%	15.63%	1.28%	0.66%
Mahindra & Mahindra Finance Services Limited	17.98%	56.60%	16.20%	3.42%	1.51%
L&T Finance Limited	18.67%	70.00%	17.50%	2.75%	0.85%
HDB Financial Services Limited	21.37%	55.00%	17.36%	2.43%	1.09%

Note: Reported PCR is taken
Source: Company Reports, Crisil Intelligence

ECL Provisions as on 31st March 2026

Players	Gross ECL (%)	Net ECL (%)
Bajaj Finance Limited	2.02%	2.06%
Shriram Finance Limited	5.92%	6.29%
Tata Capital Limited	1.83%	1.86%
Cholamandalam Investment and Finance Company Limited	1.97%	2.01%
Aditya Birla Capital Limited	1.02%	1.03%
Mahindra & Mahindra Financial Services Limited	2.89%	2.97%
L&T Finance Limited	2.89%	2.93%
HDB Financial Services Limited	3.21%	3.32%

Note: Gross ECL(%) = ECL Provisioning/Gross lending book, Net ECL (%)= ECL Provisioning/Net lending book
Source: Company Reports, Crisil Intelligence

Secured vs Unsecured Exposure FY2026

Bajaj Finance is amongst the second largest unsecured loan provider amongst the peers considered, with an outstanding loan of Rs. 1,880.87 billion as of 31st March 2026.

Players	Secured	Unsecured
Bajaj Finance Limited	62.30%	37.70%
Shriram Finance Limited	91.58%	8.42%
Tata Capital Limited	79.25%	20.75%
Cholamandalam Investment and Finance Company Limited	92.43%	7.57%
Aditya Birla Capital Limited	78.53%	21.47%
Mahindra & Mahindra Financial Services Limited	94.57%	5.43%
L&T Finance Limited	51.89%	48.11%
HDB Financial Services Limited	74.36%	25.64%

Source: Company Reports, Crisil Intelligence

Bajaj finance is the largest NBFC (in terms of customer franchise) in India with a customer base of 128.85 million customers as of September 30, 2026

Bajaj Finance is the largest NBFC (in terms of customer franchise) in India with a customer base of 119.33 million as of March 2026 and 128.85 customer base as of 30th September 2026. Bajaj Finance had the largest number of installations of financial services apps in India among NBFCs through the Bajaj Finance App, with total installations of more than 86.6 million as of March 31, 2026, and 94.0 million as of 30th September 2026. In terms of distribution footprint, Bajaj Finance has the largest

geographical spread (on a consolidated basis) in India with 4,098 branches, covering 27 states and 6 union territories as of March 31, 2026, and a large distribution network with a presence of more than 242,000 points of active distribution for NBFC business as of March 31, 2026 and 254,000 as of September 30, 2026.

Distribution footprint of Peers – Fiscal 2026 & H1FY2027

Players	States & UTs		Customers		Branches	
	FY2026	H1FY2027	FY2026 (in mn)	H1FY2027	FY2026	H1FY2027
Bajaj Finance Limited	33	33	119.33	128.85	4,098	4,091
Shriram Finance Limited	31	31	9.73	10.57	3,225	3,225
Tata Capital Limited	27	26	8.4	9.2	1,477	1,515
Cholamandalam Investment and Finance Company Limited	33	33	4.75	5.04	1,761	1,761
Aditya Birla Capital Limited	25	N.A	N.A	N.A	1,740	1,822
Mahindra & Mahindra Financial Services Limited	34	34	12	12	1,348	N.A
L&T Finance Limited	27	22	8.9	9.3	2,841	3,162
HDB Financial Services Limited	31	31	22.9	24.8	1,730	1,701

Note: N.A – Not Available
Source: Company Reports, Crisil Intelligence

Bajaj Finance has the highest mobile application downloads as of March 31, 2026

Players	App downloads (in millions)
Bajaj Finance Limited	86.6
Shriram Finance Limited	N.A
Tata Capital Limited	1.56
Cholamandalam Investment and Finance Company Limited	1
Aditya Birla Capital Limited	11
Mahindra & Mahindra Financial Services Limited	1.43
L&T Finance Limited	23
HDB Financial Services Ltd.	14.1

Source: Company Reports, Crisil Intelligence

H1FY2027

Players	App downloads (in millions)
Bajaj Finance Limited	94.0
Shriram Finance Limited	N.A
Tata Capital Limited	1.73
Cholamandalam Investment and Finance Company Limited	N.A
Aditya Birla Capital Limited	6.10
Mahindra & Mahindra Financial Services Limited	N.A
L&T Finance Limited	27.00
HDB Financial Services Ltd.	17.00

Note: N.A – Not Available
Source: Company Reports, Crisil Intelligence

Assessment of technology investments relative to peers

In absolute terms, Bajaj Finance Limited reported the highest cumulative technology expenditure among peers, with spending of Rs. 24.70 billion during FY24-FY26. This was more than double the expenditure incurred by Tata Capital Limited (Rs. 12.02 billion), the next highest spender in the peer set. Other peers reported cumulative technology investments ranging from Rs. 3.23 billion to Rs. 5.75 billion over the same period, underscoring Bajaj Finance Limited's significant commitment to technology and digital capabilities.

Cumulative technology expenditure (FY24-FY26)

Players (in Rs. bn)	FY24	FY25	FY26	Cumulative Expense (FY24-26)
Bajaj Finance Limited	7.15	7.72	9.84	24.70
Shriram Finance Limited	N.A	N.A	N.A	N.A
Tata Capital Limited	3.03	3.79	5.20	12.02
Cholamandalam Investment and Finance Company Limited	1.06	1.01	1.16	3.23
Aditya Birla Capital Limited	1.22	2.06	2.47	5.75
Mahindra & Mahindra Financial Services Limited	N.A	N.A	N.A	N.A

Players (in Rs. bn)	FY24	FY25	FY26	Cumulative Expense (FY24-26)
L&T Finance Limited	N.A	1.95	2.30	4.25
HDB Financial Services Limited	1.14	1.28	1.71	4.13

Note: N.A – Not Available
Source: Company Reports, Crisil Intelligence

Technology spend intensity (% of Total Expenses)

Players	FY24	FY25	FY26
Bajaj Finance Limited	2.00%	1.65%	1.76%
Shriram Finance Limited	N.A	N.A	N.A
Tata Capital Limited	2.20%	1.61%	2.08%
Cholamandalam Investment and Finance Company Limited	0.72%	0.49%	0.47%
Aditya Birla Capital Limited	0.41%	0.57%	0.61%
Mahindra & Mahindra Financial Services Limited	N.A	N.A	N.A
L&T Finance Limited	N.A	1.57%	1.66%
HDB Financial Services Limited	1.05%	0.96%	1.13%

Note: Technology expense/ Total expense, Source: Crisil Intelligence

Technology investment ratio (% of Total Income)

Players	FY24	FY25	FY26
Bajaj Finance Limited	1.30%	1.12%	1.20%
Shriram Finance Limited	N.A	N.A	N.A
Tata Capital Limited	1.67%	1.33%	1.65%
Cholamandalam Investment and Finance Company Limited	0.55%	0.39%	0.37%
Aditya Birla Capital Limited	0.36%	0.51%	0.54%
Mahindra & Mahindra Financial Services Limited	N.A	N.A	N.A
L&T Finance Limited	N.A	1.22%	1.28%
HDB Financial Services Limited	0.80%	0.79%	0.93%

Note: Technology expense/ Total income, Source: Crisil Intelligence

Bajaj Finance has AAA long term credit rating, the highest possible rating for borrowings and deposit programme in India

Below table includes the short term & long-term credit rating of large NBFCs in India, which indicates that Bajaj Finance is one of the largest private NBFCs with AAA Long term rating. Other peers such as Tata Capital Limited, Aditya Birla Capital Limited, Mahindra & Mahindra Financial Services Limited, HDB Financial Services Limited, L&T Finance Limited also have a AAA rating amongst the NBFC space.

Credit ratings of players

Players	Long Term Rating	Short Term Rating
Bajaj Finance Limited	ICRA AAA (Sept 2026), CRISIL AAA (Sept 2026)	ICRA A1+ (Sept 2026), CRISIL A1+ (Sept 2026)
Shriram Finance Limited	ICRA AAA(Sept 2026), CRISIL AAA (Aug 2026)	CRISIL A1+ (Aug 2026)
Tata Capital Limited	ICRA AAA/ ICRA AAA (July 2026), CRISIL AAA/CRISIL AA+/CRISIL PPMLD AAA (July 2026)	ICRA A1+ (July 2026), CRISIL A1+ (July 2026)
Cholamandalam Investment and Finance Company Limited	CRISIL AA+ (Aug 2026), CARE AA+ (Aug 2026)	CARE A1 + (Aug 2026), ICRA A1+ (Sep 2026)
Aditya Birla Capital Limited	IND AAA (Sept 2026), CRISIL AAA (May 2026)	IND A1+ (Sept 2026), CRISIL A1+ (May 2026)
Mahindra & Mahindra Financial Services Limited	CRISIL AAA (Apr 2026), CARE AAA (July 2026)	CRISIL A1+ (Apr 2026), CARE A1+ (Jul 2026)
L&T Finance Ltd.	CARE AAA (Sept 2026), CRISIL AAA (Aug 2026)	CARE A1+ (Sept 2026), CRISIL A1+ (Aug 2026)
HDB Financial Services Ltd.	CRISIL AAA (Oct 2026), CARE AAA (Sept 2026)	CARE A1 + (Sept 2026), CRISIL A1+ (Sep 2026)

Source: Company Reports, Crisil Intelligence

ESG Ratings of Players

Bajaj Finance has second best ESG ratings of 72 along with Tata Capital Limited. L&T Finance has highest ESG rating of 73.

Players	ESG Ratings	Date	Category
Bajaj Finance Limited	72 (CRISIL ESG)	6-Aug-26	Leadership
Shriram Finance Limited	69 (CRISIL ESG)	14-Jul-26	Strong
Tata Capital Limited	72 (CRISIL ESG)	4-Sep-26	Leadership
Cholamandalam Investment and Finance Company Limited	69 (CRISIL ESG)	14-Aug-26	Strong
Aditya Birla Capital Limited	55 (CRISIL ESG)	22-Jun-26	Adequate
Mahindra & Mahindra Financial Services Limited	70 (CRISIL ESG)	14-Jul-26	Strong
L&T Finance Limited	73 (CRISIL ESG)	17-Jun-26	Leadership
HDB Financial Services Limited	68 (CRISIL ESG)	26-Jun-26	Strong

Source: Crisil ESG Ratings, Crisil Intelligence

Bajaj Finance has a more diversified funding profile, while certain peers remain more reliant on bank and financial institution borrowings

For all the below players, bonds/NCDs and loans from banks and FIs are the top two contributors in the borrowing mix amongst which Tata Capital, Cholamandalam Investment and Finance Company Ltd, L&T Finance, HDB Financial Services and Aditya Birla Capital have above 80% respectively of borrowings through the above instruments respectively as of Fiscal 2026. Cholamandalam Finance and L&T Finance are highly dependent on loan from banks and financial institutions as compared with other players. Shriram Finance & Bajaj Finance have the highest and second highest deposit base among the NBFCs in India. Accordingly, Shriram Finance & Bajaj Finance have been able to leverage its deposits to raise funding and that constitutes 27.72% and 21.21% of their funding mix respectively as of fiscal 2026.

Funding Mix of players – FY26

Players	Bonds/NCDs	Loans from banks and FIs	Deposits	Commercial paper	ECBs	Others
Bajaj Finance Limited	35.45%	22.75%	21.21%	10.56%	7.00%	3.03%
Shriram Finance Limited	16.77%	20.43%	27.72%	N.A	19.75%	15.34%
Tata Capital Limited	37.69%	46.47%	N.A	4.25%	10.83%	0.76%
Cholamandalam Investment and Finance Company Limited	20.38%	66.82%	N.A	5.14%	7.35%	0.31%
Aditya Birla Capital Limited	35.67%	48.00%	N.A	8.83%	7.48%	0.01%
Mahindra & Mahindra Financial Services Limited*	23.16%	55.98%	11.01%	5.37%	4.46%	0.02%
L&T Finance Limited	23.00%	59.00%	N.A	7.00%	8.00%	3.00%
HDB Financial Services Limited	37.60%	47.94%	N.A	2.04%	12.42%	0.00%

Source: Company Reports, Crisil Intelligence

Funding mix of players – H1 FY27

Players	Bonds/NCDs	Loans from banks and FIs	Deposits	Commercial paper	ECBs	Others
Bajaj Finance Limited	40.00%	30.00%	14.00%	11.00%	5.00%	0.00%
Shriram Finance Limited	15.71%	21.05%	31.15%	N.A	16.53%	15.56%
Tata Capital Limited	35.00%	42.00%	N.A	9.00%	12.00%	2.00%
Cholamandalam Investment and Finance Company Limited	16.00%	57.00%	N.A	4.00%	7.00%	16.00%
Aditya Birla Capital Limited	35.00%	39.00%	N.A	9.00%	10.00%	7.00%
Mahindra & Mahindra Financial Services Limited*	20.40%	51.50%	10.10%	4.10%	3.70%	10.20%
L&T Finance Limited	23.00%	58.00%	N.A	8.00%	7.00%	4.00%
HDB Financial Services Limited	35.00%	43.40%	N.A	3.90%	12.10%	5.60%

Note: N.A: Not Available
Source: Company Reports, Crisil Intelligence

Bajaj Finance has lowest attrition amongst its selected peers

Bajaj Finance Limited's attrition rate in fiscal 2026 was the lowest among the peers considered, with the rate at 18.66%.

Players	FY26
Bajaj Finance Limited	18.66%
Shriram Finance Limited	31.17%
Tata Capital Limited	28.00%
Cholamandalam Investment and Finance Company Limited	28.90%
Aditya Birla Capital Limited	37.25%
Mahindra & Mahindra Financial Services Limited	25.55%
L&T Finance Limited	22.70%
HDB Financial Services Limited	59.95%

Source: Crisil Intelligence

Bajaj Finance has the most diversified portfolio mix as of Fiscal 2026

Bajaj Finance has the most diversified portfolio mix with presence across 8 product segments. This is followed by Cholamandalam and HDB Financial with presence in 5 product segments respectively.

Advances mix of players – Fiscal 2026

Product Mix	Bajaj Finance Limited	Shriram Finance Limited	Tata Capital Limited	Cholamandalam Investment and Finance Company Limited	Aditya Birla Capital Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Limited	HDB Financial Services Limited
MSME Lending	10.11%	13.64%	27.40%	4.00%	2.80%	5.64%	6.99%	12.00%
Consumer lending	9.41%	N.A	N.A	9.00%	0.52%	N.A	N.A	5.00%
Commercial lending	6.64%	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Rural lending	4.95%	N.A	N.A	N.A	N.A	N.A	38.07%	N.A
Mortgages	31.78%	N.A	29.90%	33.00%	43.84%	5.94%	25.83%	22.00%
Retail Lending	20.49%	3.55%	9.00%	N.A	9.82%	N.A	12.05%	11.00%
Corporate Lending	N.A	N.A	14.30%	N.A	22.68%	N.A	N.A	N.A
Vehicle loans	6.18%	76.22%	14.30%	53.00%	N.A	83.88%	11.81%	35.00%
Others	10.45%	6.59%	5.10%	1.00%	20.34%	4.54%	5.26%	15.00%

Note: Bajaj Finance: Consumer Lending includes: Urban Consumer Finance & Rural Consumer Finance; Rural Lending includes: Rural Personal Loans; Retail Lending Includes: Urban Personal Loans; Vehicle Loans Includes: Captive 2W and 3W Finance, Open Market 2W and 3W Finance, Car Loans, CV & Tractor Finance; Others includes: MFI Business, Gold Loans, Loan Against Securities
Tata Capital: Other includes: MFI, loan against securities, car loans, education loans; Mortgage includes: Home loans and Loan against property; Vehicle loans include: Two wheelers and motor finance
Shriram Finance: Retail Lending includes: Personal Loans; Vehicle Loans includes: Commercial Loans, Tractor and Farm Equipment Loans, Passenger Vehicle Loan, two-wheeler Loan; Others includes: Gold Loan and Construction Equipment Loan
Cholamandalam Investment & Finance Company Ltd: Mortgages includes: LAP & HL; Consumer Lending includes: SBPL & CSEL; Others includes: Gold Loans
Aditya Birla Capital Ltd: Mortgage include: LAP and housing portfolio, Others includes: LAS, TL, LDR, Supply chain, WCDL
Mahindra & Mahindra Financial Services Ltd: Vehicle Loans includes: Passenger Vehicles, Commercial Vehicles & Construction Equipment, Pre-Owned Vehicles, Tractors, 3 Wheelers. Mortgages includes: MRHFL gross book Others Includes: Trade Advances, Personal and Consumer Loans, Finance Lease Receivables, Implements etc.
HDB Financial Ltd: MSME Lending Includes: Enterprise Business Loans and Business Loans; Retail Lending includes: Salaried PL and Relationship PL; Vehicle Loans includes: CV Loans (used & new), Auto loans (used & new), 2W Loans; Other Includes: TL Loans (used and new), CE loans (used and new), Gold Loans
L&T Finance Limited: Rural Lending Includes: Farm Equipment and Rural group loans; Retail Lending includes: Personal Loans; Mortgages includes: Home Loans, Micro LAP and LAP; Others includes: Wholesale Book, Gold finance, Acquired Portfolio
Source: Company Reports, Crisil Intelligence

Advances mix of players – H1 Fiscal 2027

Product Mix	Bajaj Finance Limited	Shriram Finance Limited	Tata Capital Limited	Cholamandalam Investment and Finance Company Limited	Aditya Birla Capital Limited	Mahindra & Mahindra Financial Services Limited	L&T Finance Limited	HDB Financial Services Limited
SME Lending	9.08%	14.04%	28.73%	4.00%	N.A	6.19%	6.95%	11.00%
Consumer lending	10.69%	N.A	N.A	7.00%	0.64%	N.A	N.A	6.00%
Commercial lending	6.03%	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Rural lending	5.00%	N.A	N.A	N.A	N.A	N.A	35.70%	N.A
Mortgages	32.01%	N.A	29.80%	33.00%	44.41%	6.27%	25.57%	22.00%
Retail Lending	19.71%	3.77%	9.11%	2.00%	10.03%	N.A	13.66%	11.00%
Corporate Lending	N.A	N.A	14.56%	N.A	21.58%	N.A	N.A	N.A
Vehicle loans	5.70%	75.84%	12.45%	52.00%	N.A	79.95%	11.83%	36.00%
Others	11.77%	6.35%	5.34%	2.00%	23.34%	7.59%	6.30%	14.00%

Note: Bajaj Finance: Consumer Lending includes: Urban Consumer Finance & Rural Consumer Finance; Rural Lending includes: Rural Personal Loans; Retail Lending Includes: Urban Personal Loans; Vehicle Loans Includes: Captive 2W and 3W Finance, Open Market 2W and 3W Finance, Car Loans, CV & Tractor Finance; Others includes: MFI Business, Gold Loans, Loan Against Securities
Tata Capital: Other includes: MFI, loan against securities, car loans, education loans; Mortgage includes: Home loans and Loan against property; Vehicle loans include: Two wheelers and motor finance
Shriram Finance: Retail Lending includes: Personal Loans; Vehicle Loans includes: Commercial Loans, Tractor and Farm Equipment Loans, Passenger Vehicle Loan, two-wheeler Loan; Others includes: Gold Loan and Construction Equipment Loan
Cholamandalam Investment & Finance Company Ltd: Mortgages includes: LAP & HL; Consumer Lending includes: SBPL & CSEL; Others includes: Gold Loans
Aditya Birla Capital Ltd: Mortgage include: LAP and housing portfolio, Others includes: LAS, TL, LDR, Supply chain, WCDL
Mahindra & Mahindra Financial Services Ltd: Vehicle Loans includes: Passenger Vehicles, Commercial Vehicles & Construction Equipment, Pre-Owned Vehicles, Tractors, 3 Wheelers. Mortgages includes: MRHFL gross book; Others Includes: Trade Advances, Personal and Consumer Loans, Finance Lease Receivables, Implements etc.

HDB Financial Ltd: MSME Lending Includes: Enterprise Business Loans and Business Loans; Retail Lending includes: Salaried PL and Relationship PL; Vehicle Loans includes: CV Loans (used & new), Auto loans (used & new), 2W Loans; Other Includes: TL Loans (used and new), CE loans (used and new), Gold Loans
L&T Finance Limited: Rural Lending Includes: Farm Equipment and Rural group loans; Retail Lending includes: Personal Loans; Mortgages includes: Home Loans, Micro LAP and LAP; Others includes: Wholesale Book, Gold finance, Acquired Portfolio
Source: Company Reports, Crisil Intelligence

OUR BUSINESS

*Please read **"Presentation of Financial and Other Information - Financial data and other information"** on page 11 before reading this section. This section should also be read together with **"Risk Factors"**, **"Industry Overview"**, **"Management's Discussion and Analysis of Financial Condition"**, **"Selected Financial Information"**, **"Selected Statistical Information"** and **"Financial Information"** on pages 58, 142, 112, 30, 37, and 346 respectively.*

*This section contains certain forward-looking statements. Actual results of our Company and Subsidiaries may differ materially from those expressed in or implied by these forward-looking statements. See **"Forward-Looking Statements"** on page 15 for a discussion of the risks and uncertainties related to those statements and **"Risk Factors"** on page 58 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.*

Unless stated otherwise, all financial information is presented on a consolidated basis. Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for the half year ended September 30, 2026 and 2025 and the Fiscals 2026, 2025 and 2024 included herein is derived from the Financial Statements included in this Preliminary Placement Document.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Analysis of NBFC Sector in India" dated November 2026 ("**CRISIL Report**") prepared by CRISIL. We have commissioned the CRISIL Report and paid an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Issue. The CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. The views expressed in the CRISIL Report are those of CRISIL. Prospective investors are advised not to unduly rely on the CRISIL Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified such industry and third party related information.*

Overview

Our Company is part of the Bajaj group, which was founded in 1926 and is one of the oldest and most trusted retail business houses of India *(Source: CRISIL Report)*. Our Company is a deposit taking non-banking financial company ("**NBFC**") that is classified as a NBFC - investment and credit company ("**NBFC-ICC**") in India. As of September 30, 2026, we were the largest private sector NBFC in India (based on AUM (on a consolidated basis) which represented 8.1% of the total AUM of NBFCs in India), and were among the largest deposit taking NBFCs in India (based on deposits which amounted to ₹697.5 billion as of September 30, 2026) *(Source: CRISIL Report)*.

As of September 30, 2026, we were one of the leading financial services names in the NBFC industry and one of the most profitable and diversified NBFCs in India with offerings spanning across lending, deposits, insurance products, payments, and broking and demat solutions. *(Source: CRISIL Report)*.

We seek to build enduring customer relationships and address their required/ relevant financial needs, as illustrated by our cross-sell franchise of 82.4 million as of September 30, 2026. In addition, a majority of our new loans are booked by existing customers, and for the half year ended September 30, 2026 and Fiscals 2026, 2025 and 2024, existing customers contributed to 67.8%, 66.6%, 58.0% and 59.9% of new loans booked by volume, respectively. Our diversified business model supports scale and extensive distribution similar to scaled commercial banks, while retaining an agile, technology-led operating structure like specialized NBFCs. We believe that our strategies and structure align us more with commercial banks in India in comparison with product centric non-banks in India. We remain focused on continuous innovation through our entrepreneurial culture and technology-led operating model to transform customer experience, and follow strong governance and disciplined risk management approach to create sustainable and profitable growth opportunities, that collectively support our objective of delivering sustainable long-term performance.

According to CRISIL Report, as at September 30, 2026 (unless indicated otherwise) and on a consolidated basis, our Company was a leading NBFC in India across multiple parameters, including:

- largest NBFC in terms of customer franchise in India;
- highest total shareholders' equity of ₹ 1,231.8 billion;
- largest private sector NBFC (in terms of AUM) in India with AUM of ₹ 5,846.2 billion;
- among the most profitable NBFCs in India, with strong return on average assets and return on average equity, as compared to other listed peers;
- most diversified NBFC in India with offerings across lending, deposits, insurance, payments, broking and demat solutions;
- largest geographical spread (on consolidated basis) in India among NBFCs with branches and authorized sales and support centers ('**ASSC**') ("**Geographic Presence**") across 4,091 locations, covering 27 states and six union territories and a large distribution network with a presence of more than 253,900 points of active distribution for NBFC business;

- among the lowest GNPA ratio of 1.1% and NNPA ratio of 0.4% on a consolidated basis, among large NBFC in India as of September 30, 2026;
- among the largest deposit base among NBFCs in India with deposits of ₹ 697.5 billion;
- highest possible credit ratings in India for our borrowings and deposit programme. For information on the ratings assigned to our debt instruments, see "***Our Business– Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***";
- largest number of installations of Bajaj Finance App among NBFCs in India, with total installations of 94 million;
- industry-leading cumulative technology expenditure among large NBFCs for Fiscal 2024 to Fiscal 2026;
- among the best operating efficiency among large NBFCs / NBFC-ULs as for Fiscal 2026;
- among the highest provisioning coverage among large NBFCs;
- lowest employee attrition rate among large NBFCs for Fiscal 2026;
- among the best CRISIL Environmental and Social Governance ("**ESG**") ratings among large NBFCs for Fiscal 2026

Our Company has two subsidiaries, i.e., Bajaj Housing Finance Limited ("**BHFL**" or "**Bajaj Housing**"), a listed subsidiary which is registered with the Reserve Bank of India ("**RBI**") as a housing finance company ("**HFC**"), and Bajaj Financial Securities Limited ("**BFSL**", "**BFinsec**", or "**Bajaj Broking**"), a wholly owned subsidiary which is registered with the Securities and Exchange Board of India ("**SEBI**") as a stockbroker and depository participant. Our Company and our subsidiary BHFL have both been identified and categorised as "Upper Layer" NBFCs in India ("**NBFC-UL**").

We also have two associates, i.e., Snapwork Technologies Private Limited ("**STPL**"), which provides digital transformation solutions with a focus on cloud, platform engineering, and scalable mobile apps for the banking and financial services sector, and Pennant Technologies Private Limited ("**PTPL**"), which provides a loan management system for banks and financial institutions.

According to CRISIL Report, as at September 30, 2026 (unless indicated otherwise), BHFL was one of the leading HFCs in India across multiple parameters, including:

- among the largest HFCs (in terms of AUM) in India with AUM of ₹ 1,582 billion;
- among the most profitable HFC in India among HFCs in NBFC-ULs
- the highest possible credit ratings in India for its borrowings programme. For information on the ratings assigned to BHFL's debt instruments, see "***Our Business– Our Strengths – Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing***";
- lowest GNPA ratio and NNPA ratio among HFCs in NBFC-ULs in India;
- among the lowest opex ratios amongst HFCs in NBFC-ULs;
- among lowest cost of funds amongst HFCs in NBFC-ULs in India;
- highest provisioning coverage among HFCs in NBFC-ULs in India for the half year ended September 30, 2026;
- among the most productive HFCs in NBFC-ULs with second highest AUM per branch and AUM per employee.

As a diversified financial services provider, we have a wide portfolio of lending solutions, non-lending products and services, and payment solutions, as set out below:

Lending solutions: Our Company has the most diversified portfolio mix among large NBFCs in India (*Source: CRISIL Report*). Our Company offers 14 lending products grouped into 5 verticals: (i) Retail Urban Lending; (ii) Micro, Small and Medium Enterprises ("**MSMEs**") lending; (iii) Retail Rural Lending; (iv) Mortgages; and (v) Commercial Lending.

The Retail Urban Lending Vertical advances Urban Consumer Finance, Captive 2W and 3W Finance, Open Market 2W and 3W Finance, Gold Loans, and Urban Personal Loans.

The MSME lending vertical offers unsecured loans to self-employed, unsecured loans to professionals; Business Loan Secured and Loans Against Property ("**LAP**"), Used-car financing and New-car financing, Commercial Vehicles ("**CV**"), Auto & Other Leasing and Medical Equipment and Industrial Equipment Financing.

Under Retail Rural Lending, we offer Rural Consumer Finance**,** Microfinance ("**MFI**") Lending Business, Tractor Finance, Rural Personal Loans**,** and Affordable Home Loans.

Under Mortgages, our Subsidiary BHFL offers Home Loans, LAP, Lease Rental Discounting, affordable and Developer Finance, whereas our Company offers mortgage products such as LAP, Affordable Home Loans, etc.

Under Commercial Lending vertical, we offer loan against securities, IPO financing and lending to large, mid, and emerging corporates. Our subsidiary, Bajaj Financial Securities Limited, also offers financing solutions, including Margin Trade Facility and Employee Stock Option Plan ("**ESOP**") financing. For a breakdown of our consolidated AUM by vertical, see "***Our Business – Our Loan Products***" on page 253.

Non-lending solutions: In addition, we also distribute a diverse suite of life, health, general insurance, and extended warranty products (individually or bundled) as value-added services during and post loan onboarding and provide stock broking and depository participant services.

Payment solutions: Our Company has built a full-stack payments business across consumer payments and merchant acquiring encompassing UPI, wallet, FASTag, Bharat Connect bill pay service, UPI QR and Soundbox, Electronic Data Capture and single payment gateway powering our businesses.

We have established a diversified business model with a strong focus on customer acquisition and multiple offerings to meet various financial services needs of our customers. Our customer base is spread across rural and urban locations and lending verticals, enabling us to have a well-diversified asset mix across customer classes and geographies through a combination of secured and unsecured products. We have introduced several new products, services, payment solutions and entered into new partnerships since April 1, 2024, including financing options to facilitate purchase of commercial vehicles, industrial equipment and home ownership, among others. For details of product launches since April 1, 2024, see *"**Our Business – Our Strategies – Further diversify our portfolio of products and services***" on page 251.

Our strategy is anchored in being an 'omnipresent' financial services company and be prominent across all vectors of consumer presence spanning physical and digital channels (App, Web and Social). This omnichannel construct has reinforced our transition from a product and process centric model to a customer first approach, with sustained investments over the last few years in building digital platforms that have now scaled meaningfully in adoption and usage. Digital platforms continue to serve as a critical growth engine to overall business and we served a total of 128.8 million customers as at September 30, 2026. As at September 30, 2026, we had 94 million net installations on our Bajaj Finance App, constituting the largest number of installations among NBFCs in India (*Source: CRISIL Report*). In the half year ended September 30, 2026, 13.2 million bill pay transactions were executed by the customers using our bill pay service. We disbursed 29.6 million new loans in the half year ended September 30, 2026, a 15.2% increase compared to 25.7 million in the half year ended September 30, 2025.

Geographical expansion, large customer base and adoption of digital technology and AI continue to be critical pillars for our growth. In addition to the above, our "Long Range Strategy" for Fiscal 2026–2030 is anchored on three strategic pillars comprising (i) "customer centricity", which will involve developing a deeper understanding of customer needs to deliver more personalised and relevant customer engagement; (ii) "leveraging technology and FINAI" to integrate AI across our businesses and processes, including through enterprise AI, consumer AI, data for AI and agentic AI; and (iii) aiming to be a "lowest risk company" to maintain a low tolerance for risk across our businesses, including credit, fraud, compliance, operations and technology. For further information on our strategies, see "***Our Business – Our Strategies***" on page 249.

We believe we have invested significant time and effort in developing customised credit assessment and operations processes, including a customised loan origination system supported by monitoring frameworks and systems to ensure high standards of on-boarding, credit quality and portfolio performance. This is in line with our risk culture and risk management practices which have enabled us to record among the lowest GNPA ratio and NNPA ratio as of September 30, 2026, among all the NBFC-ULs in India *(Source: CRISIL Report).* This is despite the uncertain economic environment, inflationary trends, elevated leverage and rising interest rates. We invest in emerging technologies, our people and analytics in order to enable us to cross-sell our products, improve productivity, manage risks and decrease costs.

In addition, our debt instruments and deposits have been assigned the highest possible credit ratings in India *(Source: CRISIL Report)* which enables us to rely on stable funding sources at competitive rates across various tenures. For details see "***Our Business – Our Strengths – Disciplined asset-liability management, conservative leverage and diversified liability mix***" below.

We delivered a ROAA of 2.3% (not annualised) and a ROAE of 10.3% (not annualised), in each case on a consolidated basis in the half year ended September 30, 2026. The table below sets forth certain key financial information of our Company, on a consolidated basis:

Particulars	As at/for half year ended September 30, 2026	As at/for half year ended September 30, 2025	As at/for year ended March 31, 2026	As at/for year ended March, 2025	As at/for year ended March, 2024
Total Loans (₹ million)	5,741,744.4	4,525,269.8	4,989,435.4	4,078,441.4	3,262,933.2
Total Equity (₹ million)	1,231,797.5	1,032,134.7	1,139,990.2	966,928.7	766,953.5

Particulars	As at/for half year ended September 30, 2026	As at/for half year ended September 30, 2025	As at/for year ended March 31, 2026	As at/for year ended March, 2025	As at/for year ended March, 2024
Profit after tax (₹ million)	124,471.7	97,130.5	193,323.6	167,794.8	144,511.7
ROAE (%)[(1)]	10.3%*	9.6%*	18.1%	19.2%	22.1%
ROAA (%)[(2)]	2.3%*	2.3%*	4.3%	4.6%	5.1%
GNPA ratio	1.1%	1.2%	1.0%	1.0%	0.8%
NNPA ratio	0.4%	0.6%	0.4%	0.4%	0.4%
Provision Coverage Ratio	60.4%	51.8%	59.7%	53.7%	57.0%

* *not annualized*

(1) Return on Average Equity refers to profit after tax on Average Equity for the period/year.

(2) Return on Average Assets refers to profit after tax on Average Loans for the period/year.

Our Company's CRAR (including Tier II Capital) and Tier 1 on a standalone basis stood at 20.3% and 19.4% as at September 30, 2026. BHFL's CRAR (including Tier II Capital) and Tier 1 on a standalone basis stood at 21.2% and 20.8% as at September 30, 2026.

We believe that our consistent track record of delivering growth and strong financial performance over time throughout various business, credit and liquidity cycles is evidence of our diversified business model, sustainable business practices, prudent risk management and resilience, which we believe offers a distinct advantage for sustained, profitable growth.

Our Strengths

We believe that the following are our primary competitive strengths.

The pedigree of the "Bajaj" brand, which we believe is widely recognised as a trusted retail brand and has a strong brand equity

The Bajaj group was founded in 1926. We believe that the "Bajaj" brand name is widely recognised throughout India as a trusted retail brand with strong brand equity. The "Bajaj" group of businesses are retail-focused enterprises that have gained recognition among Indian consumers through the two- and three-wheelers of Bajaj Auto Limited, financing products of Bajaj Finance Limited and our Subsidiaries, and insurance products of Bajaj Life Insurance Limited (*formerly known as Bajaj Allianz Life Insurance Company Limited*) and Bajaj General Insurance Limited (*formerly known as Bajaj Allianz General Insurance Company Limited*). The "Bajaj" brand has consequently evolved into a recognised retail brand with substantial brand recall, which has significantly contributed to the recognition and growth of our business. The financial services businesses of the Bajaj group are primarily carried out through subsidiaries of Bajaj Finserv Limited, and we, together with our subsidiaries, conduct our operations under the "Bajaj Finserv" brand.

Diversified lending model with customer centric approach

We offer a wide range of 14 financial products through our 5 lending verticals: (i) Retail Urban Lending; (ii) Micro, Small and Medium Enterprises ("**MSMEs**") Lending; (iii) Retail Rural Lending; (iv) Mortgages; and (v) Commercial Lending. Within each of these 5 lending verticals, we have developed a wide array of products to address diverse requirements of the customers we serve, including Gold Loans, Tractor Finance, and Affordable Home Loans. For a breakdown of our consolidated AUM by vertical, see "***Our Business – Our Loan Products***" on page 253.

We have gained a deep understanding of the market over the years that enable us to identify and anticipate the financing requirements of potential customers. We capitalised on our experience and knowledge of the market to scale our product verticals by consistently introducing new products to meet our customers' needs. We believe customers prefer a single source for multiple financial services and have accordingly customised a range of credit solutions to address a variety of financing requirements.

We also offer a suite of mortgage products through our subsidiary BHFL, which comprises (i) home loans; (ii) LAP; (iii) lease rental discounting; and (iv) developer financing loans. BHFL's primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, its financial products cater to a wide range of customers, from individual homebuyers to large-scale developers. Having a distinct registered HFC has allowed us to have greater leverage due to lower risk weights for certain classes of loans. It has also given us access to long term borrowing from NHB that would not otherwise have been available to NBFCs not classified as HFCs.

Our diversified business model with a strong focus on customer acquisition and multiple loans and services offerings, including payments solutions, enables us to meet various financial services needs of our customers. Our customers are spread across our lending verticals and are located in Rural and Urban areas enabling us to have a well-diversified asset mix across customer classes and geographies through a combination of secured and unsecured products. We believe our diversified lending profile has helped us achieve an optimal balance of risk and profitability to deliver a sustainable business.

Strong omnichannel pan-India presence, distribution reach and customer franchise

Through our omnichannel presence, we provide customers with convenient and seamless access to our financial products and services through their preferred channels. Our omnichannel distribution model integrates our extensive physical presence with digital platforms to simplify customer journeys, enable customer acquisition, enhance accessibility to our products and services and strengthen engagement and cross-selling and servicing across the customer lifecycle. Our physical distribution network supports customer acquisition and product accessibility, while our digital platforms facilitate seamless onboarding, product discovery, transactions and servicing. Together these channels enable us to deepen customer relationships, expand our reach and offer multiple financial products and services to our existing and new customers.

We have achieved a strong pan-India presence across multiple touchpoints on the back of our omnichannel distribution network which is built around seven domains: (i) geographic expansion, (ii) the Bajaj Finance App, (iii) the Bajaj Finserv website, (iv) payments, (v) productivity applications, (vi) Social media platforms, and (vii) the customer data platform. We monitor these domains to strengthen our presence, enhance customer engagement and support long-term growth.

As at September 30, 2026, we have the largest geographical spread among the NBFCs *(Source: CRISIL Report)* and had a Geographic Presence in 4,091 locations spread across 27 states and six union territories. Our Geographic Presence is balanced with 37% in Urban locations and 63% in Rural locations. As at September 30, 2026, we had a strong distribution reach in India, a breakdown of which is set forth below:

Particulars	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
	(*in thousands*)			
Total Geographic Presence	**4.1**	**4.1**	**4.3**	**4.1**
Comprising				
Urban	1.5	1.5	1.6	1.6
Rural	2.6	2.6	2.7	2.6
Overall Active Distribution Reach - Point of Sale	**253.9**	**242.3**	**232.2**	**198.2**
Comprising:				
Consumer durable stores – Urban	57.5	53.0	49.4	42.0
Consumer durable stores – Rural	72.7	68.4	62.7	49.0
Digital product stores	50.5	49.5	46.2	40.2
Lifestyle retail stores	25.6	23.6	21.2	16.9
EMI card – retail spends stores	26.9	27.9	30.7	28.2
2W and 3W, sub-dealers & ASSC	10.3	10.0	9.4	8.8
New Auto dealers	2.1	2.2	2.3	1.7
Commercial Vehicle	0.1	0.1	0.1	-
Tractor Finance dealers	1.2	1.2	0.8	1.1
DSA/Independent Financial Agents	6.6	6.2	9.2	10.1

Note: Rural and Urban locations are categorized basis the locations mapped to Retail-Urban and Retail- Rural businesses respectively.

Our omnichannel network, strong Geographic Presence and distribution reach has enabled us to acquire a large volume of customers every year. We have served a total of 128.8 million customers as at September 30, 2026. In the half years ended September 30, 2026 and 2025, we added 9.5 million and 8.8 million new customers, respectively. In Fiscals 2026, 2025 and 2024, we added 17.5 million, 18.2 million and 14.5 million new customers, respectively, growing our total customer franchise from 83.6 million as at March 31, 2024 to 128.8 million as at September 30, 2026.

Besides expanding our customer base, we focus on cross-selling our products and services to our large customer base. As at September 30, 2026, out of our total customer franchise of 128.8 million, we have identified 82.4 million as the potential customers to whom we can cross-sell our products based on our internal data analytics and parameters. For further information, see "***Our Business – Customer Franchise***" on page 265. A key element of our customer-centric strategy is to deepen engagement with existing customers by addressing a broader range of their financial-services needs. We measure the depth of these relationships through Product Per Customer ("**PPC**"), which represents the average number of products and services, whether active or closed, availed by a customer over the course of the customer's relationship with us. As at September 30, 2026, our PPC was at 6.1, while AUM per cross-sell franchise and PAT per cross-sell franchise were at ₹70,985 and ₹1,511, respectively.

Our EMI Card franchise enables our existing customers to avail incremental loans based on their past repayment track record, and as at September 30, 2026, our EMI Card franchise comprised 100.4 million cards that were in force. Our EMI Card makes it convenient for holders to obtain new loans and helps reduce our loan origination costs. Existing customers contributed to 67.8%, 66.6%, 58.0% and 59.9% of new loans booked by volume for the half year ended September 30, 2026 and Fiscals 2026, 2025 and 2024, respectively.

Our digital platforms continued to be a key growth driver in Fiscal 2026. Digital channels contributed 16.3% of aggregate disbursement amounting to ₹401,420.0 million in Fiscal 2026, including personal loans, gold loans and mortgage loans, while our lending platform facilitated 6.2 million transactions in Urban Consumer Finance and Rural Consumer Finance business vertical. Digital channels also supported insurance premium collections, deposit mobilisation, debt management services and flexi product transactions.

The Bajaj Finance App and the Bajaj Finserv website had registered installations by 94 million users as of September 30, 2026. During the half year ended September 30, 2026, the platforms recorded 323 million website visits. Further, the Bajaj Finance App had a Play Store rating of 4.7+ as of September 30, 2026, reflecting our focus on improving customer experience through personalised journeys, enhanced product discovery and seamless onboarding.

Payments remain central to customer engagement on the Bajaj Finance App. As at September 30, 2026, we had 43.9 million wallet customers, 66.1 million UPI handles and had issued 3.4 million FASTags. During the half year ended September 30, 2026, 13.2 million Bharat Bill Payment System transactions were undertaken through our platform.

Social media has emerged as a key channel for consumer discovery and purchase. Accordingly, we have strengthened our social presence to address the diverse financial needs of consumers. As of October 29, 2026, our social media community comprised 9.1 million followers**.**

Technology-led operating model supported by Artificial Intelligence and advanced analytics

We have been a data-first and risk-first organisation, leveraging technology, analytics and risk management as key enablers of our growth. Our technology-led operating model has evolved through phases, with the first phase or "BFL 1.0" being operational from 2008 to 2016 and the second phase or "BFL 2.0" from 2017 to 2024. We have now entered our third phase with "BFL 3.0".

During BFL 1.0 we established the foundations for innovation through initiatives such as EMI Cards, Flexi Loans, cloud adoption and data-driven decision-making. We strengthened our digital capabilities and advanced our omnipresent strategy, with investments in digital platforms and customer journeys during BFL 2.0. We believe that data, technology, AI and analytics are core enablers of our business model. Under our "BFL 3.0 strategy", we commenced our transformation into a 'FINAI' company with AI being progressively embedded across customer acquisition, underwriting, servicing, collections, fraud monitoring, operations and governance. We have a dedicated AI unit that comprised 328 professionals as of September 30, 2026. We have designed our AI systems with security protocols, transparent digital disclosures and in compliance with the Reserve Bank of India (Digital Lending) Directions, 2025, as amended, and the Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), to protect customer trust, data privacy and ethical lending standards.

We have organised our AI efforts across four strategic domains, comprising Enterprise AI, Consumer AI, Agentic AI and Data for AI, and have progressively rolled out our Board-approved AI governance framework (established in March 2026) across these dimensions to strengthen compliance and ethical standards.

- **Enterprise AI –** We have structured our Enterprise AI framework around specialised teams to drive focused execution and operational excellence. Voice AI, Text AI, Vision AI, Content AI, Tech AI and AI for business integration together form an end-to-end AI portfolio that enables human-like customer interactions, intelligent document extraction, automated content generation, accelerated software development and conversational enterprise analytics powered by autonomous agents.

- **Consumer AI** – It is the use of AI technologies designed to power everyday products and experiences that make consumers' lives simpler, more personalised and transformational. We are embedding AI capabilities across business and service journeys and deploying AI-enabled experiences across our App and Website to enhance customer engagement, product discovery and service delivery.

- **Agentic AI** – It represents the next frontier in automation, where agents can reason, plan, adapt and collaborate across systems and processes. It enables a shift from process-centric automation to goal-oriented autonomy. We have established dedicated agentic AI capabilities and deployed agent-led solutions across multiple business functions. We are also developing Enterprise BLU – an AI-powered enterprise assistant that can answer general-purpose and personalised queries and help employees resolve transaction-related requests, including sales helpline queries, IT helpdesk and service desk requests, claims processing, leave applications, data analysis and report generation.

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

Our technology and analytics capabilities support customer acquisition and cross-selling, credit evaluation, portfolio monitoring, customer service and operational efficiency. Our risk analytics platform uses multiple data sources and machine-learning models to support credit assessment and portfolio monitoring, with risk models governed by our Board-approved Model Risk Management ("**MRM**") Policy. We have also established a Board-approved AI governance framework covering safety, fairness, transparency and accountability across the model lifecycle.

Our AI initiatives have delivered measurable outcomes across various business functions. For details on these outcomes, see "***Our Business – Information Technology, Analytics and FINAI***" on page 269.

Strong credit evaluation and risk management systems

We believe that we have a strong governance framework under which our Board, or committees of our Board, approve risk strategies and delegate appropriate credit authorities. Our principal risks are assessed, identified and monitored by a team currently headed by the respective Chief Risk Officers of our Company and BHFL, each of whom reports directly to the Managing Director of the respective companies. We have made considerable investments in our credit and risk organizational structures, which include (i) dedicated credit and risk units for each business vertical; (ii) business-specific units, such as underwriting units, risk containment and fraud control units, and a payment risk unit; and (iii) support from horizontal risk analytics, business intelligence and operational risk management units. Our risk containment and fraud control function focuses on preventing fraud by customers, sourcing channel partners and employees through strong preventive and deterrent measures. We have developed a robust underwriting process and enhanced monitoring of portfolio quality and risks to ensure that risk performance across all portfolios remains well within the defined thresholds.

Our credit risk is managed through a robust control framework implemented by the risk, credit and debt management units. This is achieved through (i) the continuous alignment of risk, credit and debt management policies and resources; (ii) the use of external data obtained from credit bureaus; and (iii) reviews of portfolios and delinquencies by senior and middle management teams comprising risk, credit, analytics, debt management and risk containment functions, together with the business.

Our well-established risk management framework enabled the early identification of incipient stress in the MSME business, leading us to swiftly prune MSME loan originations in Fiscal 2026 to protect long-term asset quality and arrest potential losses. As a result, our MSME lending portfolio registered modest growth with AUM increasing by 5.9% from ₹486,976.3 million in Fiscal 2025 to ₹515,698.6 million in Fiscal 2026. We have also strengthened our underwriting standards and discontinued lending to customers with multiple unsecured loans, thereby reducing the risk of potential losses from such segments.

In Fiscal 2026, in response to heightened global macroeconomic volatility and our continued focus on balance sheet resilience, we strengthened our provisioning framework by instituting a minimum Loss Given Default ("**LGD**") floor across all businesses. In the half year ended September 30, 2026, additional management overlays were taken in response to geopolitical uncertainties leading to rising supply-side inflation, rising household debt leading to weakened household balance sheets, and the weak monsoon in India. We also continue to diversify our balance sheet towards lower-risk products, such as mortgages, auto loans and other secured segments. We also have a Board-approved policy that defines exposure limits across the consumer retail portfolio, including unsecured segments, and these limits are regularly reviewed by the Risk Management Committee.

We believe that this agile, calibrated and closely monitored approach to credit risk, together with timely investment in deepening debt management services, has not only enabled us to manage the pandemic, global volatility and inflationary trends, but has also further consolidated the strong foundation required to deliver balance sheet growth.

We believe that our credit and risk management policies have helped us maintain relatively low NPAs / Stage 3 Assets, as shown in the table below:

Particulars	As at September 30, 2026	As at September 30, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
GNPA ratio	1.1%	1.2%	1.0%	1.0%	0.8%
NNPA ratio	0.4%	0.6%	0.4%	0.4%	0.4%
PCR	60.4%	51.8%	59.7%	53.7%	57.0%

Highest possible credit ratings in India from rating agencies provide us with access to diversified sources of cost-effective borrowing

Domestic credit ratings

Our Company's domestic credit ratings are the highest possible in each category, which enables us to borrow funds at competitive rates from varied sources. Our Company's credit ratings are summarised below:

Particulars	ICRA Rating	CRISIL Rating	CARE	India Ratings
Long-term non-convertible debenture programme	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
Long-term bank facilities	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
Subordinate debt	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
Short-term debt programme[1]	A1+	A1+	N.A.	N.A.
Short-term bank facilities	NA	A1+	A1+	A1+
Fixed Deposits	AAA/Stable	AAA/Stable	N.A.	N.A.

Note:

(1) Short term debt programme refers to commercial paper instruments.

Ratings of "AAA/Stable" indicate, according to the ratings methodology of the respective rating agencies, the highest degree of safety with regard to timely payment of financial obligations. Ratings of "A1+" indicate, according to the ratings methodology of the respective rating agencies, a very strong degree of safety with regard to timely payment of financial obligations.

BHFL's domestic credit ratings are the highest possible in each category, which enables BHFL to borrow funds at competitive rates from varied sources. BHFL's credit ratings are summarised below:

Particulars	CRISIL Rating	India Ratings
Long-term non-convertible debenture programme	AAA/Stable	AAA/Stable
Long-term bank facilities	AAA/Stable	AAA/Stable
Subordinate debt	AAA/Stable	AAA/Stable
Short-term debt programme[1]	A1+	IND A1+
Short-term bank facilities	AAA/Stable	IND A1+

Note:
(1) Short-term debt programme refers to commercial paper instruments.

BFinsec's domestic credit ratings include the highest possible rating in each category, which enable BFinsec to borrow funds at competitive rates from varied sources. BFinsec's credit ratings are summarised below:

Particulars	CRISIL Rating	India Ratings
Long-term bank facilities	AAA/Stable	N.A.
Short-term debt programme[1]	A1+	A1+
Short-term bank facilities	A1+	A1+

Note:
(1) Short-term debt programme refers to commercial paper instruments.

International credit ratings

Our Company has been assigned with a long-term issuer rating of "BBB/stable" at par with sovereign rating and short-term rating of "A-2" by S&P Global Ratings. Moody's Ratings assigned BFL a Baa3 Corporate Family Rating with a Stable outlook.

Our Company and Subsidiaries have the highest possible domestic credit ratings in India for each of the categories, as provided above, and our Company's ability to accept deposits provides us with access to diversified sources of cost-effective borrowings. Our consolidated total borrowings were ₹5,019,818.6 million as at September 30, 2026, and we meet our liquidity requirements through a diversified funding mix encompassing market instruments, bank borrowings, external commercial borrowings ("**ECB(s)**"), securitisation and public deposits. As part of our liability diversification agenda, we are progressively scaling borrowings by accessing Pass Through Certificates (PTCs) to complement conventional funding sources and we also undertake select portfolio assignments. This disciplined approach to liquidity management and resource mobilisation enables us to meet debt servicing obligations and support business growth, even amid tight systemic liquidity conditions. For more details on our borrowings, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources – Borrowings***" on page 112.

We believe our access to diversified sources of borrowing has enabled us to overcome recent inflationary trends. For more details, see "***Industry Overview - Macroeconomic Scenario***" on page 142. Despite these adverse conditions, our cost of funds decreased from 8.0% in Fiscal 2025 and was 7.5% in Fiscal 2026. Our cost of funds was 7.4% and 7.7% in the half year ended September 30, 2026 and 2025, respectively, on a consolidated basis, computed on daily weighted average borrowings.

Disciplined asset-liability management, conservative leverage and diversified liability mix

We have a disciplined approach to asset liability management ("**ALM**"), with a strategy of raising long-term borrowings and maintaining a judicious mix of borrowings amongst banks, money markets, deposits, ECBs, PTCs and other sources of borrowings. Our consolidated total borrowings were ₹5,019,818.6 million as at September 30, 2026, with bank borrowings, NCD, subordinated debts, short term borrowings, securitization, deposits, and ECBs representing 27.2%, 40.1%, 0.1%, 12.7%, 1.3%, 13.9% and 4.6% of our total borrowings, respectively. Our asset-liability strategy aims to ensure that there are no excessive concentrations on either side of the balance sheet. Our Company has managed to maintain a positive ALM position on a cumulative basis across all buckets. For details on the maturity pattern of our Company's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information - Asset-Liability Gap - Our Company***" on page 40.

In addition, we closely monitor liquidity in the market and maintain a liquidity buffer to conservatively manage liquidity risk. Our liquidity buffer (free cash and liquid investments) ("**Liquidity Buffer**") as at September 30, 2026 was ₹199,950 million on a consolidated basis. As a part of our Liquidity Risk Framework, we monitor and implement our liquidity risk management policy, strategies and practices which include liquidity coverage ratio ("**LCR**"), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement stock approach, currency risk, interest rate risk and liquidity risk monitoring framework. As a result, as at September 30, 2026, our Company maintained a LCR of 163.2% and BHFL maintained a LCR of 145.9%, which was higher than the RBI's stipulated norm of 100%.

We believe that, in addition to our diversified sources of borrowings, our disciplined ALM and Liquidity Risk Management Framework has enabled us to overcome the severe liquidity crisis and volatile interest rates in previous years and recent challenges posed by global volatility and inflationary trends.

Our Company has also been judicious in maintaining capital adequacy and consolidated Leverage Ratio (i.e., total assets on total equity). As per RBI regulations, our Company is required to have a Tier I Capital of 10%. Our Company's Tier I Capital

as at September 30, 2026 and March 31, 2026, 2025 and 2024 was 19.4%, 20.7%, 21.1%, and 21.5%, respectively, on a standalone basis, which is higher than the regulatory requirement. Our Leverage Ratio as at September 30, 2026 and March 31, 2026, 2025 and 2024 was 5.1, 4.8, 4.7 and 4.9 respectively, on a consolidated basis.

Experienced Key Managerial Personnel and Senior Management supported by a team of dedicated professionals and ability to attract and retain talented employees

Our Key Managerial Personnel and Senior Management have extensive experience within the Company and deep understanding of our businesses, customers, risk management practices and operating framework. Their long tenure with the Company provides continuity in leadership and supports the execution of our strategic priorities, business growth initiatives and risk management objectives.

For instance, 12 members of our Key Managerial Personnel and Senior Management, including Rajeev Jain (our Vice Chairman and Managing Director) have been with our Company for more than 10 years as at the date of this Preliminary Placement Document. Each of our business verticals are managed and supported by a dedicated team of professionals. We believe that our Key Managerial Personnel and Senior Management are capable to facilitate and implement policies and processes to ensure healthy credit quality and high standards of work ethic. Our current management structure allows for scalability and flexibility.

We have focused on and continue to prioritise the retention of our existing workforce. Our employee attrition ratio for Fiscal 2026 was at 18.5%. Our attrition rate has further improved to 15.1% in the half year ended September 30, 2026 compared to 17.8% in the half year ended September 30, 2025. Our new businesses and functions are supported by a combination of professionals with extensive experience in the industry and internal talent who have been trained to specialise in the relevant functions while reinforcing the culture and values of our Company. To strengthen the culture at our Company, we have socialised 15 "Culture Anchors" that we expect our employees to adhere to in their daily operations. These anchors comprise: Excel In Everything; Transform Continuously; Act With Integrity; Work Hard; Execute With Rigor; Own It; Communicate Openly & Share Transparently; Practice Emotional Intelligence; Stay Humble, Show Respect; Recognise & Reward Success; Think Like An Entrepreneur; Have High Ambitions; Take A Long Term View; Be An Original Thinker and Compliance First. We introduced the 15th Culture Anchor, 'Compliance First', in December 2025, to reinforce ethical conduct, operational discipline, transparency and decision-making in regulatory rigour, encouraging employees to view compliance not only as a requirement, but also as a mindset critical to building a trusted and sustainable institution.

We believe that the adoption of these culture anchors has resulted in a more cohesive, collaborative and productive workplace. See "***Our Business - Human Resources***" for the relevant employee practice related awards which our Company had received.

Consistent track-record of growth and strong financial performance

As at September 30, 2026 (unless indicated otherwise) and on a consolidated basis, our Company was a leading NBFC in India across multiple parameters, including:

- largest private sector NBFC (in terms of AUM) in India with AUM of ₹5,846.2 billion; and
- among the most profit making NBFC in India with strong return on average assets and return on average equity. (*Source: CRISIL Report*)

We have navigated challenging credit cycles over the years while maintaining our profitability, which illustrates our resilient business model. We are striving to consolidate our position as a leading payments and financial services company in India to continue to remain resilient. Our focus on targeted offerings to our customers, operational efficiency and strong asset quality management has enabled us to deliver profitable growth, as evidenced below:

Particulars	As at/for half year ended September 30, 2026	As at/for half year ended September 30, 2025	As at/for year ended March 31, 2026	As at/for year ended March, 2025	As at/for year ended March, 2024
Profit after tax (₹ million)	124,471.7	97,130.5	193,323.6	167,794.8	144,511.7
ROAE (%)	10.3%*	9.6%*	18.1%	19.2%	22.1%
ROAA (%)	2.3%*	2.3%*	4.3%	4.6%	5.1%

* *Not annualized*

We believe that our consistent track record of delivering growth and strong financial performance across business and economic cycles is evidence of a diversified business model that is built on our diversified loan book, sustainable business practices, prudent risk management and resilience, which we see as distinct advantages in continuing to grow in a profitable manner.

Our Strategies

Building a customer-centric FINAI company with disciplined risk management

Our Company has initiated "BFL 3.0", the third phase of our evolution through our FINAI vision. Our Long-Range Strategy for Fiscal 2026 to Fiscal 2030 is anchored on three strategic priorities: (i) building a customer-centric company; (ii) establishing

technology leadership in financial services through scaled data and AI capabilities; and (iii) seeking to position ourselves as a lowest-risk company through tighter risk tolerance across credit, fraud, compliance, operations and technology.

Customer-Centricity. We are seeking to reposition ourselves from a product-centric organization to a customer-centric company by embedding design thinking across the value chain and developing a deeper understanding of customer needs, behaviors and lifetime value. We intend to leverage product propensity models and channel affinity models across the Web, App, Social, Point of Sale ("**POS**") and call centre channels to enhance customer engagement and improve product relevance.

We also intend to complete our product portfolio and expand our wealth management offerings. Supported by a structured data architecture, multidisciplinary execution teams and a comprehensive rewards framework, we aim to deliver more personalised and relevant customer experiences. We believe these initiatives will help increase wallet share, improve customer satisfaction, enhance product penetration and reduce customer acquisition and credit costs.

Technology Leadership. We seek to establish technology leadership by building a AI and data-led digital foundation that supports scale, agility and innovation. This includes creating capabilities for unstructured data discovery, tagging and labelling infrastructure, feature stores, vector databases and an enterprise knowledge graph to expand data variables and improve decision-making.

We also intend to build a next-generation Consumer AI platform, offer products on AI platforms such as ChatGPT, enable chat-based loan origination and seamless transactions, deliver multimodal AI experiences across our digital platforms and establish a secure data exchange framework to support AI adoption. Across Data for AI, Consumer AI, Enterprise AI, Agentic AI, Finserv Intelligence and technology products, we aim to drive scale, improve productivity, strengthen compliance by design and accelerate digital adoption. By Fiscal 2030, we expect these initiatives to contribute to higher digital traffic and user engagement, increased adoption of AI-powered platforms, lower credit costs and productivity improvements.

We are also expanding the use of Agentic AI across selected enterprise processes. As of March 31, 2026, 27 AI agents had been deployed and, as of September 30, 2026, we had 130 AI agents and 65 Agentic AI deployments. We expect our operating model to increasingly combine employees, automation and AI agents, with human oversight forming part of processes where appropriate, including customer, risk and compliance-related processes.

Strengthening our Risk Framework. We aim to be the lowest-risk company in our segment by embedding AI across risk, fraud, compliance, operations, service and debt management functions. In risk management, AI-enabled capabilities supported by AI-ready data architecture and risk agents are expected to improve agility, strengthen underwriting and significantly reduce analysis timelines while supporting improvements in credit costs. In fraud management, advanced anomaly detection, graph and network technologies, and document fraud identification capabilities are expected to strengthen fraud prevention and detection mechanisms. Through these initiatives, we aim to further strengthen our risk management framework while supporting sustainable and disciplined growth.

As the use of AI expands across our operations, governance, security and responsible adoption are integral to our FINAI strategy. We have established AI compliance frameworks and controls intended to address regulatory, ethical and risk-management considerations associated with the adoption of AI. Our responsible AI principles include fairness, transparency, privacy and security. Our AI governance framework is complemented by dedicated AI security capabilities, and our strategic framework contemplates governance, auditability and human-in-the-loop controls for enterprise and Agentic AI deployment.

For further information on our digital capabilities, AI use cases, and progress with respect to "BFL 3.0", see "***Our Business–Information Technology, Analytics and FINAI***" on page 269.

Continue to deepen our omnichannel strategy

We continue to execute our strategy of being an omnipresent financial services company with a presence across all key customer touchpoints, including physical, app, web and social channels. We intend to further expand and integrate our physical network, digital platforms and payment capabilities to deliver a seamless and consistent customer experience across channels.

Geographic expansion remains a key pillar of our omnichannel strategy, combining physical reach with digitally enabled origination, servicing and collections capabilities. We also continue to strengthen our product-specific presence supporting deeper fulfilment capabilities in these secured business lines. Apart from our physical locations, we continue to enhance our digital franchise through our app and website.

We propose to increasingly leverage AI and automation to strengthen customer engagement and operational efficiency across our digital platforms. Initiatives include AI-enabled personalisation, automated content creation, conversational AI-based customer journeys, AI-powered search and product summaries, and vision AI-based onboarding capabilities. We also continue to expand vernacular language capabilities and leverage social platforms to drive customer discovery, engagement and commerce. In addition to our owned digital platforms, we have extended our loan offerings to the open network for digital commerce ("**ONDC**") network, where personal loans and gold loans are currently offered. Through these initiatives, we seek to further strengthen our digital franchise, improve customer experience and support long-term growth.

We continue to strengthen our payments business across consumer payments and merchant acquiring, encompassing UPI, Wallet, FASTag, Bharat Connect bill payment services, UPI QR, Soundbox, Electronic Data Capture and a single payment

gateway powering our businesses. We further continue to strengthen our productivity applications ecosystem to enhance execution, engagement and controllership across our omnichannel franchise. We continue to invest in our Customer Data Platform ("**CDP**") to strengthen customer data management, regulatory compliance and customer engagement across channels. We also continue to expand our merchant acquiring franchise through partnerships with PayU and another partner, having built a portfolio of 4.0 million QR merchants and deployed over 0.6 million payment devices. We intend to introduce the Central Bank Digital Currency wallet. Key initiatives include a centralised consent management framework, automated credit bureau reporting, a unified campaign management platform for personalised customer communication, near real-time data streaming for faster insights and decision-making, and enhanced data platform resilience to ensure the uninterrupted availability of critical analytics and data services. We continue to strengthen our presence across social platforms to enhance customer discovery, engagement and digital commerce.

Continue to leverage our customer base by cross-selling products to grow our loan portfolio and fees and commission income

We intend to continue leveraging our large customer base by cross-selling our loan products and services across different business segments to eligible customers. We propose to achieve this by leveraging AI and advanced analytics to better identify customer needs, personalise product recommendations, and drive cross-selling opportunities across our customer base. For further information on our AI initiatives, see "***Our Business – Our Strategies - Building a customer-centric FINAI company with disciplined risk management***" on page 249.

We have developed various data analytics models, which analyse customer information and help generate new offers for our customers. This helps us to better target our customers for cross-selling our loan products and services. Our repeat customers contributed to 67.8% and 65.6% of new loans booked by volume for the half years ended September 30, 2026 and September 30, 2025, and 66.6%, 58%, and 59.9% for Fiscals 2026, 2025 and 2024, respectively.

Our ability to originate a large proportion of our new loans from existing customers, who have a demonstrated track record of repayment, helps us to reduce our credit losses.

We have increased our fees and commission income by cross-selling products and services to our existing customers. Our fees and commission income on a consolidated basis increased by 33.1% from ₹35,639.5 million for the half year ended September 30, 2025 to ₹ 47,447.2 million for the half year ended September 30, 2026 and increased by 13.6% from ₹52,671.7 million in Fiscal 2024 to ₹59,828.4 million in Fiscal 2025, and grew further by 29.6% to ₹ 77,543.9 million in Fiscal 2026. We continue to remain partnership-oriented and we plan to continue to add new relevant partners to our ecosystem for new product and services offerings for our customers.

Further diversify our portfolio of products and services

We have introduced several new products, services, payment solutions and entered into new partnerships since April 1, 2024, including: (i) financing options for the purchase of commercial vehicles across various customer segments; (ii) affordable housing loan business to expand homeownership opportunities for underserved and low income communities; (iii) financing solutions for the acquisition of industrial equipment; (iv) leasing solutions for corporate customers for the use of vehicles, equipment and other business assets; (v) solar finance business to expand access to clean and sustainable energy; (vi) Electronic Data Capture and QR soundbox introduced for payments business; (vii) strategic partnership with Xtelify to expand presence across through Xtelify's digital platform through financial and digital offerings (viii) personal loan and gold loan offerings on the ONDC network, an interoperable digital network launched by the Government of India, to expand credit accessibility. (ix) working capital financing solutions for dealers and vendors associated with large corporate anchors through supply chain finance; (x) interoperable contactless payment solutions through the Bajaj Pay National Common Mobility Card ("**NCMC**") for eligible metro and bus travel; and (xi) co-lending in partnership with RBI-regulated non-banking financial companies for unsecured personal loans, used vehicle financing and two-wheeler loans.

We intend to further diversify our product portfolio with the launch of education loans and wealth management offerings. We believe these businesses represent significant opportunities to deepen customer engagement by addressing evolving financial needs across different life stages. Through the education loan business, we aim to support customers in financing higher education requirements, while the wealth management business is aimed at offering a broader suite of investment and wealth creation solutions. These initiatives are expected to strengthen our customer ecosystem, enhance cross-sell opportunities and further diversify our revenue streams.

In addition to growth through our internal efforts, we may rely upon strategic acquisitions and similar investments to provide us with access to new geographies or expand our product line from time to time. We may further acquire or make investments in similar or related businesses or enter into strategic partnerships.

Continue to maintain a diversified liability mix

We plan to continue to diversify our borrowing mix to achieve an optimal cost of funds while balancing liquidity and concentration risks. Our consolidated total borrowings were ₹5,019,818.6 million as at September 30, 2026, with banks, money markets, ECBs, securitization, public and other deposits representing 28.3%, 51.9%, 4.6%, 1.3%, 7.7% and 6.2% of that amount, respectively.

During Fiscal 2026, we raised approximately U.S.$ 615 million of fully hedged ECBs as term loans from multiple lenders and further strengthened alternate funding channels such as securitization through PTCs and resource mobilization for Priority Sector Lending ("**PSL**") on-lending.

As part of our liability diversification strategy, we propose to progressively scale borrowings through PTCs to complement conventional funding sources and also undertake select portfolio assignments. This disciplined approach to liquidity management and resource mobilization is intended to allow us to meet debt servicing obligations while diversifying our borrowing profile and strengthening our overall asset liability management framework.

Continue to attract, train and retain talented employees

We believe one of the drivers of our continued success will be our ability to maintain a healthy mix of experienced and young professionals. We have been successful in building a team of talented professionals with relevant experience, including experts in the aspects of credit evaluation, risk management, retail consumer products, treasury, AI, technology and marketing. We follow a balanced talent acquisition strategy focused on capability building, workforce expansion and leadership development. Through university and lateral hiring, supported by structured HR culture interviews, we seek to recruit high-performing talent with the long term objective of strengthening our future leadership pipeline.

In furtherance of our FINAI strategy, we have and continue to equip our personnel with the requisite skills to excel at an AI-enabled workplace through structured learning programmes focused on prompt engineering and use of AI tools that are regularly introduced as the AI landscape evolves. In Fiscal 2026, our AI function was supported entirely through internal talent, reflecting our focus on developing talent and leaders from within. By automating repetitive activities, AI enables our employees to focus on higher-value problem solving, innovation and customer outcomes. During Fiscal 2026, we conducted 192 AI-focused learning batches to strengthen AI capabilities across the organisation.

Continue to scale our stock broking, wealth management and depository participant business

We intend to capitalise on the growing financialization of household savings in India by continuing to scale our broking, wealth management and investment distribution franchise through our wholly owned subsidiary, BFSL.

Our established broking franchise forms the foundation for this expansion. BFSL has expanded its presence from 37 locations in Fiscal 2024 to 43 locations as at September 30, 2026, while growing its customer base from approximately 0.7 million customers as at March 31, 2024 to 1.6 million customers as at September 30, 2026. BFSL provides a comprehensive suite of broking and investment solutions, including trading accounts, depository services, margin trading facilities, branch broking, retail broking, IPOs and OFS, commodity derivative trading, ESOP financing and distribution of third-party financial products. We operate through both branch and digital broking channels, enabling us to cater to a wide spectrum of customers, ranging from retail investors to Ultra High Net Worth Individual ("**UHNI**"). This established customer franchise, together with our trading and demat relationships and our branch, digital and authorised partner channels, provides the platform from which we intend to expand into wealth management and alternatives.

Building on this foundation, our strategy is focused on expanding our customer base, broadening our product offerings and strengthening distribution capabilities to address the evolving savings and investment needs of our customers. We aim to build a comprehensive investment platform catering to a wide spectrum of customers, ranging from retail investors to affluent, High Net Worth Individual ("**HNI**") and UHNI segments. As part of this, we intend to continue broadening and deepening our investment-product relationships, including mutual funds, portfolio management services, alternative investment funds, fixed deposits, bonds, the National Pension System and insurance, while continuing to expand our margin trading and ESOP financing businesses.

A key pillar of this strategy is building out our wealth management proposition through differentiated, relationship-led offerings. BFSL has further strengthened its product portfolio with the introduction of ESOP financing and has launched Bajaj Broking Privé, a dedicated service for the UHNI segment aimed at providing curated investment solutions and personalised engagement. Privé's curated investment solutions and personalised UHNI engagement represent a concrete building block for our broader wealth proposition, which we intend to extend progressively across the affluent and HNI segments as well.

Our authorised partner network further enhances our reach across geographies, while technology-enabled platforms support seamless customer acquisition and engagement. We intend to further strengthen our wealth distribution capabilities, expand our range of investment solutions and provide more personalised customer engagement to deepen relationships and address customers' evolving investment requirements.

The continued expansion of our broking, financing and investment product ecosystem is aimed at supporting customer acquisition, deepening customer relationships and contributing growth in fee-based income.

Continue to pursue strategic investments

We intend to pursue strategic investments in technology-led businesses with strong scalability potential across AI, cybersecurity, quantum technologies, fintech and consumer technology platforms. These investments are aimed at enhancing our technology roadmap, accelerating digital transformation and providing access to specialised capabilities that support our business objectives, while also providing opportunities for financial returns.

As part of this strategy, we have made investments in select technology companies. In Fiscal 2023, we invested ₹927.4 million to acquire a 41.50% stake in STPL, a technology company engaged in software development, technology consulting, implementation services and research and development, with experience serving banking, financial services and insurance clients. In Fiscal 2024, we invested ₹2,674.7 million to acquire a 26.53% stake in PTPL, which provides end-to-end lending technology solutions, including loan origination systems, loan management systems, collections, CRM solutions and digital enablers for financial institutions. In Fiscal 2026, we invested up to ₹660.0 million to acquire a 12.0% equity stake in Protectt.ai Labs Private Limited, a cybersecurity product company offering solutions across mobile application security, mobile device security, mobile transaction security and AI security. In Fiscal 2027, we invested ₹162.1 million to acquire a 5.0% stake in TrueFan AI (Hogwarts E-learning Universe Private Limited), an AI-powered video generation platform that enables enterprises, small and medium businesses and consumers to create hyper-personalised multilingual video content at scale.

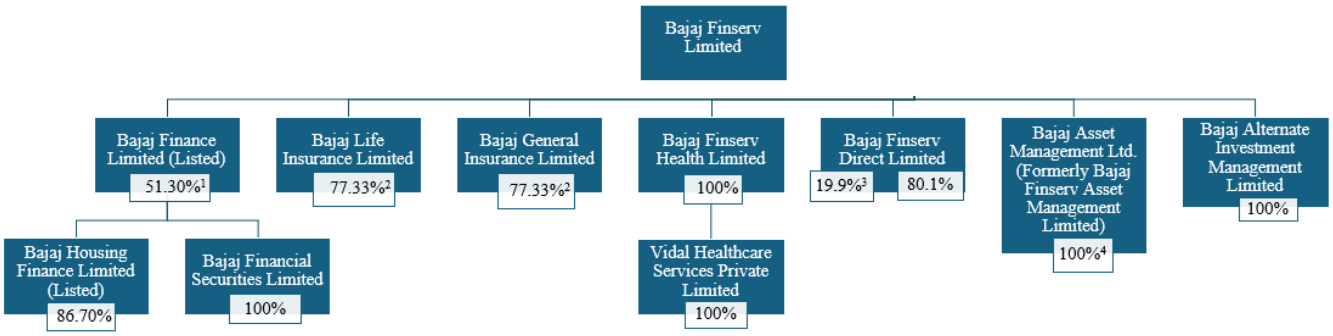
We believe these strategic investments will strengthen our technology ecosystem, enhance our digital capabilities and support innovation across our businesses.

Our History and Structure

Our Company was originally incorporated as Bajaj Auto Finance Private Limited pursuant to a certificate of incorporation dated March 25, 1987 issued by the Registrar of Companies, Maharashtra as a private limited company under the provisions of the Companies Act, 1956. Our Company became a deemed public limited company by virtue of Section 43A of the Companies Act, 1956 and thereafter got converted into a public limited company with effect from September 24, 1988. The name of our Company was changed to Bajaj Finance Limited on September 6, 2010.

Our Company was originally established to provide financing for the purchase of products manufactured by Bajaj Auto. In Fiscal 1999, our Company commenced its Consumer Finance Business. Since Fiscal 2007, our Company has further diversified its product offerings and transformed into a multi-product retail financing NBFC.

Set forth below is a chart showing the Bajaj group structure as at September 30, 2026:



Notes:

1. *54.67% holding via Promoter and Promoter Group.*
2. *100% holding via Promoter and Promoter Group companies.*
3. *19.9% holding via Bajaj Finance Limited in Bajaj Finserv Direct Limited.*
4. *Bajaj Finserv Mutual Fund Trustee Limited is a wholly owned subsidiary of Bajaj Finserv Limited, which acts as Trustee to the Asset Management Company.*

OUR LOAN PRODUCTS

Bajaj Finance has the most diversified portfolio mix among large NBFCs in India (*Source: CRISIL Report*). Our Company offers a wide range of 14 lending solutions through 5 verticals: (i) Retail Urban Lending; (ii) Micro, Small and Medium Enterprises ("**MSMEs**") Lending; (iii) Retail Rural Lending; (iv) Mortgages; and (v) Commercial Lending.

Certain products in our portfolio are offered with a "flexi" feature, which provides customers with a limited redraw facility within the framework the agreed pre-defined repayment schedule. Under this feature, customers may make voluntary prepayments using temporary surplus funds, thereby reducing the principal amount outstanding and associated interest cost, and may subsequently redraw all or a portion of such voluntary excess prepayments, subject to the available redraw limit. The maximum principal outstanding cannot exceed the amount permissible under the original amortisation schedule, and the redraw entitlement progressively reduces over the tenor of the loan and ceases upon contractual maturity.

We offer the flexi feature across various product categories, including Salaried Personal Loans, Unsecured Loans to Self-Employed customers and Professionals, LAP, CV, Equipment Finance, Car Finance, Personal Loan Cross-Sell, Tractor Finance, Commercial Lending, Loans Against Securities and Trade Advances.

The table below gives details of our AUM by our fourteen lending verticals and sub-verticals as at September 30, 2026 and March 31, 2026, 2025 and 2024 on a consolidated basis:

Particulars	As at September 30,		As at March 31,					
	2026		2026		2025		2024	
	₹ in million	% of total AUM	₹ in million	% of total AUM	₹ in million	% of total AUM	₹ in million	% of total AUM
Captive 2W & 3W Finance	23,871.3	0.4%	42,884.5	0.8%	106,912.6	2.6%	156,700.8	4.7%
Open Market 2W & 3W Finance	89,909.3	1.5%	83,245.6	1.6%	66,276.7	1.6%	40,716.0	1.2%
Urban Consumer Finance	480,980.8	8.2%	374,300.8	7.3%	291,093.6	7.0%	234,481.1	7.1%
Urban Personal Loans	1,152,373.5	19.7%	1,044,854.0	20.5%	876,964.4	21.0%	660,925.0	20.0%
Rural Consumer Finance	143,924.8	2.5%	105,594.0	2.1%	79,438.7	1.9%	62,095.9	1.9%
Rural Personal Loans	292,436.4	5.0%	252,337.3	4.9%	202,089.1	4.9%	175,004.0	5.3%
MFI Lending Business	26,802.8	0.5%	21,977.6	0.4%	12,578.8	0.3%	1,061.2	0.0%
Gold Loans	241,946.8	4.1%	178,308.8	3.5%	83,068.1	2.0%	45,990.3	1.4%
MSME Lending	530,838.0	9.1%	515,698.6	10.1%	486,976.3	11.7%	384,458.0	11.6%
CV & Tractor Finance	50,438.6	0.9%	38,807.8	0.8%	16,471.1	0.4%	255.5	0.0%
Car Loans	169,190.3	2.9%	150,113.3	2.9%	118,763.4	2.9%	70,869.4	2.1%
Commercial Lending	352,707.9	6.0%	338,385.8	6.6%	277,599.7	6.7%	220,059.4	6.7%
Loans Against Securities	419,493.1	7.2%	332,467.2	6.5%	253,774.3	6.1%	220,382.3	6.7%
Mortgages	1,871,325.6	32.0%	1,620,774.7	31.8%	1,294,607.4	31.1%	1,033,155.9	32.1%
Total	**5,846,239.2**	**100.0%**	**5,099,750.0**	**100.0%**	**4,166,614.1**	**100.0%**	**3,306,154.8**	**100.0%**

I. Retail Urban Lending

Our Retail Urban lending vertical comprises of three sub-verticals: (i) Urban Consumer finance (ii) Two Wheeler (2W) and Three Wheeler (3W) Finance and (iii) Gold loans.

(i) Urban Consumer Finance

We offer financing across a diversified range of consumer products and services through an extensive physical and digital distribution network across India. Our principal offerings comprise:

Product	Description
Consumer Durable Loans	Financing for consumer durables, including television sets, air-conditioners, refrigerators, washing machines and other household electronic appliances.
Digital Product Loans	Financing for mobile phones, laptops and other electronic devices.
Lifestyle Product Loans	Financing for products and services such as furniture, professional education and cameras.
Lifecare financing	Financing for elective medical procedures.
Retail spend financing	Financing for products such as tyres, small appliances, watches, fashion apparel and power-backup products.
E-commerce financing	Financing for purchases by existing EMI Card holders through our arrangements with major e-commerce partners.
Retailer finance	Working-capital loans to eligible retailers having an existing dealer relationship with us and meeting our minimum credit eligibility criteria.
Solar Financing	Financing for installation of rooftop solar systems.

We have also expanded our financing offerings to categories such as invertors, batteries, mattresses, and cycles.

Business Origination

Our Retail Urban Lending products are originated through a broad distribution network comprising retail stores, digital platforms and e-commerce partners, supported by our dedicated sales team. Consumer Durable Loans, Digital Product Loans and Lifestyle Product Loans are primarily originated at point-of-sale/partner locations, including large-format retail stores, modern retail stores and small retail stores. We also have relationships with leading consumer durable manufacturers and retailers, providing us with a wide distribution reach. Our physical distribution network is complemented by technology-enabled capabilities, including AI-enabled cameras for identification of our existing customers and real-time notifications at stores.

Our digital distribution channels include the Bajaj Finserv website and Bajaj Finance App, which enable customers to discover offers, locate partner stores and interact with us. Digital channels are an established component of our broader omnichannel distribution model. Our e-commerce consumer finance offering is also available to eligible EMI Card holders through the websites and platforms of our e-commerce partners.

EMI Cards form an integral part of our Consumer Finance origination ecosystem and facilitate loan origination across our distribution network, including at partner stores and through digital channels. We offer EMI Cards to eligible existing and new customers, who may apply for an EMI Card digitally or at a retail store. Customers can then access their EMI Card through the Bajaj Finance App and Bajaj Finserv website.

The EMI Card enables eligible customers to access applicable benefits and offers from our OEM and retailer partners and facilitates loan processing at partner stores. As of September 30, 2026, there were 100.4 million EMI Cards in force, of which more than 13.1 million were acquired digitally.

(ii) 2W and 3W financing

The Company provides financing for two-wheelers and three-wheelers across various brands and vehicle types, including internal combustion engine ("**ICE**"), CNG and electric vehicles ("**EVs**") etc. Loans are offered to customers for purchase of new, used and refinance vehicles of all brands.

We also source two-wheeler loans through co-lending arrangements with other NBFC. Under these arrangements, the originating partner sources and services customers, while we independently assess eligible loans and fund our agreed share. As of September 30, 2026, these loans are originated through more than 10,350 2W and 3W sub-dealers & ASSCs.

Business origination

We source our 2W and 3W financing business through dealerships, sub-dealerships and digital channel platforms. For our two-wheeler financing business, we also source customers through digital channels, including the Bajaj Finance App, Bajaj Finserv website and our two-wheeler marketplace, which provides consumers access to two-wheeler offerings and full suite of point-of-sale capabilities. Our Conversational AI Bot which is an AI-powered virtual assistant also engages with customers through natural conversations to generate, qualify, and convert two-wheeler finance leads while providing 24x7 support to employees and customers. Our point-of-sale and digital lending solutions enable an instant, frictionless, paperless lending experience and support our presence across dealerships. We also have tie-ups with leading two-wheeler manufacturers and retailers, which support our distribution reach.

(iii) Gold Loans

We offer secured loans to eligible customers against pledge of gold ornaments/ jewellery to meet their personal, business and other permitted funding requirements. The loan is secured by the gold ornaments/ jewellery pledged by the customer and is offered in accordance with our applicable credit policies and regulatory requirements. Our Gold Loan business operates as a Strategic Business Unit ("**SBU**") within our Company, with a dedicated operating structure and a branch manager-led model.

Business Origination

We source customers for our Gold Loan business primarily through our pan-India branch network, comprising dedicated Gold Loan branches and Bajaj Finance branches enabled for Gold Loan sourcing.

Our Gold Loan business follows a Branch Manager-led model, with branch teams supporting customer acquisition and servicing. Our branch-based distribution is complemented by digital and technology-enabled capabilities, including facial-recognition capabilities that support customer identification and process controls.

(iv) Personal Loans

The products under this sub-vertical comprises of Personal Loan Cross Sell and Salaried Personal Loan.

We offer personal loans to eligible salaried and self-employed individuals for their short- and medium-term funding requirements. Our Personal Loans product comprises of Personal Loan Cross-Sell, offered to existing eligible customers based on their repayment track record and applicable credit policies, and Salaried Personal Loans, offered to eligible salaried individuals.

Business Origination

- Our Personal Loans products are sourced through multiple digital and assisted channels, including the Bajaj Finance App, Bajaj Finserv website, branches, call centres, direct selling agents ("**DSAs**"), referral partners and field sales teams. For our Personal Loan Cross-Sell ("**PLCS**") business, we generate pre-approved offers for eligible existing customers based on customer information, risk analytics and our internal credit policies. These offers are made available to customers through our digital platforms and other sourcing and communication channels. Customer segmentation, offer generation and engagement are supported by data analytics and technology capabilities, including machine learning and AI-enabled tools. The Company's reported PLCS model is a pre-approved origination programme for existing customers and is driven by risk analytics and dynamic campaign management.

Our digital and assisted origination processes are also supported by conversational and Voice AI capabilities for customer engagement and lead generation.

- For our Salaried Personal Loans business, customers are sourced through digital platforms and assisted channels, including branches, call centres, DSAs and referral partners. Upon customer interest, relevant customer information and application documents are captured for processing. Bank statements may also be obtained digitally through an RBI-licensed account aggregator for consent-based credit assessment.

- We also source personal loan through co-lending arrangements with Navi Finserv Limited. Under these arrangements, the originating partner sources and services customers, while we independently assess eligible loans and fund our agreed share.

II. Micro, small and medium enterprises ("MSME") Lending

Our MSME lending vertical comprises of Unsecured Loans to Self-Employed, Unsecured Loans to Professionals, Business Loan Secured, Loans Against Property, Used-car financing, New-car financing, Commercial Vehicles, Auto & Other Leasing, and Medical Equipment and Industrial Equipment Financing. To support retailers/ partners in meeting their day-to-day business and working capital requirements, we offer Trade Advance/ Retailer Finance facilities, including financing for the purchase of goods or inventory from manufacturers / distributors and, where applicable, funding requirements for the delivery of services. These facilities also support stronger retailer engagement and enable increased financing penetration and business volumes.

(i) Unsecured Loans to Self-Employed

We offer unsecured short- to medium-term business loans to eligible micro, small and medium enterprises ("**MSMEs**"), including traders, manufacturers and service providers, primarily to meet their working capital and business expansion requirements. These loans do not require collateral and are offered to eligible self-employed non-professional customers based on their financial profile and repayment track record.

Business Origination

We source customers for our business loans through multiple channels. These include call centres, direct selling agents and other partners, the Bajaj Finance App, the Bajaj Finserv website and our conversational sales BOT, which is a customer-facing artificial intelligence ("**AI**") assistant. It engages prospective customers, answers product queries and supports lead qualification and application initiation.

Upon customer interest, the sales team obtains the requisite consent and captures relevant information and application documents, including demographic, income, banking, property and reference details, as applicable. Bank statements are obtained through an RBI-licensed account aggregator, while KYC is completed through electronic or physical modes.

Sales managers are equipped with AI generated summaries of bureau and internal performance results of the customer to help them assess credit worthiness even before submitting for underwriting process. The application is thereafter submitted to the credit risk managers/underwriters for eligibility assessment in accordance with our internal credit policies.

(ii) Unsecured loans to Professionals

Our Loans to Professionals product comprises loans to professionals such as doctors, chartered accountants and lawyers, in accordance with our product programmes and internal credit policies. These loans are offered to eligible professionals for their business, professional and other permitted funding requirements.

Business Origination

We source customers for our professional loans business through multiple channels, including direct selling and referral partners, the Bajaj Finance App, the Bajaj Finserv website and other digital and assisted channels. Our digital sourcing channels also include conversational AI solutions that support customer engagement and lead generation. We also extend pre-qualified offers to existing eligible customers in accordance with our internal credit policies. The use of AI as an origination channel is consistent with our broader AI-enabled sourcing capabilities.

Our conversational sales BOT engages prospective customers, responds to product queries and supports lead qualification and application initiation. Conversational BOT is also equipped with personalized visiting card of sales manager.

Upon customer interest, our sales team obtains the requisite consent and captures the relevant information and application documents, including demographic, income, banking, property and reference details, as

applicable. Bank statements are obtained through an RBI-licensed account aggregator, while KYC is completed through electronic or physical modes. Sales managers are equipped with AI generated summarization of bureau and internal performance results of the customer to help them assess credit worthiness even before submitting for underwriting process.

The application is thereafter submitted to the credit team for eligibility assessment in accordance with the applicable product programme and our internal credit policies.

(iii) Business Loan Secured and LAP

We offer secured Business Loans Secured/ LAP to eligible salaried and self-employed individuals and non-individual entities for working capital, growth capital and other permitted funding requirements, against mortgage of eligible immovable property. Our offerings comprise multiple loan variants across small and medium ticket sizes, based on customer requirements and applicable credit policies.

Business Origination

We source customers for these products through direct and indirect channels. Direct channels include call centres, digital platforms, branch-led sourcing, customer campaigns, referrals and branch enquiries, while indirect channels primarily comprise DSAs and referral partners. Our sales team engages with prospective customers sourced through these channels and facilitates the application process. Our broader distribution model similarly combines physical and digitally enabled origination channels.

Our origination process is also supported by AI-enabled solutions. We have a SME FAQ BOT that provides sales and credit teams with quick access to product, policy, process, system and credit information. Our Conversational Sales BOT engages prospective customers, responds to product queries and supports lead qualification and application initiation. We have deployed conversational voice AI capabilities across customer engagement and origination.

Upon customer interest, our sales team obtains the requisite consent and captures relevant customer and application information, including demographic, income, banking, property and reference details, as applicable. Bank statements are obtained through an RBI-licensed account aggregator, while KYC is completed through electronic or physical modes.

Sales team has also been equipped with Agentic AI inline to our CRM platform that helps them read, OCR and auto populate data from title deed of immovable properties that we mortgage. The Agent is trained across vernaculars and reduces the time taken by the sourcing team to populate data in the application forms. This helps to engage early with customer and collect documents to enable faster disbursals.

Before the file is submitted to credit for underwriting the QC agent runs a check on customer KYC/ banking documents and matches it with data entry in the system. If any error is highlighted, the sales manager can auto populate the correct data. This helps in FTR (first time right) for complicated mortgage loan applications. Sales managers are equipped with AI generated summaries of bureau and internal performance results of the customer to help them assess credit worthiness even before submitting for underwriting process.

The application is thereafter submitted to the credit team for eligibility assessment in accordance with our internal credit policies. Together, the channel network and AI capabilities improve lead coverage, customer engagement, sales productivity and conversion efficiency.

(iv) Used-car financing and New-car financing

We offer secured loans to eligible individual and non-individual customers for the purchase of new and pre-owned (used) vehicles, with the financed vehicle serving as security for the loan. Our New-car financing business commenced operations in June 2023, while our used car financing has been operational since 2018.

Business Origination

- Used-car financing: We source customers through a network of more than 1,400 empanelled used car dealers as of September 30, 2026, and approved digital channels. Dealer-sourced customers are supported by our sales teams through the application process, including customer validation and completion of the requisite information and documentation. Leads generated through our digital channels are initially engaged through our call centre and subsequently supported by our field sales teams for completion of the application process.

- We also source Used car financing business through co-lending arrangements with CARS24 Financial Services Private Limited. Under these arrangements, the originating partner sources and services customers, while we independently assess eligible loans and fund our agreed share.

- New car financing: We source customers for our New Car Finance business through multiple channels, including new car dealers and channel partners, DSAs, online aggregators and marketplaces, and our digital platforms. As of September 30, 2026, we had relationships with more than 3,200 dealers and 26 OEMs channel partners.

Our dealer and channel partners facilitate lead identification, customer referral and the application process, while our sales teams engage with prospective customers and facilitate completion of the required customer information and documentation. Upon customer interest, the requisite consent is obtained and relevant information and application documents, including demographic, vehicle, KYC, banking and co-applicant details, as applicable, are captured for processing in accordance with our internal policies and applicable requirements.

(v) Commercial Vehicle ('CV')

We offer secured financing solutions to eligible customers for the purchase of new and pre-owned commercial vehicles across the Intermediate and Light Commercial Vehicle (ILCV), Medium and Heavy Commercial Vehicle (MHCV) and allied commercial transportation segments. Our customers include fleet operators, transporters, MSMEs, first-time buyers and individual vehicle owners. Financing is available for fully built vehicles, as well as repurchase, refinance, balance transfer and other eligible transactions, subject to applicable product programmes, credit and risk policies and asset hypothecation requirements. The business is supported by a distribution network comprising OEM dealers, sub-dealers, direct selling agents and direct sales channels. Our CV Finance business commenced operations in June 2024.

Business Origination

We source customers for our CV Finance business across India through OEM-authorised dealerships and sub-dealers, DSAs, referral partners, other sourcing partners and direct sales channels. The origination process is supported by upfront BRE checks, which assess prescribed eligibility and credit parameters at the application stage which support Go/ No-Go decisions. As of September 30, 2026, the business had more than 100 dealer touchpoints, all comprising new vehicle dealers.

(vi) Auto & Other Leasing

Our Leasing business provides asset financing solutions to eligible corporate customers through leasing arrangements. Our offerings include vehicle leasing, covering new and pre-owned cars and commercial vehicles, and equipment leasing, covering a range of business, industrial, infrastructure, healthcare, education, office and technology assets.

Business Origination

We source customers for our Leasing business through multiple channels, including dedicated business development teams, internal referrals, original equipment manufacturers ("**OEMs**"), DSAs, system integrators and other approved sourcing channels. New and existing customers are onboarded following completion of the prescribed customer due diligence and eligibility requirements.

Our digital leasing platforms support customer onboarding, lease booking and related processing. The Smart Lease platform supports onboarding of corporate customers and product journeys for new and used cars and lease transfers.

(vii) Medical Equipment and Industrial Equipment financing

Equipment finance enables self-employed individuals and non-individual entities to acquire or upgrade machinery and equipment in healthcare and industrial segment. It helps meet working capital requirements, drive business expansion and enhance operational efficiency through financing solutions including leasing.

Business Origination

We source customers through multiple channels like OEMs/ suppliers, RM relationships, existing customers references which are then supported by our branch sales teams. Upon customer interest, the sales team obtains the requisite consent and captures relevant information and application documents, including demographic, income, banking, asset and reference details, as applicable. Bank statements may be obtained through an RBI-licensed account aggregator, while KYC is completed through electronic or physical modes. The application is thereafter submitted to the Credit team for eligibility assessment in accordance with our internal credit policies.

III. Retail Rural Lending

The products under this sub-vertical comprise: (i) Rural Consumer Finance, which comprises consumer durable loans, digital product loans and lifestyle product loans to salaried and self-employed individuals based in small towns or upcountry locations in India; and (ii) Personal Loans Cross-Sell and loans to professionals in small towns or locations of India. In addition, our Rural lending business comprises Gold Loans, MFI Lending Business, Tractor Finance and Affordable Housing Finance.

(i) Rural Consumer Finance

The nature of the loans offered by our Retail – Rural Consumer Finance Business is similar to that of our Retail – Urban Consumer Finance Business, and the nature of the loans offered by our Rural Business with respect to Personal Loan Cross Sell is similar to Retail – Urban Personal Loan Cross Sell business and Loan to Professionals is similar to our Unsecured Loan to Professionals under MSME segment.

For a description of these loans, see "***Our Business– Our Loan Products –Retail Urban Lending***" on page 254. For a description of the Personal Loans Cross-Sell and Loan to Professionals, see "***Our Business– Our Loan Products – Retail Urban Loans – Personal Loans***" and "***Our Business– Our Loan Products – MSME – Unsecured loans to Professionals***" on pages 255 and 256, respectively. For a description of our Gold Loan business, see "***Our Business– Our Loan Products – Retail Urban Lending – Gold Loans***" on page 255.

(ii) MFI Lending Business

Our MFI Lending Business operates as an SBU within Bajaj Finance Limited, with a dedicated operating structure. We offer small-ticket group loans of ₹15,000 to ₹150,000 under joint liability group structure to women in low-income households who are typically excluded from formal banking. The model supports income generation, primarily in agriculture allied activities in remote rural areas. Sourcing is carried out by branch personnel at central village locations, ensuring high quality, transparent doorstep service, supported by communication in customers' preferred languages.

Our MFI Lending Business commenced as a pilot in September 2023. As of September 30, 2026, the business served approximately 960,000 women customers across 44,830 villages, 167 districts and 11 states through 480 branches.

Business Origination

We source customers for our MFI Lending Business directly through our employees across eligible villages within the defined service areas of our branches. In approved villages, eligible customers are organised into groups and serviced through designated centres located in proximity to their residences.

As part of the origination process, our employees engage with prospective customers, conduct residence visits and provide group training on the product features, loan terms and repayment obligations. The Branch Manager subsequently undertakes the prescribed verification before the application proceeds for credit assessment.

(iii) Tractor finance

We offer secured financing to eligible customers for the purchase of new and used tractors, harvesters and standalone farm implements. We also offer refinance, and top-up facilities to eligible customers in accordance with our applicable product programmes and internal credit policies. Our Tractor Finance business commenced operations in February 2024 and has subsequently expanded across multiple states in India.

Business Origination

We source customers for our Tractor Finance business primarily through OEM-authorised dealerships, DSAs and specialised used-vehicle dealerships. OEM-authorised dealerships constitute the principal sourcing channel for new tractors, harvesters and farm implements, while used tractor financing is also sourced through new tractor dealers facilitating exchange transactions, DSAs and specialised used-vehicle dealerships.

Customer applications are initiated through our loan origination system, with customer consent, identity information and relevant application and field-verification information captured digitally. Customer, income, landholding and asset-related information, together with geo-tagged photographs, as applicable, support application assessment and verification. Conversational-AI and sales-helpdesk capabilities support customer and sales queries, while Vision and speech-to-text initiatives are being developed for a single-visit field-investigation and agreement journey.

As of September 30, 2026, our distribution network comprised more than 1,250 new tractor dealers.

(iv) Affordable Home Loans

Our Affordable Housing business is focused on extending long-term credit to underserved and low-income customer segments, with the objective of supporting home ownership. Our offering is built around three core principles: accessibility, affordability and inclusion. We offer secured home loans to eligible individuals for the purchase, construction or renovation of residential properties, with the underlying property serving as collateral in accordance with the applicable loan terms.

Business Origination

We source customers for our Affordable Home Loans business through a combination of direct and indirect channels, including digital and branch-led channels, customer referrals, intermediaries and other partners. Our sales team engages with prospective customers sourced through these channels and facilitates the application process. Our broader affordable housing strategy includes dedicated teams and sourcing through intermediary, developer-ecosystem and direct-to-customer channels.

Our origination process is also supported by AI-enabled solutions. The SME FAQ BOT provides sales and credit teams with quick access to product, policy, process, system and credit information. Our Conversational Sales BOT engages prospective customers, responds to product queries and supports lead qualification and application initiation. We have deployed conversational AI capabilities across customer engagement and origination.

Upon customer interest, our sales team obtains the requisite consent and captures relevant customer and application information, including demographic, income, banking, property and reference details, as applicable. Bank statements are obtained through an RBI-licensed account aggregator, while KYC is completed through electronic or physical modes.

Before the file is submitted to credit for underwriting the QC agent runs a check on customer KYC/ banking documents and matches it with data entry in the system. Any error is highlighted and sales manager can auto populate the correct data. This helps in FTR (first time right) for complicated mortgage loan applications.

Sales managers are equipped with AI generated summarization of bureau and internal performance results of the customer to help them assess credit worthiness even before submitting for underwriting process.

The application is thereafter submitted to the Credit team for eligibility assessment in accordance with our internal credit policies.

IV. Loans Against Securities

Our Loans Against Securities business offers short- to medium-term financing against shares, bonds, mutual funds, insurance policies and deposits to retail customers, HNIs and promoters. We also provide IPO Funding, a short-tenure financing proposition that enables eligible investors to participate in public issues by contributing their own margin, with the balance application amount financed by us.

Business origination

Customers for our Loans Against Securities business are primarily sourced through our dedicated team of relationship managers across India. Potential customers are also sourced through market intermediaries and our digital platforms.

V. Commercial Lending

Our Commercial Lending business has been operational for more than 15 years and provides term loans and working capital facilities to eligible corporates, holding companies and financial institutions. The facilities are offered for purposes including working capital requirements, capacity expansion and general corporate purposes.

Our Commercial Lending portfolio is diversified across Large Corporates, Mid Corporates, Emerging Corporates and the Financial Institutions Group ("**FIG**"). The FIG portfolio comprises lending to financial institutions, including NBFCs operating across various asset classes such as housing finance, asset finance, gold loans, MSME financing, wholesale lending and broking, among others.

The facilities may be secured or unsecured. Secured facilities may be backed by collateral including land and buildings, plant and machinery, current assets, fixed deposits and securities, depending on the nature of the facility and applicable credit terms. Repayment structures may include monthly, quarterly or structured amortisation schedules, as applicable.

Business Origination

We source customers for our Commercial Lending business through a dedicated team located across major cities in India, as well as through alternate sourcing channels and market intermediaries. Our relationship teams engage with existing and prospective corporate customers to identify their financing requirements and offer appropriate working capital, growth capital and other applicable financing solutions.

Credit Underwriting and Disbursal

Applications are assessed in accordance with our internal credit and risk policies and applicable delegation-of-authority framework. The underwriting process includes customer due diligence, verification of relevant information and documentation, assessment of credit history, financial position and repayment capacity, and other applicable credit and risk checks. Depending on the nature of the financing, the assessment may also include personal discussions, field verification and evaluation of the underlying assets or security.

The underwriting process is supported, where applicable, by digital systems, business rule engines, automated verification tools, data analytics and AI-enabled capabilities to facilitate assessment, policy adherence and risk identification. Applications may be processed through automated or manual underwriting, as applicable, with approvals, exceptions and policy deviations subject to the prescribed approval framework.

Upon approval, the customer accepts the applicable terms and completes the prescribed documentation, consents, security creation and other pre-disbursement requirements, as applicable. The Operations team verifies the relevant information and documentation and completion of the prescribed requirements. Following satisfactory completion of the applicable checks and conditions, funds are disbursed in accordance with the approved terms. Relevant post-disbursement documentation and requirements are tracked and validated under our established control framework, as applicable.

The credit underwriting and disbursal process followed for Secured and Unsecured lending verticals is set forth below:

Secured

Application data is processed through a policy-driven business rules engine ("**BRE**"), together with credit bureau information and banking information. Banking information is obtained through customer-provided documents and consent-based data-sharing mechanisms. For select customer segments, applications are assessed through a Straight-Through Process ("**STP**"), while applications requiring manual underwriting are assessed by a credit officer through tele-verification and other applicable checks.

Our underwriting processes are supported by data analytics and technology tools. AI-based bureau scorecards and analytical models support credit assessment by generating bureau summaries, risk insights and risk indicators. AI-based capabilities also extract relevant information from customer documents and customer point verification ("**CPV**") images to support underwriting and verification. Our broader risk framework uses internal repayment behaviour, credit bureau histories and consent-based banking data, including data from the account aggregator ecosystem, for credit-risk assessment.

Upon approval, the customer completes the prescribed pre-disbursement formalities, including acceptance of the KFS, execution of the loan agreement through digital consent and establishment of the applicable repayment mandate. The application and supporting documentation are subject to prescribed quality-control and operations checks, as applicable. Upon satisfactory completion of the required checks and documentation, the loan is disbursed through our loan management system.

Unsecured

The credit underwriting process is supported by an integrated digital and technology-enabled framework designed to enhance accuracy, efficiency, policy adherence and risk controls across the underwriting journey. Customer KYC information is auto-captured using OCR and e-KYC processes, while key identity and business identifiers, including PAN and GST, are validated through APIs connected to authorized sources making credit verification efficient and accurate. Product policy checks, credit assessment and adherence are facilitated through codification of applicable policies and credit norms in BREs, supplemented by automation and AI-enabled interventions. Bureau and de-duplication checks are codified and supported by AI-generated summaries and risk triggers for assessment and review. Banking analysis is facilitated through data sourced via the account aggregator framework and electronic PDFs, supported by OCR-based information extraction, with BREs extensively used for consistent application of rules relating to applicant profile, bureau, banking and internal performance.

Personal discussions with customers are conducted through physical, telephonic or video modes based on case assessment and policy norms, telephonic discussions are conducted on recorded lines and supported by AI-enabled voice-to-text capabilities for capturing key information and generating summaries for credit appraisal. Credit approval limits and authorities are system-configured to support adherence to the prescribed delegation framework. The overall underwriting framework is further strengthened through independent hind sighting of credit quality and policy adherence.

Upon approval, the customer completes the prescribed pre-disbursement formalities, including acceptance of the KFS, execution of the loan agreement through digital consent and establishment of applicable repayment instructions. AI-enabled tools are also used in document quality checks and matching as part of application processing. Our reported AI capabilities include automated document quality checks and AI-supported operational processing. Following completion of the required documentation and checks, the loan is disbursed through our loan management system.

Collections/ Default

Customer payments are collected through agreed payment mechanisms in accordance with the terms of the applicable financing arrangements. Repayments and overdue accounts are recorded and monitored through our systems, and customers are provided with applicable digital and physical payment options.

Overdue accounts are managed through defined collection and recovery processes, including customer communication, follow-up and escalation. Accounts are allocated to appropriate collection channels, which may include dedicated internal teams, call centres, digital channels, field personnel and authorised external agencies. These processes are supported, where applicable, by digital tools, automated systems and AI-enabled capabilities to facilitate customer engagement, payment collection and monitoring.

In the event of continued default or other circumstances requiring recovery action, appropriate recovery measures or legal proceedings may be initiated in accordance with the relevant financing documents, our internal policies and applicable requirements. Where applicable, such measures may include enforcement of security, repossession and sale or auction of underlying assets, subject to prescribed notices and controls. Recovery proceeds are adjusted against outstanding dues, with any surplus refunded and any remaining shortfall pursued, as applicable.

DEPOSITS:

We accept deposits from retail and corporate clients. Our deposits are offered across various tenures with interest payment options monthly, quarterly, half yearly, annual intervals and at maturity. This provides customers with the flexibility of placing deposits in tenures of their choice and receiving interest according to their fund requirement. Pre-mature withdrawals are permitted in accordance with applicable terms and conditions laid down by RBI. The maximum tenures offered is of five years for public deposits.

Our deposits have been assigned a AAA/Stable rating by each of CRISIL and ICRA. As of September 30, 2026, we had total deposits of ₹697,537.0 million, of which public deposits contributed 55.5%. Deposits contributed 13.9% of our consolidated total borrowings as of September 30, 2026.

PAYMENTS:

Our payments strategy is focused on building an integrated consumer payments and merchant acquiring ecosystem across our digital platforms and physical merchant network. Payments form part of our broader omnipresent strategy, through which we seek to increase customer engagement and transaction activity across our ecosystem. We have developed a payments business across consumer payments and merchant acquiring, comprising prepaid payment instruments ("**PPI**"), UPI, Bharat Bill Payment System **(**"**BBPS**"), FASTag, **NCMC**, QR-based merchant payments and EDC machine. The details of the same are provided below.

- **PPI** - Bajaj Pay Wallet enables customers to make payments for bills and purchases, manage rewards and undertake permitted fund transfers. We offer Minimum KYC and Full KYC wallets, with additional functionality available to Full KYC customers in accordance with applicable regulatory requirements.

- **UPI** - Bajaj Pay UPI enables person-to-person and person-to-merchant payments, online merchant payments, bill and utility payments and recurring payments through UPI AutoPay.

- **BBPS -** Bajaj Pay facilitates bill payments and recharges through the Bajaj Finance App across more than 22,000 billers and 31 categories. During the half year ended September 30, 2026, 13.2 million BBPS transactions were undertaken through our platform.

- **FASTag -** Bajaj Pay FASTag enables electronic toll payments and provides digital onboarding, recharge and servicing capabilities through our digital platform. As of September 30, 2026, we had issued 3.4 million FASTags.

- **NCMC** - We launched the Bajaj Pay NCMC in September 2026, extending our payments offering to eligible metro and bus travel. The card provides interoperable contactless payment functionality, with issuance, recharge and servicing integrated into our digital channels

- **Merchant QR** - Bajaj Pay QR enables participating merchants to accept payments through UPI, Bajaj Pay Wallet and Bajaj EMI. As of September 30, 2026, 4 million merchant POS had been onboarded.

- **EDC machine** - Our Point of Sale ("**POS**") EDC terminals, deployed in partnership with payment aggregator partners, enable merchants and Bajaj Finance dealer partners to accept card, UPI and EMI payments at the point of sale. As of September 30, 2026, we had onboarded 18,000 merchant POS.

INSURANCE AND OTHER THIRD PARTY PRODUCTS DISTRIBUTION:

We are registered as a Corporate Agent with the Insurance Regulatory and Development Authority of India ("**IRDAI**") and distribute third-party life, general and health insurance products, as well as extended warranty products, through our distribution channels.

As of September 30, 2026, we had tie-ups with:

- 14 general insurers including Bajaj General Insurance Limited (*formerly known as Bajaj Allianz General Insurance Company Limited*), Tata AIG General Insurance Company Limited, Aditya Birla Health Insurance Company Limited, ManipalCigna Health Insurance Limited, SBI General Insurance Company Limited, HDFC Ergo General Insurance Company Limited, Acko General Insurance, Niva Bupa Health Insurance Company Limited, CARE Health Insurance Company Limited, Cholamandalam MS General Insurance Company Limited, ICICI Lombard General Insurance Company Limited, STAR Health and Allied Insurance Company Limited, ZURICH Kotak General Insurance Company (I) Limited and The New Indian Assurance Company Limited to distribute their general insurance products, such as health, motor, property insurance, extended warranty insurance for consumer durable.

- Four life insurers including Bajaj Life Insurance Limited (*formerly known as Bajaj Allianz Life Insurance Company Limited*), HDFC Life Insurance Company Limited and Axis Max Life Insurance Limited to distribute their life insurance products.

- Insurers for distribution of pocket insurance products, which are small-ticket insurance offerings provided in partnership with general insurance companies, including Aditya Birla Health Insurance Company Limited, ICICI Lombard General Insurance Company Limited and Niva Bupa Health Insurance Company Limited.

In connection with the distribution of regulated and non-regulated products and services, the RBI has issued a recent amendment to Reserve Bank of India (Non-Banking Financial Companies – Undertaking of Financial Services) Directions, 2026 which shall come into force from January 1, 2027 and we intend to comply with these applicable directions, guidelines and other requirements issued by the RBI from time to time for distribution of these products.

Bajaj Housing Finance Limited

BHFL offers diversified mortgage product suite catering to both retail as well as commercial customers with focus on building sustainable mortgage business having scalable balance sheet and low risk business model. Its product suite spans across: (i) home loans; (ii) LAP; (iii) lease rental discounting; (iv) developer financing.

Home Loans

BHFL offers home loans to salaried, professional and self-employed customers across prime, near-prime and affordable segments. As of September 30, 2026, BHFL operated across 182 locations in India, with home loans constituting 53.9% of its total loan portfolio. BHFL's offerings cover purchase, resale, balance transfer and self-construction, supported by developer relationships and an approved project network covering over 10,300 projects. It has a dedicated 'Sambhav Housing' and the SBU caters to the near-prime and affordable segments.

Business Origination

BHFL follows a micro-market sourcing strategy through dedicated direct-to-customer (D2C) and indirect channels. Direct sourcing includes developers, branches, self-sourcing and digital partnerships, while indirect sourcing is undertaken through channel partners, aggregators, direct selling agents and connectors. BHFL also leverage its APF network of more than 10,300 projects, as of September 30, 2026, and developer relationships for retail home loan sourcing, and partner with HFCs, NBFCs and small finance banks for pool purchases and co-origination. The sourcing model is supported by digital capabilities, including 'DIY Home Loans', which enables an online loan application and approval process.

Loans Against Property (LAP)

BHFL offers LAP to self-employed, salaried and professional customers across prime, near-prime and affordable segments, against residential and commercial properties. As of September 30, 2026, the business operated across 74 locations through direct and intermediary sourcing channels and contributes to diversification.

Business Origination

LAP is sourced through dedicated D2C and intermediary channels, including digital platforms, partnerships, aggregators, direct selling agents and connectors. It also leverages its established developer relationships to source LAP against eligible commercial properties.

Lease Rental Discounting

BHFL provides lease rental discounting ("**LRD**") and construction finance solutions across office, industrial and warehousing properties, with a focus on 'Grade A' commercial properties, encompassing premier developers, global private equity firms, listed REITs and sovereign funds. LRD exposures are secured by the underlying property and established lease rental cash flows, which are routed through an escrow mechanism. The business caters to HNIs, developers, REITs, large corporates and institutional investors and covers the commercial real estate lifecycle from construction finance to LRD. As of September 30, 2026, its LRD offerings were available across 18 locations in India.

Business Origination

Business acquisition is led by a dedicated relationship management team, supported by internal due diligence and external legal and technical experts, with end-to-end responsibility for client servicing.

Developer Financing

BHFL provides construction finance for residential and commercial projects, and as of September 30, 2026, was present across 18 locations through a micro-market approach. Developers are assessed based on their track record, financial performance and execution capabilities. The business complements our retail home loan franchise and enhances the overall yield profile. Disbursements are milestone-linked and supported by escrow of project cash flows and defined sweep mechanisms.

Business Origination

The business is originated through a dedicated sourcing team which monitors local market trends, project launches and absorption rates. Developer financing is supported by escrow and defined cash-flow sweep mechanisms. Principal moratoriums may be offered during the initial construction phase, with interest serviced monthly.

Credit Underwriting and Disbursal

BHFL has dedicated underwriting frameworks for retail prime, Sambhav and commercial businesses. Retail underwriting follows a hub-based model supported by BRE, machine learning and AI, with differentiated assessment for salaried and self-employed customers and dedicated legal and technical collateral evaluation. Commercial underwriting combines field due diligence with centralized approval and separate frameworks for developer financing and LRD, covering borrower financial strength, track record, project or lease characteristics and underlying collateral. Loan processing is supported by regional and centralized operations and digital capabilities, including e-sanction letters, e-agreements and e-mandates.

Collection/ defaults

BHFL follows a three-tier debt management framework covering current-month dues, early delinquencies, and NPA/write-off accounts. Customers are allocated between digital/touch-free and field collection channels based on repayment behaviour and cohort analysis. Collections during the initial 12 months from origination are primarily managed by business teams, with dedicated debt management teams focusing on delinquent and NPA accounts. The framework is complemented by legal recovery mechanisms, including SARFAESI enforcement, where applicable.

Stock broking business and depository participant services

Our wholly owned subsidiary, BFSL, operates as a SEBI-registered broker and provides broking services in relation to securities traded on recognised stock exchanges, including the NSE, BSE and MCX. BFSL offers a range of products and services, including: (i) branch broking; (ii) retail broking; (iii) trading account; (iv) depository services; (v) margin trading facility (MTF); (vi) ESOP financing; (vii) IPOs and OFS; (viii) commodity derivative trading; and (ix) PMS and MF distribution. These products and services are offered through various channels, including branch broking and retail broking.

Branch Broking

Our branch broking channel offers specialised broking services tailored to the needs of its customers. A dedicated call-and-trade service, supported by experienced dealers, is intended to ensure swift and efficient execution while providing clients with the flexibility they require. As of September 30, 2026, we had around 100,000 clients, supported by a branch network across 43 locations.

We also operate through an authorised partner channel, which helps expand our reach and serve clients across different locations. Our partners are supported with technology and operational assistance to ensure smooth and consistent service delivery.

Bajaj Broking Privé extends the Company's offerings to the UHNI segment, delivering curated investment solutions and dedicated relationship management.

Retail Broking

Our retail broking channel provides a comprehensive digital broking solution designed to meet the diverse needs of retail clients. Through flexible discount broking plans, customers can access a range of investment products and services, including equities, futures and options, margin trading funding, initial public offerings, U.S. stocks, bonds and research tools. As of September 30, 2026, our retail broking channel had a customer franchise of 1.5 million customers.

Trading Account and Depository Services

BFSL enables customers to open Demat and Trading Accounts seamlessly through its fully digital account opening and e-KYC journey. A Trading Account allows investors to place buy and sell orders for securities on stock exchanges, while a Demat Account holds these securities in electronic form. Together, these accounts provide a secure and efficient platform for investing and trading in the capital markets, offering customers a convenient, paperless, and seamless investment experience.

Margin Trading Facility ("MTF")

We offer a MTF, under which customers may acquire approved securities by contributing a prescribed margin from their own funds and availing financing from us for the balance of purchase consideration. As of September 30, 2026, the MTF book stood at ₹105.0 billion.

ESOP Financing

We provide financing to customers for the exercise of employee stock options, secured against shares issued pursuant to their employers' ESOP plans. As of September 30, 2026, our ESOP financing book stood at ₹15.6 billion.

IPOs and OFS

We enable clients to place bids for Initial Public Offerings ("**IPOs**") and Offers for Sale ("**OFS**"). It also provides an advance-bidding facility, allowing clients to submit IPO bids before the issue officially opens.

Commodity Derivative Trading

We enable clients to trade in commodity derivatives across products such as crude oil, gold, silver, and other metals, allowing them to diversify their trading strategies across asset classes.

Distribution

To offer our clients a full bouquet of financial products, we also distribute a wide array of products, including mutual funds, portfolio management services, alternative investment funds, fixed deposits, bonds, the National Pension System and insurance.

Customer Franchise

We track our customer base to identify potential cross-sell franchise by applying various filters to our total customer franchise. Set forth below is a table showing our customer franchise after application of each filter as at the dates indicated:

Customer Franchise	As at September 30, 2026	As at March 31, 2026	As at March 31, 2025	As at March 31, 2024
	(*in million*)			
Total customer franchise[1]	128.8	119.3	101.8	83.6
Credit segment filter[2]	111.2	101.5	83.8	66.0
Overall cross-sell franchise[3]	105.9	97.2	80.9	64.2
Non-delinquent customers[4]	94.6	86.7	72.6	56.7
Cross-sell franchise[5]	82.4	75.5	64.5	50.8

Notes:

1. *Total customer franchise represents the total number of customers served as of the specified date.*
2. *Credit segment filter represents the customer base after eliminating the number of customers who are not mass affluent customers (i.e., customers who represent bigger wallets and larger cross-sell opportunities; these customers are viewed as a less risk averse group of consumers) from the total customer franchise.*
3. *Overall cross-sell franchise represents the customer base after eliminating the number of customers from whom the right to cross-sell has not been obtained from the credit segment filter.*
4. *Non-delinquent customers represents the customer base after eliminating the number of customers who are delinquent on our books from the overall cross-sell franchise.*
5. *Cross-sell franchise represents the number of customers after removing customers who display signs of weakness though not credit impaired from non-delinquent customers. In other words, the base of potential cross-sell customers.*

Treasury Operations and Funding

Our Company's treasury operations are mainly focused on raising funds for meeting our funding requirements and managing investments. BFL meets its liquidity requirements through a diversified funding mix encompassing market instruments, bank borrowings, external commercial borrowings ("**ECBs**"), securitization and public and corporate deposits. As part of its liability

diversification agenda, BFL is progressively scaling borrowings via Pass Through Certificates ("**PTCs**") to complement conventional funding sources.

The asset liability management committee ("**ALCO**") of our Company, which is responsible for the formulation of our asset liability management strategy and policies, ensures that there are no undue imbalances or concentration risks on either side of the balance sheet. BFL's business model inherently provides an ALM advantage, supported by steady EMI inflows from its short-tenor businesses, which place it in a favourable position to service near-term liabilities. The ALCO reviews asset liability mismatches as per the RBI guidelines and the Board approved limits.

Our Company has a well-defined liquidity management framework which ensures optimum management of liquidity and compliance with the LCR guidelines on a daily basis. Our liquidity risk management framework covers various aspects of our liquidity risk management policies, strategies and practices, including LCR, stress testing, contingency funding plan, maturity profiling, liquidity risk measurement - stock approach, interest rate risk and liquidity risk. Our disciplined asset liability management has ensured that we could overcome liquidity crisis and volatile interest rates witnessed in the past decade.

For details on the maturity pattern of our Company's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information - Asset-Liability Gap - Our Company***" on page 40.

BHFL's treasury operations are monitored by a separate dedicated ALCO, which is responsible for the formulation of BHFL's asset liability management strategy and policies, and to ensure there are no concentrations on either side of the balance sheet. The committee reviews asset liability mismatches based on the RBI's ALM framework and takes corrective measures wherever warranted. BHFL assesses expected maturity pattern of its assets and liabilities and maintains adequate liquidity for its businesses. BHFL has maintained its liquidity as per its board approved limits.

For details on the maturity pattern of our BHFL's liabilities and assets as at September 30, 2026 on a standalone basis, see "***Selected Statistical Information - Asset-Liability Gap - BHFL***" on page 40.

Risk Management

The risk containment and fraud control function focuses on preventing fraud by customers, sourcing channels, and employees through strong preventive and deterrent measures. We have established a risk management framework for the identification, assessment, monitoring and management of risks arising from our business and operations, and have deeply invested in the 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. We ensure that most fraud checks are performed well before any disbursal of loan through inbuilt advanced fraud controls analytics in our loan origination system. We have enabled all our 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. Changes or updates related to risk management practices are communicated to the Risk Management Committee ("**RMC**") which convenes each quarter to oversee and advise our executive team.

The fraud check rules are periodically updated based on emerging learnings. During the year, our Company further strengthened its underwriting standards and discontinued lending to customers with multiple unsecured loans, reducing the risk of potential losses from such segments. Further, in response to heightened global macroeconomic volatility and a continued focus on balance sheet resilience, our Company strengthened its provisioning framework by instituting a minimum LGD floor across all businesses.

Our asset mix continues to evolve towards relatively lower-risk products, including mortgages, auto loans and other secured lending segments. We also maintain a Board-approved policy, namely Concentration Risk Management Policy, that prescribes exposure limits across our consumer retail portfolio, including unsecured lending segments. Such limits are subject to periodic review by the RMC.

Our business is exposed to various risks arising from our operations and the environment in which we operate. Our major risks are (i) liquidity and funding risk; (ii) market risk; (iii) interest rate risk; (iv) price risk; (v) foreign currency risk; (vi) credit risk; and (vii) operational risk.

Liquidity and Funding Risk

Our Company manages liquidity risk in accordance with our Board approved Liquidity Risk Management Framework and ALM Policy, which incorporate stipulations laid down by the RBI. Our ALCO has been setup in line with guidelines issued by the RBI and monitors asset liability mismatches to ensure that there are no material imbalances or excessive concentrations on either side of the balance sheet. Our Company follows a prudent approach for managing liquidity and ensures availability of adequate liquidity buffers to overcome mismatches in case of stressed market environment.

We continuously monitor liquidity in the market; and as a part of our Liquidity Risk Management Framework, we maintain a Liquidity Buffer through an active investment desk to reduce this risk. At a consolidated level, we maintained a Liquidity Buffer of ₹150,200 million in Fiscal 2026 and ₹199,950 million as of September 30, 2026, representing 3.45% and 3.98% of our outstanding borrowings, respectively.

We exceed the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets ("**HQLA**"). As of September 30, 2026, we maintained LCR of 163.2% well in excess of the RBI's stipulated norm of 100%.

We also maintain a diversified mix of borrowings from banks, money markets, ECBs, securitisation, public and other deposits. We continue to diversify our sources of borrowing with an emphasis on longer tenor borrowing. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided us to maintain a healthy asset liability position and interest rate. Each of our Company's and BHFL's liquidity and funding risk is managed by a dedicated treasury team under the guidance of the respective ALCOs.

Further, we have a Board approved Contingency Funding Plan ("**CFP**") to respond quickly to any anticipated or actual stressed market conditions. The primary objective of the CFP is to provide a framework of action plan for contingency funding when we experience a reduction to our liquidity position, either from causes unique to us or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Team constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

Market risk

Our Company is exposed to market risk, which arises from fluctuations in the fair value or future cash flows of financial instruments due to changes in market variables, including interest rates, foreign exchange rates and equity prices. To effectively manage market risk in our investment portfolio, we follow a prudent investment policy, which guides our investment decisions. We have invested our surplus funds mainly in government securities, state development loans, treasury bills, liquid funds and deposits with banks and money market instruments of highly rated financial institutions and banks. We calibrate the duration of investment portfolio to balance the twin objectives of maintaining liquidity for business and minimum fair value change impact on our investment portfolio.

Interest Rate Risk

Our Company is exposed to interest rate risk on our investment portfolio and interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles. We monitor fair value change impact on our investment book using parameters such as value at risk limits, 1bps change in interest rates and modified duration, which are defined in our Board approved investment policy. Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis to measure the impact of such interest rate movements on our Company's balance sheet. We continue to follow a prudent, well-calibrated interest rate risk management framework that ensures interest rate volatility does not materially affect our investment portfolio or our net interest margin.

As part of our interest rate risk management strategy, we have also adopted derivative hedging strategies across our foreign currency borrowings and selected fixed-rate domestic borrowings. Accordingly, we have converted all our foreign currency borrowings into fixed-rate borrowings, thereby substantially mitigating our exposure to interest rate and foreign exchange risks. Further, we have converted a selected pool of fixed-rate liabilities into floating-rate liabilities through Interest Rate Swaps ("**IRS**"), enabling us to maintain an ALCO-determined balance between fixed-rate and floating-rate assets and liabilities on our balance sheet.

Each of our Company's and BHFL's interest rate risk is managed by a dedicated treasury team under the guidance of the respective ALCOs.

Price Risk

Our quoted equity investments are exposed to price risk. We manage this risk through periodic monitoring of the investment portfolio and performance of investee companies. We also measure mark-to-market gains and losses on such investments at each reporting date.

Foreign Currency Risk

Our Company is exposed to foreign currency risk primarily in relation to our ECBs. As a matter of prudence, we hedge our entire ECB exposures in accordance with our Board-approved Interest Rate Risk, Currency Risk and Hedging Policy. We manage foreign currency risk through over-the-counter derivative contracts entered into as hedging instruments, in accordance with our Board-approved Interest Rate Risk, Currency Risk and Hedging Policy.

Credit Risk

Our Company is exposed to credit risk which may arise from the customers or counterparties failing to meet their repayment obligations. Our Board of Directors and their committees approve risk strategies and delegate appropriate authorities for extending credit. Our strong underwriting standards and continuous risk monitoring ensure that portfolios stay within acceptable risk levels. We have a board approved 'Sustainable Business Strategy Policy' which clearly lays down business and risk management principles of the Company.

Operational Risk

Our Company is exposed to operational risk loss resulting from inadequate or failed internal processes, systems or human factors or from external events. Operational risk is inherent in our business activities as well as in the related support functions. Our goal is to keep operational risk at an appropriate level relative to the characteristics of our businesses, the markets in which we operate and the regulatory environment.

We have implemented the RBI's 'Operational Risk Management and Operational Resilience' guidelines and maintain Board-approved policies for the effective management of operational risks across our business.

Our Board approved Operational Risk Management ("**ORM**") framework enables the systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of operational risks across our business. The Operational Risk Management Committee ("**ORMC**") oversees implementation of the Operational Risk Framework and provides recommendations to the Risk Management Committee of the Board. The committee meets quarterly or more often, as it determines is necessary. The meetings focus on key operational risk management related initiatives. The RMC oversees the effective implementation of the ORM framework.

Risk management tools such as Risk and Control Self-Assessment ("**RCSA**"), Key Risk Indicator ("**KRI**"), and control testing are used to ensure that risks identified through the self-assessment and validation framework are monitored and reported to senior management and the Board on a periodic basis. Based on the risks identified through these processes, we undertake proactive measures and implement actionable initiatives to improve the identified risk metrics and maintain risk levels well within the threshold. Corrective actions are initiated to restore breached metrics within acceptable thresholds through root cause analysis of failures arising from underlying processes, people, systems or external events.

During this fiscal, we have also moved to an Integrated Governance, Risk and Compliance ("**GRC**") platform, which serves as a central platform for ORM. We have enabled ORM tools within the platform to facilitate the assessment, measurement, monitoring, mitigation and reporting of operational risks through consolidated risk information, providing a 360-degree view of risk exposures across departments. The platform evaluates and provides assessments of inherent risks, control effectiveness and residual risks.

Debt Management

In addition to our risk management practices, we maintain a debt management strategy that keeps our delinquent debt portfolio at minimal levels. We treat debt management as central to our portfolio management strategy, with a dedicated structure that follows a strict protocol for missed payments. We treat collection as a customer service, enabling fair and ethical recovery of delinquent accounts and past-due payments.

We continue to invest in our debt management structure, processes, training for employees and agencies, and compliance control under a strong governance model that ensures strict adherence to regulatory and internal policies, code of conduct and Fair Practice Code ("**FPC**"). We offer a choice to customers to make payment through digital channels, branch walk-in at retailer points and door-step debt management services.

The debt management journey begins before a customer's instalment falls due, with a reminder sent to relevant customers five to six days in advance of their instalment falling due, enabling them to maintain adequate funds in their bank account and protecting their credit history from an unintentional default. We also counsel customers to encourage strong repayment behaviour, including through service call centres after the payment of overdue EMI. We follow a graded communication approach with delinquent customers across their repayment lifecycle, covering (i) the importance of timely payment, (ii) avoidance of penal charges, (iii) available payment channels, and (iv) payment confirmation. Communications are also delivered in vernacular language via multiple channels, including SMS, email, tele-calling and in-person visits.

We have a dedicated structure aligned to business verticals for servicing customers (i) with current month outstanding; (ii) in early delinquency; and (iii) in NPA and write-off stage. We use a combination of employees, call centres, digital channels, field agencies and legal channels.

We follow a non-intrusive debt management practice by collecting an electronic clearing mandate from our customers. If a bank instrument is dishonoured, we offer over 30 different digital payment options, such as 'National Electronic Funds Transfer', real time gross settlement, BBPS, UPI, Wallets and other payment mechanism.

Since November 2022, we have held direct recovery agent ("**DRA**") training accreditation from Indian Institute of Banking and Finance ("**IIBF**"), operating online DRA training infrastructure for agents, who complete the certification test with IIBF.

Over the years, we have strengthened our debt management process, through (i) centralised call monitoring infrastructure, (ii) dedicated debt management service desks across 38 branches, (iii) hiring additional employees to broaden geographical reach and improve recovery, and (iv) developed 264 situational videos in 10 vernacular languages as part of the training module on our 'DMSOne' app, reinforcing fair, compliant and customer-sensitive recovery practices.

Information Technology, Analytics and FINAI

Information Technology

Technology plays a key role in driving transformation, resilience and scalability across our business, and we continue to modernise core platforms, strengthen cyber and operational resilience, and enhance data-driven digital customer journeys. Our technology initiatives focus on platform consolidation, cloud and API scalability, real-time monitoring capabilities and AI-enabled solutions to improve customer experience, operational efficiency and regulatory compliance. These efforts spanned five key areas of our technology organisation, as set out below:

(i) Business Applications - We simplified and modernised core business applications and redesigned key customer-facing and internal journeys to reduce turnaround time and enable straight-through processing, including AI-enabled B2B onboarding, API integration upgrades, migration to a unified cloud platform, a new leasing platform, the Digital 360 platform, and consolidation of core technology platforms.

(ii) Consumer App & Web - We enhanced our digital platforms for faster content updates, improved discovery and better conversion across customer touchpoints, including reusable digital components, a more componentized architecture, content management system upgrades and modernisation of the Bajaj Mall platform.

(iii) Tech infrastructure - We upgraded our infrastructure to build a resilient, scalable and cost-efficient technology foundation, including a multi-cloud strategy, a cloud-agnostic application architecture and modernised network and access infrastructure, to ensure uninterrupted availability of critical systems.

(iv) Technology Innovation & Collaboration Centre ("**TICC**") - Serving as our innovation and technology acceleration hub, TICC has expanded start-up partnerships, global collaborations and OEM engagements to support AI-led initiatives and promoted knowledge sharing through innovation forums and technology showcases, thereby enabling accelerated adoption of emerging technologies across the organization.

(v) AI - In December 2025, we launched our 3.0 strategy to evolve into a FINAI company through an AI-driven architecture encompassing customer engagement, operational efficiency, credit risk, productivity and governance, supported by a dedicated AI unit across defined domains such as voice, text, vision, risk, operations and services, and structured around four pillars:

   (a) Enterprise AI - identifying use cases across our technology domains to support automation, analytics, software development, testing and enterprise intelligence.

   (b) Consumer AI - integrating AI across customer journeys to enhance personalisation, engagement and digital experience on our app and web platforms.

   (c) Agentic AI - developing autonomous agents to support service, operations, HR, IT and other functions, improving productivity, automation and efficiency.

   (d) Data for AI - leveraging AI to turn data into actionable insights supporting credit risk assessment, personalisation and propensity modelling.

These initiatives provide a secure, scalable and future-ready technology foundation that supports our continued growth.

Analytics

Our risk management is powered by advanced analytics, modern data engineering capabilities and artificial intelligence, enabling faster, more accurate and scalable credit decisions. Our Risk function has built a cloud-native analytics ecosystem on Microsoft Azure and Databricks, integrating data management, feature engineering, model development, deployment, monitoring and governance. This foundation converts data into actionable risk insights while maintaining strong controls and regulatory compliance.

A key strength of our analytical framework is its ability to combine diverse data sources, including bureau data, internal repayment behavior, banking cashflow information, application attributes, transactional patterns, demographic indicators and digital interaction signals. Advanced feature engineering transforms these inputs into predictive risk indicators, enabling sharper risk differentiation, particularly for new-to-credit and thin-file borrowers.

We have significantly expanded the use of machine learning in credit risk assessment. Gradient boosting models and AI-driven feature selection techniques such as SHAP and Boruta are used to improve model performance. Beyond advanced ML models, our risk team is experimenting with next-generation AI models that leverage embeddings and pattern recognition techniques to capture behavioural relationships, repayment patterns, credit-seeking behaviour, utilization trends and customer risk trajectories, resulting in stronger predictive accuracy and portfolio quality.

We are also utilizing AI to automate key stages of the model development lifecycle. Automated data preparation, feature discovery, model training, hyperparameter optimization, monitoring and deployment are reducing model development timelines

while improving consistency and governance. Machine learning operation capabilities, feature factories and integrated risk scoring engines enable analytical models to be deployed and monitored in a more agile and scalable manner.

Fraud risk management has similarly benefited from advanced analytics. Vision AI, Anomaly Detection models, Network Graph Analytics and relationship-mapping techniques are being explored to identify suspicious patterns, hidden linkages and potential fraud rings across customers, channels and counterparties. These capabilities enhance fraud detection while supporting seamless customer onboarding and faster credit decisioning.

All analytical models and AI solutions operate within a robust governance framework anchored by the Board-approved MRM Policy. Independent validation, stability monitoring, performance tracking and explainability techniques ensure that models remain transparent, reliable and aligned with regulatory expectations.

This combination of advanced analytics, modern AI techniques and strong governance provides BFL with a sustainable competitive advantage in managing risk while supporting profitable growth.

FINAI

Under our "BFL 3.0 strategy", we commenced our transformation into a 'FINAI,' or financial services AI, company, with AI progressively embedded across customer acquisition, underwriting, servicing, collections, fraud monitoring, operations and governance, through a dedicated AI unit of 328 professionals. As of September 30, 2026, we identified 345 high-impact AI use cases, of which 161 were operationalised. Our AI efforts are organised across four strategic domains — Enterprise AI, Consumer AI, Agentic AI and Data for AI — governed by a Board-approved AI governance framework established in March 2026. For more details, please see "***Our Business– Our Strengths – Technology-led operating model supported by Artificial Intelligence and advanced analytics***" on page 246.

During Fiscal 2026 and for the half year ended September 30, 2026, leads generated through Voice and Text AI BOTs contributed ₹55.2 billion and 52.9 billion of disbursals, respectively, across 13 Voice BOTs and 24 Text BOTs.

A summary of the outcomes delivered under FINAI in Fiscal 2026 and for the half year ended September 30, 2026 is presented in the table below:

S. No.	Stage	Metric	Unit	Half year ended September 30, 2026	Fiscal 2026
1.	People	Dedicated employees working in AI unit	# as of	328	203
		AI text BOT for employees	# as of	39	-
2.	Data for AI	Voice to data conversion for customer interactions	# in million	101	52
		Text to data conversion for customer interactions	# in million	1.1	2.3
		New loan offers generated from Voice and Text AI initiatives	# in million	0.8	0.4
3.	Product and service discovery	Videos generated	# in million	0.02	1.5
		Banners generated	# in million	0.2	0.5
		Podcasts generated	#	1355	852
4.	Customer engagement	Outbound and Inbound AI Voice BOTs live	# as of	13	10
		Consumer AI Text BOTs live	# as of	24	17
		Promotional SMS with AI BOT penetration	%	55%	6%
		Click-through-rate of AI BOT in Promotional SMS	X times	2.3x	-
5.	Branch and point-of-sale	Face recognition cameras in stores	# as of	535	60
		Face recognition cameras in service branches	# as of	1,163	10
6.	Customer onboarding	Existing customer face match	# in million	12.7	12.2
		Documents processed for application	# in million	61	69.1
		AI summaries live for products on App and Web	# as of	12	-
7.	Operations Processing	Auto quality check ('**QC**") of documents customer face match	# in million	45.3	46.7
8.	Disbursement	Disbursal from leads generated by voice and text AI BOTs	₹ in billion	52.9	55.2
		Disbursal from leads generated through voice log processing	₹ in billion	11.1	7
9.	Servicing	DIY Customers servicing through AI Voice and Text BOTs	%	73%	65%
10.	Debt management service	Receipts through AI Text BOTs	# in million	0.42	0.3
		SMS with AI Text BOT penetration	%	31%	-
		Click-through-rate of AI BOT in SMS	X times	1.1x	-
11.	Technology	Business Requirement Document ("**BRD**") generated by AI	%	100%	71%
		AI Agents	# as of	130	27
		Agentic AI deployment	# as of	65	-

Marketing

We rely on direct customer contact and referrals for the marketing of our products. We also run product and seasonal campaigns' marketing via the digital channels, social handles and offline stores.

Customer Service

We continue to focus on delivering superior customer experience by proactively addressing customer queries and complaints. We have invested in automating customer journeys to deliver seamless, intuitive and consistent experiences across customer touchpoints, with AI embedded across service journeys to enhance efficiency, accuracy and personalisation.

Dedicated teams manage customer resolution and automation, supported by continuous monitoring of key service parameters and 'Voice of Customer' feedback and customer satisfaction across service interactions.

Our centralised Customer Centric & Compliance Office ("**CCCO**") oversees customer experience design, product enhancements and technology changes for alignment with applicable compliance and governance requirements as we expand our products, channels and partnerships.

Fair Practice Code

A dedicated FPC unit works with all the businesses and functions across our organization to ensure strict compliance with these guidelines. An approved product program and audit framework, underpinned by baseline FPC metrics, tracks charges levied and verifies the accuracy of every loan processed, ensuring transparency, fairness and accountability across operational processes.

Our 'Product Approval Policy' and governing committee(s) govern the introduction, modification and discontinuation of products. Our 'Product Approval Committee' operates through a documented process, supported by specialised sub-committees, such as the 'Credit Risk Policy Committee' and the 'Product Operations Process Committee', providing oversight from risk, process and customer fairness perspectives.

We promote transparency and informed customer choice through OTP-based consent across all cross-sell and bundled product offerings. A concurrent audit framework helps mitigate exceptions in loan booking against customer-consented collaterals, introducing enhanced controls and timely corrective and preventive actions for any identified issues. We also conduct half-yearly review of bottom-up pricing across Product Programme Governance document to ensure timely transmission of interest rate and operating leverage benefits to customers.

Digital self-service

We continue to strengthen our digital self-service capabilities by standardising customer journeys across key channels to reduce customer interactions and facilitate resolution of service requests. Our Bajaj Finance App and service portal offer 29 service modules covering 345 service processes, with features including a dedicated "Service" tab, a prominently displayed "Chat with Us" option and redesigned loan service pages. Further, our Company has also introduced do-it-yourself ("**DIY**") capabilities through chat and redirections on 'Raise A Request'. These initiatives support our continued focus on digital-first servicing, with a reduction in branch walk-ins and increased adoption of digital service channels. Our organisation-wide customer satisfaction ("**CSAT**") framework has been operational since May 2024 and covers online and offline customer journeys before and after disbursal. During the half year ended September 30, 2026, we received over 11.1 million customer responses and recorded a CSAT score of 91.5%.

Human Resources

As of September 30, 2026, our Company, along with our Subsidiaries, had 75,845 full-time employees and 89,484 fixed-term contract employees. We added 7,521 and 4,232 full-time employees and 39,106 and 5,728 fixed-term contract employees in Fiscal 2026 and the half year ended September 30, 2026, respectively.

We believe our people are our most important asset, and as such, promote practices that help attract, develop and retain talent in a competitive environment. We follow a balanced talent acquisition strategy focused on capability building, workforce expansion and early talent development. We actively promote employee engagement through leadership interactions, structured feedback and digital collaboration platforms. These initiatives foster trust, transparency and inclusion. Programmes such as 'Townhalls', 'Confluence', 'Ruminate' and 'BFL Social' propagate knowledge sharing and a collaborative culture.

We remain committed to a diverse and inclusive workplace, through merit-based talent management and employee growth through leadership development and internal mobility. Programmes such as 'PROPEL', 'SUMMIT', '30 Under 30', **'**Group Young Leadership Programme', 'Spectrum', 'Navigator' and 'Ascent' support leadership development, career progression and inclusion.

Outsourcing

We outsource certain operations to various third-party service providers. Our financial services outsourcing activities include applications processing (loan origination), document processing, marketing and research, supervision of loans, data processing and back-office related activities, sourcing through DSAs, direct marketing agents, dealers and other channels, and debt management services (collections), including services provided through their sub-contractors. Our IT outsourcing activities include IT infrastructure management, maintenance and support (hardware, software or firmware), network and security solutions and maintenance, application development, maintenance and testing, services and operations related to data centres, cloud computing services, managed security services, management of IT infrastructure and technology services associated with the payment system ecosystem, and services provided by application service providers (ASPs) or software platform and support providers.

Insurance

We maintain various insurance policies to cover the different risks involved in the operation of our business. We maintain a directors' and officers liability policy to cover certain liabilities that may be imposed on our directors and officers. For collections, we have fidelity insurance and insurance for money in transit. For cyber-related risk, we maintain cyber insurance. We also maintain insurance policies covering electronic equipment, burglary, standard fire and special peril and machinery breakdown.

Intellectual Property

Our Company has entered into a trademarks license agreement dated June 15, 2021 (the "**License Agreement**") with Bajaj Finserv Limited, pursuant to which our Company has been granted a license to use certain trademarks, registered and pending registration in the name of Bajaj Finserv Limited, for our business activities. The trademark application for the word "BAJAJ" is registered in the name of Bajaj Finserv Limited. Under the terms of the License Agreement, our Company is required to pay Bajaj Finserv Limited an annual license fee of ₹1.5 million. The License Agreement is valid until March 31, 2027 and it will be terminated if, inter alia, Bajaj Finserv Limited's equity shareholding in our Company falls below 26.0%.

Furthermore, our Company has pursuant to agreements dated April 13, 2018 (as amended on July 15, 2023) and September 1, 2019, as amended from time to time, licensed the use of certain trademarks belonging to our Company and sub-licensed the use of the trademarks licensed to our Company from Bajaj Finserv Limited under the License Agreement to BHFL and BFinsec, respectively.

We have received 75 registered trademarks as at the date of this Preliminary Placement Document. In addition, our Company has applied for 52 trademarks for which registration is yet to be granted. There can be no assurance that we will be granted any of the trademarks that are pending for approval.

Competition

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and the private unorganised and informal financiers who principally operate in the local market as well as other fintech players. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs. For more details, see "***Risk Factors - We face increasing competition in our business, which may result in declining market share and Net Interest Margins, among other factors, if we are unable to compete effectively***" on page 68.

Property

We own our Registered Office located at 4th Floor, Bajaj Finserv Corporate Office, off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India. As at September 30, 2026, we had 4,261 branches, 16 of which we own and 4,245 of which we lease or license. Our Company has purchased a portion of land in Mundhwa, Pune at Maharashtra along with other Bajaj Finserv group companies, where we intend to set up our new corporate office.

Awards

Over the years, our Company has won several awards, including:

Year	Organization	Recognition/ Award
2026	Great Place to Work®	- 25th best company to work for in India in 2026 by Great Place to Work - 'India's Best Workplaces in NBFC 2026' by Great Place to Work - 'India's Best Employers Among Nation-Builders 2026' by Great Place to Work
2026	Internet and Mobile Association of India ("**IAMAI**")	Gold award at the '16th Digital Awards for Best AI-Powered Product/Service'
2025	ARM Worldwide	Best Use of AI/ML (Adgully) and Best Customer Experience (CX) Strategy for 'Enhancing Customer Experience Through Strategic Social Media
2026	TransUnion CIBIL	Gold award for 'Best Data Quality in the Commercial Segment (NBFC)'
2026	Business Today	'Best Large NBFC'

Year	Organization	Recognition/ Award
2026	Economic Times Brand Equity	'Most Disruptive Use of Digital Channels' for Bajaj Live at the Brand Disruption Awards 2026
2026	IAMAI	Gold award for 'Best Tech-Enabled Campaign' for our 'Hyper-personalized Dealer Engagement Campaign' under the 'Best Digital Content Awards' category at the 16th India Digital Awards
2026	India Digital Summit, a flagship conference of IAMAI.	Silver Award for 'Best Use of Personalization' under the 'Best Digital Content Awards' category at the 16th India Digital Awards
2026	Economic Times	Performance Marketing' under 'Influencer Marketing Awards' for the Bajaj Finserv personal loan campaign; and 'Excellence In Use of AI' under 'Social Media Marketing Awards' for the dealership engagement through AI campaign

ORGANIZATIONAL STRUCTURE

Corporate history

Our Company was originally incorporated as Bajaj Auto Finance Private Limited pursuant to a certificate of incorporation dated March 25, 1987 issued by the Registrar of Companies, Maharashtra as a private limited company under the provisions of the Companies Act, 1956. Our Company became a deemed public limited company by virtue of Section 43A of the Companies Act, 1956 and thereafter got converted into a public limited company with effect from September 24, 1988. The name of our Company was changed to Bajaj Finance Limited on September 6, 2010. Our Company is a subsidiary of Bajaj Finserv Limited, a company listed on BSE and NSE.

The corporate identification number of our Company is L65910MH1987PLC042961, and the registered office of our Company is situated at 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India. Our Company is classified as a deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019.

Organisational Structure

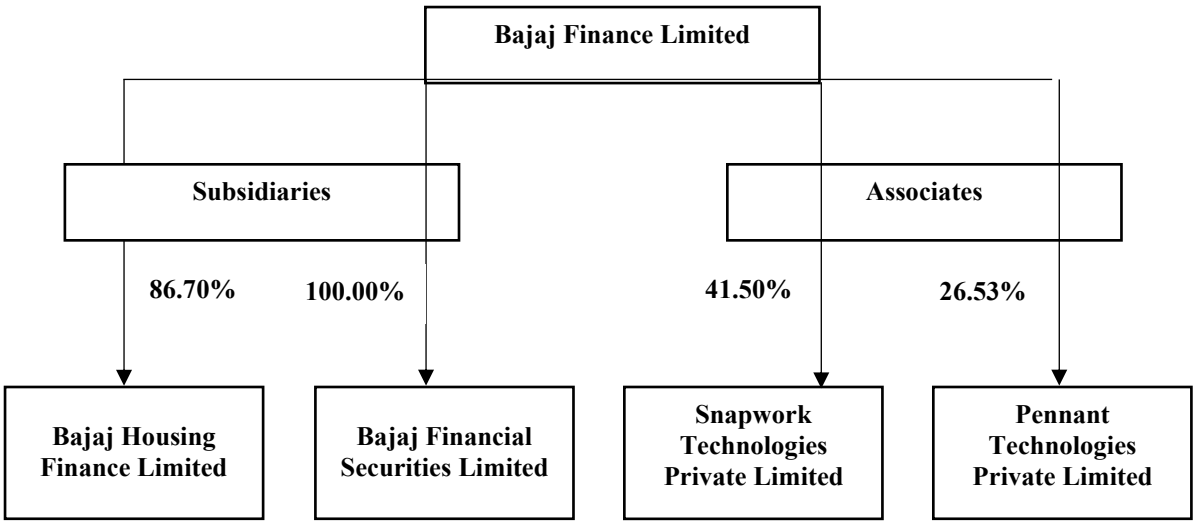
As of the date of this Preliminary Placement Document, our Company has two Subsidiaries and two Associates, as provided below:

Our Subsidiaries

S. No.	Name of the Subsidiary	Ownership Interest/ Voting power held in the entity (in %)
1.	Bajaj Housing Finance Limited	86.70
2.	Bajaj Financial Securities Limited	100.00

Our Associates

S. No.	Name of the Associate	Ownership Interest/ Voting power held in the entity (in %)
1.	Snapwork Technologies Private Limited	41.50
2.	Pennant Technologies Private Limited	26.53



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of the Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and our Articles. The Board presently consists of nine Directors and as per our Articles of Association, we are required to have a minimum of three Directors and not more than 15 Directors, provided that our Company may appoint more than 15 Directors after passing a special resolution of the shareholders of our Company.

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, address, occupation, nationality, term and DIN	Designation
Sanjivnayan Bajaj ***Address***: Plot No. 59, Lane No. 3, Koregaon Park, Pune 411 001, Maharashtra, India ***Occupation****:* Industrialist ***Nationality****:* Indian ***Term****:* Liable to retire by rotation ***DIN***: 00014615 ***Age (in years)***: 57 ***Date of Birth***: November 2, 1969	Non-Executive Chairman
Rajeev Jain ***Address***: D-2, Ivy Glen, Marigold Premises, Kalyani Nagar, Pune 411 014, Maharashtra, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* April 1, 2025 up to March 31, 2028, liable to retire by rotation ***DIN***: 01550158 ***Age (in years)***: 56 ***Date of Birth***: September 6, 1970	Vice Chairman and Managing Director
Dr. Naushad Darius Forbes ***Address***: 74 Koregaon Park, Lane No. 3, Pune 411 001, Maharashtra, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* April 1, 2024 up to March 31, 2029 ***DIN***: 00630825 ***Age (in years)***: 66 ***Date of Birth****:* May 13, 1960	Independent Director
Anami N Roy ***Address***: 62, Sagar Tarang, Khan Abdul Gaffar Khan Road, Worli Seaface, Worli, Mumbai 400 030, Maharashtra, India ***Occupation****:* Social Entrepreneur and Former Civil Servant ***Nationality****:* Indian ***Term****:* April 1, 2024 up to March 31, 2029	Independent Director

Name, address, occupation, nationality, term and DIN	Designation
DIN: 01361110 ***Age (in years)***: 76 ***Date of Birth***: May 15, 1950	
Pramit Jhaveri ***Address***: 21 C Woodlands Peddar Road, Mumbai 400 026, Maharashtra, India ***Occupation****:* Business ***Nationality****:* Indian ***Term****:* August 1, 2026 up to July 31, 2031 ***DIN***: 00186137 ***Age (in years)***: 63 ***Date of Birth****:* May 4, 1963	Independent Director
Radhika Haribhakti ***Address***: 51, Maker Tower B, Cuffe Parade, Mumbai 400 005, Maharashtra, India ***Occupation****:* Financial Advisor ***Nationality****:* Indian ***Term****:* May 1, 2022 up to April 30, 2027 ***DIN***: 02409519 ***Age (in years)***: 68 ***Date of Birth****:* December 20, 1957	Independent Director
Dr. Arindam Bhattacharya ***Address***: L1/4, Third floor, Hauz Khas Enclave, New Delhi 110 016, New Delhi, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* April 1, 2023 up to March 31, 2028 ***DIN***: 01570746 ***Age (in years)***: 64 ***Date of Birth****:* March 4, 1962	Independent Director
Tarun Bajaj ***Address***: Bungalow No.38, New Moti Bagh, New Delhi 110 021, New Delhi, India ***Occupation****:* Independent Consultant ***Nationality****:* Indian ***Term****:* August 1, 2024 up to July 31, 2029 ***DIN***: 02026219 ***Age (in years)***: 64 ***Date of Birth****:* November 9, 1962	Independent Director
Ajay Kumar Choudhary	Independent Director

Name, address, occupation, nationality, term and DIN	Designation
Address: Flat no. 1304, Floor No.13, Crescent Bay, Tower No.06, Jerbai Wadia Road, Parel, Mumbai 400 012, Maharashtra, India ***Occupation****:* Service ***Nationality****:* Indian ***Term****:* February 1, 2025 up to January 31, 2030 ***DIN***: 09498080 ***Age (in years)***: 63 ***Date of Birth****:* October 27, 1963	

Brief Biographies of the Directors

Sanjivnayan Bajaj is the Non-Executive Chairman of our Company. He has obtained a bachelor's degree in engineering (mechanical) with distinction from University of Pune in 1991, a master's degree in science (manufacturing systems engineering) with distinction from University of Warwick, U.K. in 1994 and a master's degree in business administration from Harvard Business School, U.S.A. in 1997. He was appointed on our Board on January 18, 2005. He is the chairman and managing director of Bajaj Finserv Limited. He is also the chairman of Bajaj Housing Finance Limited, Bajaj Nivesh Limited (*formerly known as Maharashtra Scooters Limited*), Bajaj Asset Management Limited (*formerly known as Bajaj Finserv Asset Management Limited*), Bajaj Life Insurance Limited (*formerly known as Bajaj Allianz Life Insurance Company Limited*) and Bajaj General Insurance Limited (*formerly known as Bajaj Allianz General Insurance Company Limited*). He is also the managing director of Bajaj Holdings & Investment Limited and serves as a non-executive director at Bajaj Auto Limited. He has more than 30 years of experience in various areas including business strategy, marketing, finance, investment, audit, legal and IT related functions in auto and financial services sectors.

Rajeev Jain is the Vice Chairman and Managing Director of our Company. He has been associated with our Company since 2007, was initially appointed as the Managing Director on April 1, 2015 and re-appointed as the Managing Director on April 1, 2020 and was appointed as the Vice Chairman on April 1, 2025. He is a management graduate and has more than 33 years of experience in the consumer lending industry. He has been associated with our Company for over a decade. He is also non-executive vice-chairman of Bajaj Housing Finance Limited and serves as a non-executive director at Bajaj Finserv Limited. He is also a director at Finance Industry Development Council. In his previous assignments, he has worked with Countrywide Consumer Financial Services Limited, ANZ Grindlays Bank, American Express and AIG. He has several years of experience in managing diverse consumer lending businesses viz., auto loans, durables loans, personal loans and credit cards.

Dr. Naushad Darius Forbes is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from April 1, 2019 and was subsequently re-appointed for a second term with effect from April 1, 2024. He is associated with the boards of several private and public companies and holds directorships in the listed companies like Zodiac Clothing Company Limited, Bajaj Finserv Limited, Bajaj Holdings & Investment Limited, Bajaj Auto Limited and Pidilite Industries Limited.

Anami N Roy is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from April 1, 2019 and was subsequently re-appointed for a second term with effect from April 1, 2024. He is associated with the boards of few unlisted companies and holds directorships in the listed companies like Siemens Limited, Bajaj Housing Finance Limited, Bajaj Finserv Limited, Bajaj Auto Limited and Elevate Campuses Limited.

Pramit Jhaveri is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from August 1, 2021 and was subsequently re-appointed for a second term with effect from August 1, 2026. He is associated with the boards of some of unlisted companies and holds directorships in the listed companies like Larsen & Toubro Limited and Bajaj Finserv Limited.

Radhika Haribhakti is an Independent Director of our Company. She was appointed as an Independent Director of our Company with effect from May 1, 2022. She is associated with the boards of several unlisted companies and holds directorships in the listed companies like Torrent Power Limited, Bajaj Finserv Limited and NOCIL Limited.

Dr. Arindam Bhattacharya is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from April 1, 2023. He is associated with the boards of unlisted company and holds directorships in the listed companies like Bajaj Holdings & Investment Limited, Bajaj Housing Finance Limited and Gaja Alternative Asset Management Limited.

Tarun Bajaj is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from August 1, 2024. He is associated with the board of unlisted company and holds directorships in the listed companies like Tata Power Company Limited, Tech Mahindra Limited and Hindustan Unilever Limited.

Ajay Kumar Choudhary is an Independent Director of our Company. He was appointed as an Independent Director of our Company with effect from February 1, 2025. He is associated with the boards of several unlisted companies and holds directorships in the listed companies like Aurionpro Solutions Limited and Bajaj Housing Finance Limited.

Relationship with other Directors

None of our Directors of our Company are related to each other.

Borrowing powers of our Board

Pursuant to the Shareholders' resolution dated July 30, 2026, our Board is authorised to borrow money upon such terms and conditions as the Board may think fit and may exceed the aggregate of our paid up capital and free reserves, provided that the aggregate amount of its borrowings shall not exceed ₹ 5,500,000 million at any time.

Interests of the Directors

All the Directors may be deemed to be interested in our Company to the extent of their shareholding, remuneration, including compensation payable to them for attending meetings of our Board or committees thereof, commission as well as to the extent of reimbursement of expenses payable to them.

All Directors may also be regarded as interested in the Equity Shares or any stock options held by, or subscribed by and allotted to them, their relatives and associates or companies, firms, partnerships, HUFs, or entities in which they are interested as directors, members, partners, karta, trustees, executive officers, and to the extent of benefits arising out of such shareholding, options granted by our Company including any dividend payable to them, agreements entered into with or services availed from entities on which our Directors may be associated and credit facilities extended to our Directors.

Except as provided in "***Related Party Transactions***" on page 57, there have been no related party transactions between the Company and any of the Directors during the three Fiscals immediately preceding the date of this Preliminary Placement Document. Further, in the current Fiscal, none of the directors have entered into any additional type of related party transactions, other than disclosed in the related party transactions of the Company for the periods mentioned above. For further details on the related party transactions mentioned above, see "***Related Party Transactions***" on page 57.

Further, except as provided in "***Related Party Transactions***" on page 57, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

The following table sets forth the Equity Shares held by our Directors in our Company as of the date of this Preliminary Placement Document.

S. No.	Name of the Director	Number of Equity Shares	Number of Employee Stock Options	Percentage of the issued and paid-up Equity Share capital on a fully diluted basis (in %)
1.	Sanjivnayan Bajaj[*]	5,307,920	Nil	0.09
2.	Dr. Naushad Darius Forbes	Nil	Nil	Nil
3.	Anami N Roy	Nil	Nil	Nil
4.	Pramit Jhaveri	Nil	Nil	Nil
5.	Radhika Haribhakti	Nil	Nil	Nil
6.	Dr. Arindam Bhattacharya	5,000	Nil	Negligible
7.	Tarun Bajaj	Nil	Nil	Nil
8.	Ajay Kumar Choudhary	Nil	Nil	Nil
9.	Rajeev Jain[**]	1,699,500	9,861,930	0.03

[*] *Includes joint holding with Shefali Bajaj.*
[**] *Excluding indirect holding of 1,500 shares through Rajeev Jain HUF.*

Remuneration of the Non-Executive Directors

The Non-Executive Directors are paid remuneration consisting of commission and sitting fees, which is determined by our Board. Our Company pays commission of ₹500,000 per meeting and sitting fees of ₹100,000 per meeting to Non-Executive Directors for attending the meetings of the Board and committees, namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, IT Strategy Committee, Special Committee for monitoring and follow up of cases of fraud, Strategic Investment Committee, Customer Service Committee Credit Committee and Review Committee for Wilful Defaulter's Identification. The Company pays sitting fees of ₹100,000 and commission of ₹500,000 for each separate meeting of Independent Directors.

With effect from April 1, 2026, the aggregate commission payable to each Non-Executive Director for attending meetings of the Credit Committee is capped at ₹3,000,000 per annum.

The following table sets forth the compensation paid by our Company to our Directors during the current Fiscal from April 1, 2026 till the date of this Preliminary Placement Document and Fiscal 2026, Fiscal 2025 and Fiscal 2024:

(in ₹ million)

S. No.	Name of the Director	April 1, 2026, till the date of this PPD**	Fiscal 2026*	Fiscal 2025*	Fiscal 2024*
1.	Sanjivnayan Bajaj	1.20	72.00	54.00	43.00
2.	Rajeev Jain	136.98	288.73	214.12	200.16
3.	Dr. Naushad Darius Forbes	0.60	7.70	12.00	8.50
4.	Anami N Roy	1.70	18.50	15.10	12.00
5.	Pramit Jhaveri	1.40	17.00	16.00	11.50
6.	Radhika Haribhakti	1.40	13.90	9.60	8.00
7.	Dr. Arindam Bhattacharya	1.00	9.40	7.00	6.00
8.	Tarun Bajaj	1.50	13.70	2.50	Nil
9.	Ajay Kumar Choudhary	1.30	12.20	0.50	Nil

* *Includes salary and perquisite for Rajeev Jain and sitting fees and commission for the other Directors.*

** *Includes only sitting fees for Directors other than Rajeev Jain.*

Key Managerial Personnel

The details of our Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name	Designation
1.	Rajeev Jain	Vice Chairman and Managing Director
2.	Sandeep Jain*	Chief Financial Officer and Chief Operating Officer
3.	R Vijay*	Company Secretary

* *Sandeep Jain and R Vijay are also members of the Senior Management of our Company.*

For the brief biography of Rajeev Jain, see "***Brief Biographies of our Directors***" on page 277. The brief biographies of our other Key Managerial Personnel are set out below:

Sandeep Jain is the Chief Financial Officer and Chief Operating Officer of our Company. He joined our Company on August 8, 2008, and was appointed as the Chief Financial Officer with effect from February 4, 2016 and as the Chief Operating Officer with effect from April 1, 2024. He holds a bachelor's degree in commerce from Nagpur University and is an associate member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with Bajaj Auto Limited as Assistant Manager (Internal Audit). He has an experience of 20 years in the area of finance.

R Vijay is the Company Secretary of our Company. He joined our Company on June 1, 2018 and was appointed as the Company Secretary with effect from October 1, 2018. He holds a bachelor's degree in commerce and law from University of Mumbai. He is an associate member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with Bosch Limited as its company secretary. He has several years of experience in the corporate secretarial and legal field.

All our Key Managerial Personnel are permanent employees of our Company.

Senior Management

In addition to Sandeep Jain, the Chief Financial Officer and Chief Operating Officer of our Company and R Vijay, the Company Secretary of our Company who are also our Key Managerial Personnel and whose details are provided above in "*Key Managerial Personnel*", the details of our other members of our Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name	Designation	Date of Joining
1.	Ajay Sharda	Chief Credit Officer	February 1, 2003
2.	Anand Bagri	Senior Executive Vice President – Treasury	September 6, 2022
3.	Anand Kumar	President – Microfinance	December 12, 2014
4.	Anurag Chottani	Chief Operating Officer	June 22, 2009
5.	Deepak Bagati	Chief Operating Officer – Debt Management Services	June 24, 2008
6.	Fakhari Sarjan	Chief Risk Officer	November 19, 2018
7.	Dr. Gauri Chandratreya	Executive Vice President – Corporate Audit Services	November 20, 2023
8.	Harjeet Toor	Deputy Chief Executive Officer – Wheels, Microfinance and Strategic Partnerships	June 27, 2022
9.	Jennifer Fernandes	Chief Human Resources Officer & Administration Officer	May 1, 2023
10.	Manav Mianwal	President – Digital Platforms & Consumer AI	January 6, 2016
11.	Manish Jain	Deputy Chief Executive Officer – Consumer Finance and Payments	June 2, 2014
12.	Manish Kumar Jain	Managing Director – BFSL & Deputy Chief Executive Officer – BFL	January 4, 2010
13.	Mudit Mehrish	Chief Information Officer	January 21, 2013
14.	Neelesh Sarda	Chief Compliance Officer	January 2, 2023
15.	Nitin Neema	Executive Vice President – Operations, Credit & Service	October 6, 2008
16.	Nitish Asthana	President – Payments & Digital Banking Unit	March 1, 2022

S. No.	Name	Designation	Date of Joining
17.	Prashant Verma	Chief Information Security Officer	April 1, 2019
18.	Sidhaant Dadwal	Deputy Chief Executive Officer – B2C Businesses, Small and Medium Enterprises and Gold Loans	July 2, 2008
19.	Tushar Kanti Deb	Executive Vice President – Debt Management Services	September 2, 2013

All members of our Senior Management are permanent employees of our Company.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel and members of our Senior Management hold Equity Shares in our Company as of the date of this Preliminary Placement Document.

S. No.	Name	Number of Equity Shares*	Number of Employee Stock Options	Percentage of the issued and paid-up Equity Share capital on a fully diluted basis (in %)
1.	Ajay Sharda	Nil	337,502	Negligible
2.	Anand Bagri	43,730	334,266	Negligible
3.	Anand Kumar	219,510	893,409	Negligible
4.	Anurag Chottani	266,190	1,476,502	Negligible
5.	Deepak Bagati	Nil	633,046	Negligible
6.	Fakhari Sarjan	Nil	452,893	Negligible
7.	Dr. Gauri Chandratreya	282,040**	67,626	Negligible
8.	Harjeet Toor	Nil	797,823	Negligible
9.	Jennifer Fernandes	91,422	294,326	Negligible
10.	Manav Mianwal	Nil	619,738	Negligible
11.	Manish Jain	275,110	1,207,056	Negligible
12.	Manish Kumar Jain	Nil	1,060,150	Negligible
13.	Mudit Mehrish	77,150	583,095	Negligible
14.	Neelesh Sarda	7,780	165,564	Negligible
15.	Nitin Neema	30,590	235,413	Negligible
16.	Nitish Asthana	19,180	850,838	Negligible
17.	Prashant Verma	3,270	50,552	Negligible
18.	Rajeev Jain***	1,699,500	9,861,930	0.03
19.	Sandeep Jain	1,223,860	1,460,442	0.02
20.	Sidhaant Dadwal	30,000	718,491	Negligible
21.	Tushar Kanti Deb	29,046	293,642	Negligible
22.	R Vijay	30,516	251,192	Negligible

* *This table does not include details of shareholding of our Board, for details of shareholding of our Board, see "**Our Management- Shareholding of Directors**" on page 278.*

** *include shares held through joint holding too.*

*** *Excluding indirect holding of 1,500 shares through Rajeev Jain HUF.*

*For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*

Relationship

None of our Key Managerial Personnel and the members of our Senior Management are related to each other or to the Directors.

Corporate Governance

Our Board presently consists of nine Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of one Executive Director, eight Non-Executive Directors including seven Independent Directors (including one woman independent Director).

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective and independent Board, separation of our Board's supervisory role from the senior management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

These are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit Committee	a. Ajay Kumar Choudhary, Chairman b. Anami N Roy, Member c. Tarun Bajaj, Member d. Pramit Jhaveri, Member e. Radhika Haribhakti, Member
2.	Nomination and Remuneration Committee	a. Dr. Arindam Bhattacharya, Chairman b. Sanjivnayan Bajaj, Member c. Anami N Roy, Member
3.	Stakeholders' Relationship Committee	a. Radhika Haribhakti, Chairperson b. Dr. Arindam Bhattacharya, Member c. Sanjivnayan Bajaj, Member
4.	Corporate Social Responsibility Committee	a. Dr. Naushad Darius Forbes, Chairman b. Anami N Roy, Member c. Sanjivnayan Bajaj, Member d. Rajeev Jain, Member
5.	Risk Management Committee	a. Anami N Roy, Chairman b. Ajay Kumar Choudhary, Member c. Tarun Bajaj, Member d. Dr. Arindam Bhattacharya, Member e. Sanjivnayan Bajaj, Member f. Rajeev Jain, Member

In addition to the above mentioned committees, pursuant to the directions of the RBI, the other committees constituted by our Board of Directors are: (i) Asset Liability Committee; (ii) Review Committee for Wilful Defaulter's Identification; (iii) IT Strategy Committee; and (iv) Special Committee for Monitoring and Follow up of cases of Fraud.

The Company has also constituted the voluntary committees such as (i) Credit Committee; (ii) Customer Service Committee; and (iii) Strategic Investment Committee.

Other Confirmations

None of the Directors, Key Managerial Personnel, or Senior Management or the Promoter of our Company have any financial or other material interest in the Issue.

Neither our Company, nor the Directors or the Promoter have been identified as wilful defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrowers issued by the RBI.

Neither our Company, nor our Directors nor our Promoter are debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory authority. Further, none of our Directors or our Promoter has been declared as a Fugitive Economic Offender.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intends to subscribe to the Issue.

No change in control of our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and its employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information ("**Code**") in accordance with the SEBI Insider Trading Regulations, as per which, the Compliance Officer is the chief investor relations officer for the purposes of the Code.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company including details with regard to loans made or guarantees given or securities provided during the last three Financial Years, immediately preceding the year of circulation of this Preliminary Placement Document, see "***Related Party Transactions***" on page 57.

SHAREHOLDING PATTERN OF OUR COMPANY

Shareholding pattern of our Company, as on September 30, 2026, is set forth below.

Sl. No. (I)	Category of the Shareholders (II)	No. of Share holders (III)	No. of fully Paid up equity share held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.) (X)	Total No. of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.) (XI)=(VII+X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XII) = (VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XIII)^		Number of shares pledged (XIV)		Non-Disposal Undertaking (XV)		Other encumbrances, if any (XVI)		Number of Shares encumbered(XVII)=(XIV+XV+XVI)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights (A+B+C)				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	(XVIII)
								Class X	Class Y	Total																
A	Promoter & Promoter Group*	24	3,403,726,950	0	0	3,403,726,950	54.67	3,403,726,950		3,403,726,950	54.67	0	3,403,726,950	54.12	15,500,000	0.46	0	0	0	0	0	0	0	0	3,403,726,950
B	Public	952,458	2,820,176,979	0	0	2,820,176,979	45.30	2,820,176,979		2,820,176,979.00	45.30	63,021,819	2,883,198,798	45.85	0	0	0	0	0	0	0	0	0	0	2,820,176,979
C	Non Promoter-Non Public	1	2,050,375	0	0	2,050,375		2,050,375		2,050,375.00	0.03		2,050,375				0	0	0	0	0	0	0	0	2,050,375
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2	Shares held by Employee Trusts	1	2,050,375	0	0	2,050,375	0.03	2,050,375		2,050,375.00	0.03		2,050,375	0.03	0	0	0	0	0	0	0	0	0	0	2,050,375
	Total	**952,483**	**6,225,954,304**	**0**	**0**	**6,225,954,304**	**100**	**6,225,954,304**		**6,225,954,304.00**	**100.00**	**63,021,819**	**6,288,976,123**	**100**	**15,500,000**	**0.25**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**6,225,954,304**

* *Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.The entire pre-preferential issue shares held by Bajaj Finserv Limited, our Promoter, are locked-in in accordance with SEBI ICDR Regulations.*

Shareholding pattern of our Promoter and Promoter Group, as on September 30, 2026, is set forth below.

Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	Number of Locked in shares		Number of Shares pledged		Non-Disposal Undertaking		Other encumbrances, if any		Total Number of Shares encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total															
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII+X)	(XII)= (VII)+(X) As a % of (A+B+C2)	(XIII)		(XIV)		(XV)		(XVI)		(XVII)=(XIV+XV+ XVI)		(XVIII)
A1) Indian																									
Individuals / Hindu Undivided Family	-	9	8,574,650			8,574,650	0.14	8,574,650.00		8,574,650	0.14		8,574,650	0.14	0	0									8,574,650
Suman Jain	Promoter Group	1	70,150			70,150	0.00	70,150.00		70,150.00	0.00		70,150	0.00	0	0.00									70,150
Kumud Bajaj	Promoter Group	1	40,000			40,000	0.00	40,000.00		40,000.00	0.00		40,000	0.00	0	0.00									40,000
Rajivnayan Bajaj	Promoter Group	1	10,000			10,000	0.00	10,000.00		10,000.00	0.00		10,000	0.00	0	0.00									10,000
Sanjivnayan Bajaj	Promoter Group	1	4,676,880			4,676,880	0.08	4,676,880.00		4,676,880.00	0.08		4,676,880	0.07	0	0.00									4,676,880
Shefali Bajaj	Promoter Group	1	631,040			631,040	0.01	631,040.00		631,040.00	0.01		631,040	0.01	0	0.00									631,040
Siddhantnayan Bajaj	Promoter Group	1	1,553,040			1,553,040	0.02	1,553,040.00		1,553,040.00	0.02		1,553,040	0.02	0	0.00									1,553,040
Rishabnayan Bajaj	Promoter Group	1	20,000			20,000	0.00	20,000.00		20,000.00	0.00		20,000	0.00	0	0.00									20,000
Sanjali Bajaj	Promoter Group	1	1,553,540			1,553,540	0.02	1,553,540.00		1,553,540.00	0.02		1,553,540	0.02	0	0.00									1,553,540
Nirvaan Kejriwal	Promoter Group	1	20,000			20,000	0.00	20,000.00		20,000.00	0.00		20,000	0.00	0	0.00									20,000
Shekhar Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Niraj Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Kiran Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Minal Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Geetika Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Kriti Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nirav Nayan Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Pooja Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Vanraj Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Aarav Swamy	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Vihaan Jaipuria	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Aryan Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sheetal Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Deepa Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Neelima Bajaj Swamy	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nimisha Jaipuria	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rajivnayan Bajaj HUF	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sanjivnayan Bajaj HUF	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Any Other (Specify)		14	3,395,132,300			3,395,132,300	54.53	3,395,132,300.00		3,395,132,300	54.53		3,395,132,300	53.99	15,500,000	0.46									3,395,132,300
Baroda Industries Private Limited	Promoter Group	1	1,176,000			1,176,000	0.02	1,176,000.00		1,176,000.00	0.02		1,176,000	0.02	0	0.00									1,176,000
Bachhraj Factories Private Limited	Promoter Group	1	720,000			720,000	0.01	720,000.00		720,000.00	0.01		720,000	0.01	0	0.00									720,000
Jamnalal Sons Private Limited	Promoter Group	1	1,276,400			1,276,400	0.02	1,276,400.00		1,276,400.00	0.02		1,276,400	0.02	0	0.00									1,276,400
Bajaj General Insurance Limited	Promoter Group	1	662,000			662,000	0.01	662,000.00		662,000.00	0.01		662,000	0.01	0	0.00									662,000
Maharashtra Scooters Limited	Promoter Group	1	190,261,600			190,261,600	3.06	190,261,600.00		190,261,600.00	3.06		190,261,600	3.03	0	0.00									190,261,600
Bajaj Life Insurance Limited	Promoter Group	1	2,470,000			2,470,000	0.04	2,470,000.00		2,470,000.00	0.04		2,470,000	0.04	0	0.00									2,470,000
Bajaj Sevashram Private Limited	Promoter Group	1	3,085,000			3,085,000	0.05	3,085,000.00		3,085,000.00	0.05		3,085,000	0.05	0	0.00									3,085,000
Bajaj Finserv Limited	Promoter	1	3,193,661,300			3,193,661,300	51.30	3,193,661,300.00		3,193,661,300.00	51.30		3,193,661,300	50.78	15,500,000	0.49									3,193,661,300
Bachhraj & Company Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Kamalnayan Investment & Trading Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rahul Securities Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Niraj Holdings Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Madhur Securities Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sanraj Nayan Investments Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rupa Equities Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Hercules Investments Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Indef Manufacturing Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Shekhar Holdings Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
The Hindustan Housing Company Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Auto Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Holdings & Investment Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj International Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rose Realtors Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Emerald Acres Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sankalp Resorts Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Integrated Health System Pvt. Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Hind Musafir Agency Ltd.	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Trading Company	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Aryan Nayan Realty LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0

Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	Number of Locked in shares		Number of Shares pledged		Non-Disposal Undertaking		Other encumbrances, if any		Total Number of Shares encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total															
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII+X)	(XII)= (VII)+(X) As a % of (A+B+C2)	(XIII)		(XIV)		(XV)		(XVI)		(XVII)=(XIV+XV+ XVI)		(XVIII)
Rdr Ventures LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nimisha Bajaj Family Trust (Kumud Bajaj)	Promoter Group	1	610,000			610,000	0.01	610,000.00		610,000.00	0.01		610,000	0.01	0	0.00									610,000
Neelima Bajaj Family Trust (Kumud Bajaj)	Promoter Group	1	610,000			610,000	0.01	610,000.00		610,000.00	0.01		610,000	0.01	0	0.00									610,000
Nimisha Jaipuria (A/c Kumud Neelima Family Trust)	Promoter Group	1	150,000			150,000	0.00	150,000.00		150,000.00	0.00		150,000	0.00	0	0.00									150,000
Neelima Bajaj Swamy (A/c Kumud Nimisha Family Trust)	Promoter Group	1	150,000			150,000	0.00	150,000.00		150,000.00	0.00		150,000	0.00	0	0.00									150,000
Kumud Bajaj (A/c Madhur Neelima Family Trust)	Promoter Group	1	150,000			150,000	0.00	150,000.00		150,000.00	0.00		150,000	0.00	0	0.00									150,000
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	Promoter Group	1	150,000			150,000	0.00	150,000.00		150,000.00	0.00		150,000	0.00	0	0.00									150,000
Nimisha Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Aryaman Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nirvaan Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rishab Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Deepa Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Siddhant Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sanjali Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Niravnayan Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rajiv Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sanjiv Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Anant Bajaj Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nirav Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sanjali Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Siddhant Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Rishab Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Aryaman Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nirvaan Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Neelima Bajaj Swamy Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Nimisha Jaipuria Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Niravnayan Bajaj Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Kriti Bajaj Family Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Geetika Shekhar Bajaj Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Vanraj Bajaj Trust	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Estate of RahulKumar Bajaj	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Vidal Health Insurance TPA Private Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
VH Medcare Private Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Financial Distributors Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Vidal Healthcare Services Private Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Finserv Direct Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Finserv Health Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Finserv Ventures Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Finserv Mutual Fund Trustee Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Asset Management Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj AIF Trustee Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Alternate Investment Management Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Staffing Solutions Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
VH International LLC	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Technology Services Inc	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Housing Finance Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Bajaj Financial Securities Limited	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
SRB & Family LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
DRR & Family LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
NRB & Family LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
SRJB Family LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
SNRS Family LLP	Promoter Group	0	0			0	0.00	0.00		0.00	0.00		0	0.00	0	0.00									0
Sub Total A1		**23**	**3,403,706,950**			**3,403,706,950**	**54.67**	**3,403,706,950.00**		**3,403,706,950**	**54.67**		**3,403,706,950**	**54.12**	**15,500,000**	**0.46**									**3,403,706,950**
A2) Foreign							**0.00**				**0.00**			**0.00**											
Individuals (NonResident Individuals/ Foreign Individuals)		1	20,000			20,000	0.00	20,000.00		20,000.00	0.00		20,000	0.00	0	0.00									20,000
Aryaman Kejriwal	Promoter Group	1	20,000			20,000	0.00	20,000.00		20,000.00	0.00		20,000	0.00	0	0.00									20,000
Sub Total A2		**1**	**20,000**			**20,000**	**0.00**	**20,000.00**		**20,000.00**	**0.00**		**20,000**	**0.00**	**0**	**0.00**									**20,000**

Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	Number of Locked in shares		Number of Shares pledged		Non-Disposal Undertaking		Other encumbrances, if any		Total Number of Shares encumbered		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total															
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII+X)	(XII)= (VII)+(X) As a % of (A+B+C2)	(XIII)		(XIV)		(XV)		(XVI)		(XVII)=(XIV+XV+ XVI)		(XVIII)
Total Shareholding Of Promoter And Promoter Group (A)= A1+A2	-	24	3,403,726,950			3,403,726,950	54.67	3,403,726,950.00		3,403,726,950	54.67		3,403,726,950	54.12	15,500,000	0.46									3,403,726,950

Shareholding pattern of public Shareholders, as on September 30, 2026, is set forth below.

Category & Name of the shareholders	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	Number of Locked in shares		Number of equity shares held in dematerialised form
							No of Voting Rights			Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held(b)	
							Class eg: X	Class eg: y	Total							
(I)	(II)	(III)	(IV)	(V)	(VI) = (III)+(IV)+ (V)	(VII) As a % of (A+B+C2)	(VIII)				(IX)	(X)=(VI+IX)	(XI)= (VI)+(IX) As a % of (A+B+C2)	(XII)		(XIII)
B) Public																
B1) Institutions (Domestic)																
Mutual Funds/	51	642,647,533			642,647,533	10.32	642,647,533		642,647,533	10.32		642,647,533	10.22			642,647,533
Nippon India Mutual Fund	1	63,044,284			63,044,284	1.01	63,044,284.00		63,044,284.00	1.01		63,044,284	1.00			63,044,284
UTI Mutual Fund	1	66,783,324			66,783,324	1.07	66,783,324.00		66,783,324.00	1.07		66,783,324	1.06			66,783,324
SBI Mutual Fund	1	205,019,158			205,019,158	3.29	205,019,158.00		205,019,158.00	3.29		205,019,158	3.26			205,019,158
Alternate Investment Funds	66	19,132,408			19,132,408	0.31	19,132,408		19,132,408	0.31		19,132,408	0.30			19,132,408
Banks	5	3,049,383			3,049,383	0.05	3,049,383		3,049,383	0.05		3,049,383	0.05			3,049,383
Insurance Companies	35	291,601,875			291,601,875	4.68	291,601,875		291,601,875	4.68		291,601,875	4.64			291,601,875
Life Insurance Corporation of India	1	186,289,526			186,289,526	2.99	186,289,526.00		186,289,526.00	2.99		186,289,526	2.96			186,289,526
Provident Funds/ Pension Funds	1	99,496,911			99,496,911	1.60	99,496,911		99,496,911	1.60		99,496,911	1.58			99,496,911
NPS Trust	1	99,496,911			99,496,911	1.60	99,496,911.00		99,496,911.00	1.60		99,496,911	1.58			99,496,911
Sovereign Wealth Funds	2	5,652,683			5,652,683	0.09	5,652,683		5,652,683	0.09		5,652,683	0.09			5,652,683
NBFCs registered with RBI	11	95,278			95,278	0.00	95,278		95,278	0.00		95,278	0.00			95,278
Sub Total B1	**171**	**1,061,676,071**			**1,061,676,071**	**17.05**	**1,061,676,071**		**1,061,676,071**	**17.05**		**1,061,676,071**	**16.88**			**1,061,676,071**
B2) Institutions (Foreign)																
Foreign Portfolio Investors Category I	1,282	1,171,018,341			1,171,018,341	18.81	1,171,018,341		1,171,018,341	18.81		1,171,018,341	18.62			1,171,018,341
Foreign Portfolio Investors Category II	100	60,687,916			60,687,916	0.97	60,687,916		60,687,916	0.97		60,687,916	0.96			60,687,916
Any Other (specify)	1	248,190			248,190	0.00	248,190		248,190	0.00		248,190	0.00			248,190
Foreign Institutional Investors	1	248,190			248,190	0.00	248,190		248,190.00	0.00		248,190	0.00			248,190
Sub Total B2	**1,383**	**1,231,954,447**			**1,231,954,447**	**19.79**	**1,231,954,447**		**1,231,954,447**	**19.79**		**1,231,954,447**	**19.59**			**1,231,954,447**
B3) Central Government/ State Government(s)/ President of India																
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	3	106,579			106,579	0.00	106,579		106,579	0		106,579	0.00			106,579
Sub Total B3	**3**	**106,579**			**106,579**	**0.00**	**106,579**		**106,579**	**0**		**106,579**	**0.00**			**106,579**
B4) Non-Institutions																
Directors and their relatives (excluding independent directors and nominee directors)	5	1,735,215			1,735,215	0.03	1,735,215		1,735,215	0.03	19,723,860	11,597,145	0.18			1,735,215
Key Managerial Personnel	2	1,254,376			1,254,376	0.02	1,254,376		1,254,376	0.02	3,423,268	2,966,010	0.05			1,254,376
Investor Education and Protection Fund (IEPF)	1	2,566,175			2,566,175	0.04	2,566,175		2,566,175	0.04		2,566,175	0.04			2,566,175
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	904,761	297,596,368			297,596,368	4.78	297,596,368		297,596,368	4.78		297,596,368	4.73			297,596,368
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	165	110,464,257			110,464,257	1.77	110,464,257		110,464,257	1.77		110,464,257	1.76			110,464,257
Non Resident Indians (NRIs)	27,330	32,817,790			32,817,790	0.53	32,817,790		32,817,790	0.53		32,817,790	0.52			32,817,790
Foreign Nationals	2	150			150	0.00	150		150	0.00		150	0.00			150
Bodies Corporate	4,116	54,152,633			54,152,633	0.87	54,152,633		54,152,633	0.87		54,152,633	0.86			54,152,633
Any Other (specify)	14,519	25,852,918			25,852,918	0.42	25,852,918		25,852,918	0.42	51,448,255	77,301,173	1.23			25,852,918
HUF	13,382	13,910,653			13,910,653	0.22	13,910,653		13,910,653	0.22	0	13,910,653	0.22			13,910,653
Clearing Members	5	51,990			51,990	0.00	51,990		51,990	0.00	0	51,990	0.00			51,990
Trusts	76	4,644,078			4,644,078	0.07	4,644,078		4,644,078	0.07	0	4,644,078	0.07			4,644,078
Employees	1,056	7,246,197			7,246,197	0.12	7,246,197		7,246,197	0.12	31,202,057	38,448,254	0.61			7,246,197
ESOP or ESOS or ESPS	0	0			0	0.00	0		0	0.00	20,246,198	20,246,198	0.32			0
Sub Total B4	**950,901**	**526,439,882**			**526,439,882**	**8.46**	**526,439,882.00**		**526,439,882**	**8.46**	**63,021,819**	**589,461,701**	**9.37**			**526,439,882**
B=B1+B2+B3+B4	**952,458**	**2,820,176,979**			**2,820,176,979**	**45.30**	**2,820,176,979**		**2,820,176,979**	**45.30**	**63,021,819**	**2,883,198,798**	**45.85**			**2,820,176,979**

The following table sets forth the details of our non-promoter, non-public shareholders as on September 30, 2026:

Category & Name of the shareholders	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warrants, ESOP etc.)	Total No of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) No. (a)	Number of Locked in shares		Number of equity shares held in dematerialised form
								No of Voting Rights			Total as a % of Total Voting Rights				No. (a)	As a % of total Shares held(b)	
								Class eg: X	Class eg: y	Total							
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+ (VI)	(VIII) As a % of (A+B+C2)	(IX)				(X)	(XI)=(VII+X)	(XII)= (VII)+(X) As a % of (A+B+C2)	(XIII)		(XIV)
C1) Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2) Employee Benefit Trust	1	2,050,375	0	0	0	2,050,375	0.03	2,050,375	0	2,050,375	0	0	2,050,375	0.03	0	0	2,050,375
Employee Benefit Trust	1	2,050,375	0	0	0	2,050,375	0.03	2,050,375	0	2,050,375	0	0	2,050,375	0.03	0	0	2,050,375

The following table sets forth the details of disclosure made by the trading members holding 1% or more of the total number of shares of our Company as on September 30, 2026:

Sl. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
-	Nil	Nil	Nil	Nil	Nil

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bid, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and Bidders are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Prospective Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 301 and 307, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42, Section 62 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 and Section 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided, *inter alia* that:

- the shareholders have passed a special resolution approving the Issue. Such special resolution must specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, have been listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution;
- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;
- our Company shall have completed allotments with respect to any offer or invitation made by our Company earlier or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;
- our Promoter and Directors are not Fugitive Economic Offenders under section 12 of the Fugitive Economic Offenders Act, 2018;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the QIP 2026 Special Committee decides to open the Issue and "stock exchange" means any of the recognised stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders through their resolution dated November 2, 2026, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being November 2, 2026 and within 60 days from the date of receipt of Bid Amount from the Successful Bidders, failing which our Company shall refund the Bid Amount in accordance with the applicable laws. For details of refund of Bid Amount, see "***– Pricing and Allocation – Designated Date and Allotment of Equity Shares***" on page 297.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***— Bid Process —Application Form***" on page 293.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognised stock exchange.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges and received the in-principle approvals of the Stock Exchanges each on November 11, 2026, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges, to be issued pursuant to this Issue. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are both U.S. QIBs and QPs, and (b) to persons who are not U.S. Persons in "offshore transactions" as defined in, and in reliance upon, Regulation S under the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under "*Transfer Restrictions*" on page 307.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company and the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Bid Amount transferred to the Escrow Account specified in the Application form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable laws in the relevant jurisdiction applicable to each Eligible QIBs and as permitted under such applicable laws. An Eligible QIBs may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIBs and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIBs is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, PAN details (if applicable), e-mail id and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;
   - details of the depository account to which the Equity Shares should be credited;
   - Equity Shares held by the Bidder in our Company prior to the Issue;
   - a representation that it is either (i) a person that is not a "U.S. Person" and is acquiring the Equity Shares in an "offshore transaction", as defined in, and in reliance upon, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, or (ii) a "qualified institutional buyer" (as defined in Rule 144A) that is also a "qualified purchaser" (as defined in Section 2(a)(51) under the Investment Company Act), and it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 4 and "***Transfer Restrictions***" on page 307 and certain other representations made in the Application Form; and
   - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.

5. Eligible QIBs shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Accounts opened in the name of "BAJAJ FINANCE QIP ESCROW ACCOUNT R 2026", if you are a resident of India, and "BAJAJ FINANCE QIP ESCROW ACCOUNT NR 2026" if you are an Eligible QIB, with the Escrow Agent, within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and

the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***Issue Procedure–Refunds***" on page 298.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision in the Issue Price before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers, determine the final terms, including the Issue Price and number of the Equity Shares to be issued pursuant to the Issue and Allocation to the Successful Bidders. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Accounts, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of this Preliminary Placement Document and Application Form. **Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the Book Running Lead Managers.**

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares, allotted pursuant to this Issue, into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to the Successful Bidders. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules. Other non-resident Eligible QIBs may participate in the Issue under applicable schedule of FEMA Rules. FVCIs are not permitted to participate in the Issue. Currently, QIBs who can participate in the Issue, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- accredited investors as defined in Regulation 2(1)(ab) of the SEBI AIF Regulations for the limited purpose of their investment in angel funds registered with SEBI, under the SEBI AIF Regulations;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- venture capital fund registered with SEBI.

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue. Further, FVCIs are not permitted to participate in the Issue.

Eligible FPIs are permitted to participate under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single FPI including its investor group (which means the multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control, shall be treated as part of the same investor group) must be below 10% of our post-Issue Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI (including its investor group) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. Other than those Eligible FPIs, as prescribed in Regulation 22(4) of the SEBI FPI Regulations, in the event that such divestment of excess holding is not undertaken within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and receipt of necessary regulatory approvals as required and in accordance with applicable laws, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations and FEMA Rules. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (a) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which the Company operates.

As per the FPI Operational Guidelines, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the Issue and sale of the Equity Shares in certain jurisdiction, see "***Selling Restrictions***" and "***Transfer Restrictions***" beginning on page 301 and 307, respectively.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB, who is a Promoter, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs, may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, a Bidder will be deemed to have made the representations, warranties, acknowledgements and undertakings given or made under "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 4, 301 and 307, respectively, including as follows:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that in the event it is resident outside India and a FPI, it is an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules and the restrictions stated under this section and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB or as specified in this Preliminary Placement Document;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis, in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB confirms that:

    a. if it is within the United States, it is both, a U.S. QIB and QP, who is or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of both, a U.S. QIB and a QP, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

    b. it is not a U.S. Person and is purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance upon, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;

13. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

14. The QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

15. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations read with the FEMA Rules, along with the restrictions specified above in this section;

16. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, or a non-resident multilateral or bilateral development financial institution and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

17. Each Bidder acknowledges that it is eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the FDI Policy, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. The Bidder confirms that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and PAS Rules as amended.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the FDI Policy, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route. Subsequently, vide Press Note No. 2 (2026 Series), dated March 15, 2026 issued by the DPIIT, the FDI Policy has been further amended to, *inter alia*, define the expression "beneficial owner" and to provide that prior approval of the Government of India shall be required only where citizen(s) and/or entity(ies) of a country sharing a land border with India hold, directly or indirectly, individually or cumulatively, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. The amendments under Press Note No. 2 (2026 Series) have been brought into effect from the date of publication of FEMA (Non debt Instruments) Rules, 2026 in the official gazette, being, May 2, 2026.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER (AS THE CASE MAYBE), DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY OR STOCK EXCHANGES IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as the case maybe). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of the Book Running Lead Manager	Address	Contact Person	Email	Contact number
Kotak Mahindra Capital Company Limited	27BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India	Ganesh Rane	E-mail: bajafinance.qip2026@kotak.com Website: https://investmentbank.kotak.com	+91 22 4336 0000
J.P. Morgan India Private Limited	J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz East, Mumbai 400098, Maharashtra, India	Ayush Kejariwal / Keshav Maheshwari	Email: Bajaj_QIP@jpmorgan.com Website: www.jpmipl.com	+91 22 6157 3000
Morgan Stanley India Company Private Limited	Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400 018, Maharashtra, India	Naresh Tetarwal	Email: bajajqip2026@morganstanley.com Website: www.morganstanley.com/india	+91 22 6118 1000
IIFL Capital Services Limited	24th floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India	Gaurav Mittal / Pawan Kumar Jain	Email: BFL.QIP@iiflcap.com Website: www.iiflcapital.com	+9122 4646 4728
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Prachee Dhuri	Email: bajajfinance.qip@jmfl.com Website: www.jmfl.com	+91 22 6630 3030
Axis Capital Limited	1st Floor, Axis House, P.B. Marg, Worli, Mumbai – 400 025, Maharashtra, India	Pavan Naik	Email: bajajfinance.qip@axiscap.in Website: www.axiscapital.co.in	+91 22 4325 2183

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "BAJAJ FINANCE QIP ESCROW ACCOUNT R 2026 " for the Bidder who is a resident of India and "BAJAJ FINANCE QIP ESCROW ACCOUNT NR 2026" for the Bidder who is a non-resident Eligible QIB, with the Escrow Agent, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "BAJAJ FINANCE QIP ESCROW ACCOUNT R 2026" and "BAJAJ FINANCE QIP ESCROW ACCOUNT NR 2026" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, the excess Bid Amount will be refunded to the same bank account from which Bid Amount was remitted, in the form and manner set out in *"**Issue Procedure– Refunds***" on page 298.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchange(s) during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution dated November 2, 2026 may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the QIP 2026 Special Committee of our Board decides to open the Issue. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note ("CAN")

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, the QIP 2026 Allotment Committee of our Board will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "***Representations by Investors***" on page 4 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued, and the Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the successful Bidders' beneficiary demat accounts, our Company will apply for the final trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees, belonging in the same group or under common control in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder. For details see "***Issue Procedure – Refunds***" on page 298.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will

be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated November 11, 2026 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis with Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended, and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, the BRLMs and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) to persons who are not U.S. Persons in "offshore transactions" as defined in, and in reliance upon, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States to persons who are both (a) U.S. QIBs and (b) QPs. For further information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 301 and 307, respectively.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the affiliates or associates of the Book Running Lead Managers may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the affiliates or associates of the Book Running Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 9. Further, from time to time, the Book Running Lead Managers, and their affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, Associate, affiliates and our Shareholders, as well as to their respective affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock-up

Our Company undertakes that it will not, for a period of 90 days from the Pricing Date, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) offer, sell or announce the intention to sell, pledge, issue, contract to issue, grant any option, right or warrant for the issuance and allotment, or otherwise dispose of or transfer, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position with respect to, any Equity Shares or securities convertible into or exchangeable or exercisable for Equity Shares (including any warrants or other rights to subscribe for any Equity Shares), (b) enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of any Equity Shares, whether any such aforementioned transaction is to be settled by allotment of any Equity Shares, in cash or otherwise, or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) publicly disclose the intention to make any such offer, issuance and allotment or disposition, or to enter into any such transaction, swap, hedge or other arrangement falling within (a) to (c) above. Provided that this undertaking shall not apply to any employee stock option scheme of the Company in force as of the date of the Placement Agreement, as amended, and warrants convertible into equivalent number of Equity Shares for an aggregate amount not exceeding ₹58,000.00 million allotted on November 10, 2026 to our Promoter i.e., Bajaj Finserv Limited, in accordance with Applicable Law.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restriction.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and none of this Preliminary Placement Document, any offering materials and any advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "***Notice to Investors***", "***Representations by Investors***" and "***Transfer Restrictions***".

Republic of India. This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which the Issue is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public or any other class of investors other than Eligible QIBs. This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Abu Dhabi Global Market. The Equity Shares have not been and will not be offered to any persons in the Abu Dhabi Global Market unless such offer is:

(a) an "Exempt Offer" in accordance with the Market Rulebook of the Financial Services Regulatory Authority (the "**FSRA**");

(b) made only to persons who are "Authorised Persons" or "Recognised Bodies" (as such terms are defined in the FSRA's Financial Services and Markets Regulation 2015, as amended ("**FSMR**")) or persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 18 of FSMR) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated; and

(c) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA Rulebook.

Australia. This Preliminary Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("**Australian Corporations Act**") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Preliminary Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Equity Shares under this Preliminary Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Preliminary Placement Document, and any offers made under this Preliminary Placement Document, you represent to the Company and the BRLMs that you will not provide this Preliminary Placement Document or communicate any offers made under this Preliminary Placement Document to, or make any applications or receive any offers for Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act. Any offer of the Equity Shares for on-sale that is received in Australia within 12 months after their issue by our Company, or within 12 months after their sale by a selling security holder (or the BRLMs) under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Equity Shares should observe such Australian on-sale restrictions.

Bahrain. The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary

Placement Document is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Equity Shares.

British Virgin Islands. The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of the Company. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) ("**BVI Companies**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Canada. The Equity Shares may be sold only in any province of Canada to purchasers purchasing, or deemed to be purchasing, as principal that are both accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Equity Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Preliminary Placement Document (including any amendment hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities law, National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters, dealers or placement agents, as the case may be. To the extent any conflict of interest between us and any of the underwriters (or any other placement agent acting in connection with this offering) may exist in respect of this offering, the applicable parties to this offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33-105 (Exemption based on U.S. disclosure).

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement*.

Cayman Islands. No offer or invitation to subscribe for the Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre. The Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

European Economic Area. In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall require our Company or any BRLMs to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Equity Shares in any Relevant State means the communication in any form and by means of sufficient information on the terms of the offer and the Equity Shares

to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

France. Neither this Preliminary Placement Document nor any other offering material relating to the Equity Shares has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The Equity Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this Preliminary Placement Document nor any other offering material relating to the Equity Shares has been or will be (1) released, issued, distributed or caused to be released, issued or distributed to the public in France; or (2) used in connection with any offer for subscription or sale of the Equity Shares to the public in France.

Such offers, sales and distributions will be made in France only:

(a) to qualified investors (investisseurs estraint) and/or to a restricted circle of investors (cercle estraint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;

(b) to investment service providers authorized to engage in portfolio management on behalf of third parties;

(c) or in a transaction that, in accordance with article L.411-2-II-1° -or 2° -or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (Réglement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public á l'épargne).

The Equity Shares may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L412 1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

Hong Kong. The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Indonesia. This Preliminary Placement Document does not constitute a prospectus for a public offering of securities under Indonesian capital market law and regulations. This Preliminary Placement Document may not be distributed or passed on to more than 100 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia. The Equity Shares may not be sold using this Preliminary Placement Document to more than 50 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia.

Japan. The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait. This Preliminary Placement Document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("**Kuwait Securities Laws**"). No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Malaysia. No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been nor will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia. Accordingly, this Preliminary Placement Document or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Equity Shares. The Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Equity Shares directly or indirectly to anyone in Malaysia.

Mauritius. The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of the Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell the Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand. This Preliminary Placement Document, and the information within and accompanying this Preliminary Placement Document are not, and are under no circumstances to be construed as, an offer of the Equity Shares in New Zealand. No product disclosure statement, prospectus or similar offering or disclosure document in relation to the Equity Shares has been prepared or has been lodged with or reviewed or approved by the Financial Markets Authority, the Registrar of Financial Service Providers or any other regulatory body in New Zealand. The Equity Shares are only available for investment by a "wholesale investor" within the meaning of clause 3(2) of the Financial Markets Conduct Act 2013 ("**FMCA**"). Each recipient of this Preliminary Placement Document represents and agrees that he, she or it:

a) is a "wholesale investor" for the purposes of clause 3(1) of Schedule 1 of the FMCA) (as the term "wholesale investor" is defined by clause (3)(2) of Schedule 1 of the FMCA);

b) has not offered or sold, and agrees he, she or it will not offer or sell, any Equity Shares in New Zealand in a manner that would require disclosure under Part 3 of the FMCA; and

c) has not distributed or published, and agrees he, she or it will not publish this Preliminary Placement Document or any offering material or advertisement in relation to any offer of the Equity Shares in New Zealand.

Oman. This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("**Oman**") without the prior consent of the Capital Market Authority ("**Oman CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of the Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Equity Shares described in this Preliminary Placement Document will not take place inside Oman. This Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "**CMAL**"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA. Additionally, this Preliminary Placement Document and the Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Preliminary Placement Document and the Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

Qatar. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public. Nothing in this Preliminary Placement Document constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Preliminary Placement Document and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Preliminary Placement

Document by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

***Republic of Korea*.** We are not making any representation with respect to the eligibility of any recipients of this Preliminary Placement Document to acquire the Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Equity Shares, except (i) where relevant requirements are satisfied, the Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations. Furthermore, the Equity Shares may not be re-sold to Korea residents unless the purchaser of the Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Equity Shares.

Saudi Arabia. This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

***Singapore*.** This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")) or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

South Africa. Due to restrictions under the securities laws of South Africa, no "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) is being made in connection with the issue of the Equity Shares in South Africa. Accordingly, this Preliminary Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

(i) the offer, transfer, sale, renunciation or delivery is to:

- persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
- the South African Public Investment Corporation;
- persons or entities regulated by the Reserve Bank of South Africa;
- authorised financial service providers under South African law;
- financial institutions recognised as such under South African law;
- a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
- any combination of the person in (i) to (vi); or

(ii) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this Preliminary Placement Document should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Switzerland. The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, our Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Preliminary Placement Document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of Equity Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan. The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre). This Preliminary Placement Document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the UAE or any other authority in any of the free zones established and operating in the UAE. The Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom. No shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom except that the Shares may be offered to the public in the United Kingdom at any time:

(a) where the offer is conditional on the admission of the Shares to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 of the POATR);

(b) to any qualified investor as defined under paragraph 15 of Schedule 1 of the POATR;

(c) to fewer than 150 persons (other than qualified investors as defined under paragraph 15 of Schedule 1 of the POATR), subject to obtaining the prior consent of the Global Co-ordinator for any such offer; or

(d) in any other circumstances falling within Part 1 of Schedule 1 of the POATR.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication to any person which presents sufficient information on: (a) the Shares to be offered; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the Shares and the expressions "POATR" means the Public Offers and Admissions to Trading Regulations 2024.

United States. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) to persons who are not U.S. Persons in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States to persons who are both (a) U.S. QIBs and (b) QPs in transactions exempt from the registration requirements of the U.S. Securities Act and in reliance upon Section 3(c)(7) of the Investment Company Act.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Purchasers are not permitted to sell the Equity Shares Allotted pursuant to the Issue, for a period of one year from the date of Allotment, except on the BSE or the NSE. Allotments made to Eligible FPIs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. Additional transfer restrictions applicable to the Equity Shares are listed below.

United States Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Our Company has not registered and does not intend to register under the Investment Company Act in reliance on Section 3(c)(7) of the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act unless made pursuant to an available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

The Equity Shares are being offered and sold:

(1) in the United States to persons who are both (a) U.S. QIBs and (b) QPs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance on Section 3(c)(7) of the Investment Company Act; and

(2) to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Outside the United States

Each subscriber of the Equity Shares that is a non-U.S. Person and is acquiring the Equity Shares offered pursuant to this Issue outside the United States, will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States and accordingly may not be offered sold, pledged or transferred within the United States or to, or for the account or benefit of, U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the subscriber is subscribing the Equity Shares offered pursuant to this Issue in an "offshore transaction" meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the subscriber and the person, if any, for whose account or benefit the subscriber is acquiring the Equity Shares, is not a U.S. Person and was located outside the United States at each time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for the Equity Shares was originated and continues to be a non U.S. Person and located outside the United States and has not subscribed to the Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

5. the subscriber is not an affiliate (as defined in Rule 405 of the U.S. Securities Act) of our Company or a person acting on behalf of such affiliate; and it is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the U.S. Securities Act) thereof in the initial distribution of the Equity Shares;

6. if, in the future, the subscriber decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise

transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE Limited (the "**BSE**") or the National Stock Exchange of India Limited (the "**NSE**"). The subscriber understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the Investment Company Act;

7. the subscriber is aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Preliminary Placement Document;

8. the subscriber is subscribing for the Equity Shares in compliance with laws of jurisdictions applicable to it;

9. the Equity Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act;

10. the subscriber agrees that neither the subscriber, nor any of its affiliates, nor any person acting on behalf of the subscriber or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

11. the subscriber understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

    THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

    THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

12. the subscriber agrees, upon a proposed transfer of the Equity Shares, to notify any subscriber of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

13. the subscriber agrees, upon a proposed transfer of the Equity Shares, to notify any subscriber of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

14. the subscriber understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be both a U.S. QIB and a QP but is not both a U.S. QIB and a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the subscriber by reason of any act or failure to act by any person authorised by the Company in connection with the foregoing; and

15. the subscriber understands and acknowledges that our Company may be considered a "covered fund" for purposes of Section 13 of the U.S. Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder, as amended, the "**Volcker Rule**"). The definition of "covered fund" in the Volcker Rule includes, in part, any entity that would be an investment company under the Investment Company Act but for the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each subscriber must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares.

16. the subscriber acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

Within the United States

Each subscriber of the Equity Shares within the United States subscribing pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an informed investment decision and that:

1. the subscriber is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

2. the subscriber acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the subscriber (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account or benefit of one or more persons, each of which is a U.S. QIB and a QP, with respect to which it exercises sole investment discretion; the subscriber, and each account for which it is subscribing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least $250,000 or its equivalent in another currency;

4. the subscriber acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company. The subscriber, and each person for which it is acting, also understands and agrees that the Company and the BRLMs shall have the right to request and receive such additional documents, certificates, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

5. the subscriber is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

6. the subscriber understands that, subject to certain exceptions, to be a QP, entities must have US$25 million in "investments" (as defined in Rule 2a51-1 of the Investment Company Act);

7. the subscriber is not an affiliate of the Company or a person acting on behalf of an affiliate;

8. the subscriber is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

9. the subscriber is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

10. the subscriber, and each account for which it is subscribing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

11. it, and each person for which it is acting, was not formed, reformed or recapitalised for the purpose of investing in the Equity Shares and/or other securities of the Company;

12. if the subscriber, or any person for which it is acting, is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder;

13. the subscriber, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and QPs;

14. the subscriber, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and QPs);

15. the subscriber is aware that the Equity Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;

16. if in the future, the subscriber decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE or NSE). The subscriber agrees not to effect any sale, pledge or other transfer of any Equity Shares in a transaction unless the subscriber first executes a U.S. Resale Letter in the form of Annexure A to this Preliminary Placement Document and delivers such letter to the Company prior to the settlement if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on BSE or NSE. The subscriber understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

17. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

18. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares;

19. the subscriber will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

20. our Company shall not recognise any offer, sale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions;

21. the subscriber agrees that neither the subscriber, nor any of its affiliates, nor any person acting on behalf of the subscriber or any of its affiliates, will make any "directed selling efforts" (as defined in Regulation S) in the United States with respect to the Equity Shares, or any "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act), in the United States in connection with any offer or sale of the Equity Shares

22. the subscriber understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

    THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

    THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

23. the subscriber agrees, upon a proposed transfer of the Equity Shares, to notify any subscriber of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic

interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

24. the subscriber understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be both a U.S. QIB and a QP but is not both a U.S. QIB and a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the subscriber by reason of any act or failure to act by any person authorised by the Company in connection with the foregoing;

25. the subscriber understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes, in part, any entity that would be an investment company under the Investment Company Act but for the exclusions provided under Section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on Section 3(c)(7) of the Investment Company Act for its exclusion from registration thereunder, it may be considered a "covered fund". Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption under the Volcker Rule. Each subscriber must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

26. the subscriber is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

27. the subscriber acknowledges that our Company, the BRLMs and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its subscription of the Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

IT ACKNOWLEDGES THAT THE COMPANY AND THE BRLMs AND THEIR RESPECTIVE AFFILIATES AND OTHERS WILL RELY UPON THE TRUTH AND ACCURACY OF THE FOREGOING ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AND AGREES THAT, IF ANY OF SUCH ACKNOWLEDGEMENTS, REPRESENTATIONS OR AGREEMENTS IS NO LONGER ACCURATE, IT WILL PROMPTLY NOTIFY THE COMPANY AND THE BRLMs. IT AGREES THAT THE TERMS AND PROVISIONS OF THE FOREGOING ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS SHALL INURE TO THE BENEFIT OF AND ANY DOCUMENT INCORPORATING SUCH ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS SHALL BE ENFORCEABLE BY THE COMPANY, ITS SUCCESSORS AND ITS PERMITTED ASSIGNS, AND THE TERMS AND PROVISIONS HEREOF SHALL BE BINDING ON ITS PERMITTED SUCCESSORS IN TITLE, PERMITTED ASSIGNS AND PERMITTED TRANSFEREES. IT UNDERSTANDS THAT THESE ACKNOWLEDGMENTS, REPRESENTATIONS AND UNDERTAKINGS ARE REQUIRED IN CONNECTION WITH UNITED STATES SECURITIES LAWS AND IRREVOCABLY AUTHORIZES THE COMPANY TO PRODUCE THESE ACKNOWLEDGMENTS, REPRESENTATIONS AND UNDERTAKINGS (OR ANY DOCUMENT INCORPORATING THEM) TO ANY INTERESTED PARTY IN ANY ADMINISTRATIVE OR LEGAL PROCEEDINGS OR OFFICIAL ENQUIRY WITH RESPECT TO THE MATTERS COVERED HEREIN.

ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of Equity Shares by Benefit Plan Investors. A "**Benefit Plan Investor"** is (1) an "employee benefit plan" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act, as amended ("**ERISA**")) that is subject to Title I of ERISA, (2) a plan, individual retirement account, "Keogh" plan or other arrangement subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**")**,** or provisions under any United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to such provisions of the Code or ERISA, (3) an entity whose underlying assets are considered to include "plan assets" by reason of a plan's investment in such entity (including but not limited to an insurance company general account) (each of (1), (2) and (3), a "**Plan**")**,** and (4) any entity that otherwise constitutes a "benefit plan investor" within the meaning of the regulations promulgated under ERISA by the U.S. Department of Labor (the "**DOL**"), as modified by Section 3(42) of ERISA (the "**DOL Plan Asset Regulations**").

The following is merely a summary, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their own legal advisors before investing assets of a Plan in Equity Shares and to make their own independent decision.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code and prohibit certain transactions involving the assets of a Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Plan or the management or disposition of the assets of such a Plan, or who renders investment advice for a fee or other compensation to such a Plan, is generally considered to be a fiduciary of the Plan.

In considering an investment in Equity Shares with a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any similar law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable United States federal, state or local laws, or non-U.S. or other laws or regulations that are similar to the Code or ERISA (collectively, "**Similar Laws**").

Prohibited Transaction Considerations

Section 406 of ERISA and Section 4975 of the Code prohibit Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of Section 406 of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code and may result in the disqualification of an individual retirement account. In addition, the fiduciary of the Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and/or the Code.

Regardless of whether or not the underlying assets of our Company (if any) are deemed to include "plan assets," as described below, the acquisition and/or holding of Equity Shares by a Plan with respect to which our Company or an underwriter is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the DOL has issued prohibited transaction class exemptions, or PTCEs, that may apply to the acquisition and holding of Equity Shares. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied or that any such exemptions will be available with respect to investments in interests in any Equity Shares.

Plan Asset Considerations

The DOL Plan Asset Regulations generally provide that when a Plan acquires an equity interest in an entity that is not (1) a "publicly-offered security," (2) a security issued by an investment company registered under the Investment Company Act, or (3) an "operating company," the Plan's assets are deemed to include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established that the equity participation in the entity by Benefit Plan Investors is not "significant" (the "**Insignificant Participation Test**").

For purposes of the DOL Plan Asset Regulations, an "operating company" is an entity that is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service, other than the investment of capital. It is anticipated that our Company will qualify as an operating company within the meaning of the DOL Plan Asset Regulations, although no assurance can be given in this regard.

For purposes of the Insignificant Participation Test, the DOL Plan Asset Regulations provide that equity participation in an entity by Benefit Plan Investors is not significant if, immediately after the most recent acquisition of an equity interest in the entity, the Benefit Plan Investors' aggregate interest is less than 25% of the value of each class of equity interests in the entity, disregarding, for purposes of such determination, any interests held by any person that has discretionary authority or control with respect to the assets of our Company or who provides investment advice for a fee with respect to the assets of our Company or an affiliate of our Company (each, a "**Controlling Person**") other than Benefit Plan Investors. Following this offering, it is possible that Benefit Plan Investors will hold and will continue to hold, less than 25% of the value of each class of equity interests of our Company, disregarding, for purposes of such determination, any interests held by any Controlling Person other than Benefit Plan Investors and, as such, that our Company may rely on the Insignificant Participation Test; however, we cannot be certain or make any assurance that this will be the case.

Plan Asset Consequences

If assets of our Company were deemed to constitute "plan assets" pursuant to the DOL Plan Asset Regulations, the operation and administration of our Company would become subject to the requirements of ERISA, including the fiduciary duty rules and the "prohibited transaction" prohibitions of ERISA, as well as the "prohibited transaction" prohibitions contained in the Code. If our Company becomes subject to these regulations, unless appropriate administrative exemptions are available (and there can be no assurance that they would be), our Company could, among other things, be restricted from entering into otherwise favorable transactions, and certain transactions entered into by our Company in the ordinary course of business could constitute non-exempt prohibited transactions and/or breaches of applicable fiduciary duties under ERISA and/or the Code, which could, in turn, result in potentially substantial excise taxes and other penalties and liabilities under ERISA and the Code.

Representation

Because of the foregoing, Equity Shares should not be acquired or held by any Benefit Plan Investor or any other person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code and will not constitute a similar violation of any applicable Similar Law.

Accordingly, by acceptance of an Equity Share or any beneficial interest therein, each purchaser and subsequent transferee of an Equity Share will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Equity Share or any beneficial interest therein constitutes the assets of any Plan or (ii) the acquisition, holding and disposition of the Equity Shares or any beneficial interest therein by such purchaser or transferee will not constitute a non-exempt prohibited transaction under ERISA or the Code or constitute a similar violation under any applicable Similar Law.

The foregoing discussion is general in nature, is not intended to be all-inclusive. Such discussion should not be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering investing in Equity Shares on behalf of, or with the assets of, any Plan consult with counsel regarding the potential applicability of ERISA, Section 4975 of the Code and Similar Laws to such investment and whether an exemption would be applicable to the acquisition and/or holding of Equity Shares.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership of stock exchanges, and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules, regulations and guidelines concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investor, credit rating agencies and other capital market participants have been notified by SEBI.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as Nifty 50, on April 22, 1996 and the Mid-cap Index on January 1, 1996. NSE was listed on BSE with effect from September 24, 2026.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA and the SCRR empowers a recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions of admission to dealings or for any other reason, to be recorded in writing, which in the opinion of the stock exchange justifies such action, subject to the issuer receiving prior written notice with the reasons from the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognised stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended, govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of three

years from the date of such commencement or fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the NIFTY 50 of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives were included within the definition of the term "securities", in the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹10,000 million consisting of 10,000,000,000 Equity Shares of face value of ₹1 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up share capital of the Company is ₹6,225.95 million comprising of 6,225,954,304 Equity Shares[#^] (of face value of ₹1 each). The Equity Shares are listed on BSE and NSE. The Company is authorised to issue (a) Equity Shares with voting rights; and (b) Equity Shares with differential rights as to dividend, voting or otherwise, in accordance with applicable laws.

 # Our Company has on November 10, 2026, allotted 57,425,740 fully convertible warrants, each convertible into, or exchangeable for 1 fully paid-up Equity Share each of the Company having face value of ₹1 each, at a price of ₹1,010 each (including a premium of ₹1,009 per Equity Share) to our Promoter, aggregating to ₹58,000 million, by way of a preferential issue. In relation thereto, the shareholders of our Company have approved the preferential issue pursuant to their special resolution dated November 2, 2026.

*^ The Board has passed a resolution on October 19, 2026 approving the issuance of 4,900,737 Equity Shares, to be allotted by our Company to the trust pursuant to the terms of the ESOP Scheme 2009. For details of the options under the ESOP Scheme 2009, see "**Capital Structure – Employee Stock Option Scheme**" on page 109.*

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the AGM of shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment. Further, payment of dividend on the Equity Shares shall also be governed by the circulars issued by the RBI and Dividend Distribution Policy of our Company.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends as in their judgement the position of our Company justifies.

Under the Companies Act dividends payable can be paid only in cash to the registered shareholder, to his order or to the order of his banker. However, pursuant to the SEBI Listing Regulations, any dividend payable in cash shall be paid by only through electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year, or otherwise than in accordance with the provisions of the Act and circulars issued by RBI and no dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them in the ratio as may be determined by the Board/Shareholders.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Issue of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act and the Articles, in the event of an issuance of securities, subject to the limitations

set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days (or a shorter notice of 7 days in accordance with applicable law) and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company, being one of the top 100 listed companies based on market capitalization as at the end of the previous year, is required to convene its AGM within five months of the closing of each financial year. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from the Shareholders representing 95% of the paid-up capital as entitled to vote at such meeting. Thirty Shareholders or such other number of Shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

Voting rights

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer and transmission of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialised form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Any person becoming entitled to Equity Shares in consequence of the death or bankruptcy/insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this clause, or of his title, as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a holder in respect of such shares, or to make such transfer of the share as the deceased or insolvent member could have made.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the contributories, in specie or kind, the whole or any part of the assets of our Company, whether they shall consist of property of the same kind or not and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction shall think fit.

TAXATION

STATEMENT OF TAX BENEFITS

To,

The Board of Directors
Bajaj Finance Limited
4th floor, Bajaj Finserv House,
Off Pune Ahmednagar Road
Viman Nagar, Pune – 411014

Dear Sir/Ma'am,

Sub: Statement of direct tax benefits available to Bajaj Finance Limited ("the Company") and its Shareholders prepared in accordance with the requirements under Schedule VII(15) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, Kirtane & Pandit LLP, are the Joint Statutory Auditors, have been informed that the Company proposes to undertake a qualified institutions placement of its equity shares (the "**Equity Shares**") (the "**Issue**"). In connection with the Issue, the Company proposes to file the preliminary placement document (the "**PPD**") and the placement document (the "**PD**") with BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"), together with any other documents or materials to be issued in relation to the Issue (collectively with the PPD and PD, the "**Issue Documents**"). The Issue Documents will be prepared in accordance with Chapter VI and Schedule VII of the SEBI ICDR Regulations, Section 42 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

2. In terms of our engagement letter dated November 10, 2025 we have received a request from the Company to issue a Statement of Possible Direct Tax Benefits available to the Company and its shareholders for inclusion in the Issue Documents.

3. We hereby confirm that the enclosed **Annexure A**, prepared by the Company, provides the possible direct tax benefits available to the Company and to its shareholders under the provisions of the Income-tax Act, 2025 ("the **Act**"), including the rules, regulations, circulars and notifications issued in connection with the income-tax laws, as presently in force and applicable to the tax year 2026-27. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and/or its shareholders to derive the tax benefits is dependent upon fulfilment of such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

4. The Statement of Possible Direct Tax benefits discussed in the enclosed **Annexure A** are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

5. We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have relied upon the information and documents of the Company being true, correct and complete, and have not audited or tested them. Our views, under no circumstances, are to be considered as an audit opinion under any regulation or law. Neither our firm nor any of its partners or affiliates shall be responsible for any loss, penalties, surcharges, interest or additional tax, or any other tax or non-tax, monetary or non-monetary effects or liabilities (consequential, indirect, punitive or incidental), before any authority or otherwise, within or outside India, arising from the supply of incorrect or incomplete information by the Company.

7. The information in this certificate (**including Annexure A**) may be relied upon by the book running lead managers ("BRLMs") appointed pursuant to the Issue and may be submitted to the Stock Exchanges, the Securities and Exchange Board of India, the Registrar of Companies and any other regulatory or statutory authority, and may be included in any investor presentations, releases or other documents. It may also be referred to by the BRLMs in respect of the Issue if required (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority, or (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation, and for the records to be maintained by the BRLMs in connection with the Issue. We will not be updating this certificate for any change in tax laws, circulars, rules or judicial precedents after the issue of this certificate.

Our views are based on the existing provisions of Income tax law and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue which may have a material effect on the discussions herein. Our confirmation is based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is addressed to the Board of Directors of the Company and the BRLMs, and is issued at the specific request of the Company. This report is intended solely for inclusion in the Issue Documents being prepared in connection with the Issue and is not to be used, referred to or distributed for any other purpose, other than as set out in the preceding paragraph, without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this statement is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For Kirtane & Pandit LLP
(Firm Registration Number: 105215W/W100057)

Chirag Garg

Partner

Membership No. 540579
UDIN: 26540579TPCEXU5377
Place: New Delhi, India
Dated: November 11, 2026

Annexure A

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO BAJAJ FINANCE LIMITED (THE COMPANY) AND ITS SHAREHOLDERS

UNDER THE INCOME-TAX ACT, 2025 ("Act")

This statement sets out below the possible tax benefits available to the Company and its investors to whom shares may be allotted in terms of the proposed Issue under the current tax laws presently in force in India. Several of these benefits are dependent on fulfilling various conditions prescribed under the relevant tax laws and are subject to the General Anti-Avoidance Rule covered under Chapter XI (Sections 178 to 184) of the Act. Accordingly, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on the business imperatives, the Company or the shareholders may or may not choose to fulfil.

This statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences/implications of the subscription, ownership and disposal of equity shares pursuant to the proposed Issue. This statement is only intended to provide general information to the investors and is neither exhaustive nor comprehensive, nor designed or intended to be a substitute for professional/legal tax advice. In view of the individual nature of tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

In respect of non-residents, the tax rates and the consequent taxation mentioned in this section shall be further subject to any benefits available under the Double Taxation Avoidance Agreement (DTAA), if any, read with the relevant Multilateral Instrument (MLI) between India and the country in which the non-resident is resident for tax purposes.

We understand that the proposed Issue by the Company will not cover individuals and Hindu undivided families. Accordingly, tax benefits to them, if any, are not covered.

A. General Tax benefits available to the Company under the Act:

1. Benefit of lower rate of tax under section 200 of the Act

Section 200 of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and health and education cess*).

In case the Company opts for the concessional income tax rate prescribed under section 200 of the Act, it will not be allowed to claim any of the following deductions/exemptions, which include, inter-alia, the following:

i. Deduction under the provisions of section 144 of the Act (deduction for units in Special Economic Zone);

ii. Deduction under section 33(8) & (9) of the Act (additional depreciation);

iii. Deduction under section 48 read with Schedule IX or section 49 read with Schedule X of the Act (tea/coffee/rubber development account, site restoration fund);

iv. Deduction under section 45(2) or Section 45(3)(a), (b) or (c) of the Act (expenditure on scientific research);

v. Deduction under section 46 or section 47(1) of the Act (deduction for specified business, agricultural extension & skill development projects);

vi. Deduction under any provisions of Chapter VIII other than the provisions of section 146 (deduction in respect of employment of new employees) and section 148 of the Act (deduction in respect of certain inter-corporate dividends);

vii. No set-off of any loss carried forward or depreciation from any earlier tax year, if such loss or depreciation is attributable to any of the deductions referred to above;

viii. No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 116 of the Act, if such loss or depreciation is attributable to any of the deductions referred to in points i to vii above;

The provisions of section 206(1) of the Act regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate prescribed under section 200 of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT under section 206 of the Act.

The Company had exercised the option to be taxed at the lower tax rate under erstwhile section 115BAA of the Income-tax Act, 1961 with effect from FY 2019-20, relevant to AY 2020-21, and had duly furnished the prescribed declaration in Form No. 10-IC within the applicable due date. The Company is accordingly subject to tax at the rates prescribed under section 200 of the Act.

* *Surcharge at 10% on the tax liability, further enhanced by health and education cess at 4% of the total tax liability and surcharge*

2. Deduction in respect of additional employee cost under section 146 of the Act

The Company is entitled to claim a deduction of an amount equal to 30% of the additional employee cost incurred in the course of business in the tax year under section 146 of the Act. The deduction is allowed for three consecutive tax years, beginning from the tax year in which such employment is provided subject to the fulfilment of the prescribed conditions.

3. Deduction in respect of inter-corporate dividends under section 148 of the Act

Section 148 of the Act provides that where the gross total income of a domestic company in any tax year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, such domestic company shall be allowed a deduction in computing its total income. The deduction is of an amount equal to so much of the income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it at least one month before the due date for filing the return of income under Section 263(1) of the Act.

4. Deduction in expenditure incurred wholly/ exclusively for the business

Section 34(1) of the Act provides for deduction of expenditure (other than capital or personal expenditure) incurred wholly and exclusively for the purposes of business, subject to the conditions prescribed therein. Accordingly, the Company should be entitled to claim deduction in respect of employee stock option expenses relating to ESOPs granted to its employees, subject to applicable conditions.

5. Other direct tax benefits available to company under the Act:

a. The Company maintains its books of account as per Indian Accounting Standards (Ind AS). The Company follows the Income Computation and Disclosure Standards (ICDS) notified under section 276(2) of the Act for computing total income for income-tax purposes. The Company will have to make ICDS adjustments to arrive at taxable total income.

b. Any bad debt or part thereof which has been written off as irrecoverable in the books of account is allowable as a deduction under section 31(2) of the Act in computing the income under the head "Profits and gains of business or profession". This is subject to the fulfilment of the conditions specified therein. The Company should be entitled to such deduction.

c. Section 31(1) of the Act provides accelerated deduction to non-banking financial company, in respect of any provision for bad and doubtful debts. The deduction is limited to an amount not exceeding 5% of the total income of the tax year, computed before making any deduction under this clause and Chapter VIII of the Act, in computing its income under the head "Profits and gains of business or profession".

d. Any subsequent claim of deduction for actual bad debts under Section 31(2) of the Act should be reduced to the extent of deduction already allowed under section 31(1) of the Act.

e. Section 56 of the Act provides the benefit of offering to tax the interest income on bad and doubtful debts, which is not credited to the profit and loss account of that year, on a realisation basis. Such benefit is available in respect of certain categories of bad and doubtful loans as may be prescribed.

f. Taxation of capital gains in the hands of the Company:

Where the Company holds securities as capital assets, gains arising on transfer of equity shares in a company, units of an equity-oriented fund or units of a business trust are taxable as follows, subject to Securities Transaction Tax having been paid and other conditions:

- Long-term capital gains are taxable under section 198 of the Act @ 12.5% on gains exceeding ₹1,25,000, plus applicable surcharge and cess.
- Short-term capital gains are taxable under section 196 of the Act @ 20%, plus applicable surcharge and cess.
- On transfer of other long-term capital assets, the gains are taxable under section 197 of the Act @ 12.5%, plus applicable surcharge and cess.

B. General Tax benefits/implications available to Shareholders/ Investors of the Company

Dividend income earned by the shareholders should be taxable in their hands at the applicable rates. However, in the case of domestic corporate shareholders, a deduction under section 148 of the Act should be available on fulfilling the

conditions. The Company will withhold tax at the applicable rates on payment of dividend to shareholders. Further, in the case of an association of persons, a body of individuals (whether incorporated or not) and an artificial juridical person, the surcharge on tax on dividend income is capped to 15%.

Where shares are held as capital assets, as per section 198 of the Act, **long-term capital gains** arising inter alia from transfer of an equity share through a recognised stock exchange should be taxed at 12.5% (plus applicable surcharge and cess) of such capital gains. This is without indexation and foreign exchange fluctuation benefit, and subject to fulfilment of prescribed conditions under the Act. Tax shall be levied where such capital gains exceed INR 1,25,000.**

1. Where shares are held as capital assets, as per section 196 of the Act, **short-term capital gains** arising inter alia from transfer of an equity share through a recognised stock exchange should be taxed at 20% (plus applicable surcharge and cess), subject to fulfilment of prescribed conditions under the Act.**

** *The tax implications set out above in respect of capital gains apply where the shares are held as capital assets. Where the shares are held as stock-in-trade, the gains would be chargeable to tax under the head "Profits and gains of business or profession" and the concessional rates referred to above would not apply.*

2. In respect of **non-resident shareholders**, the tax rates and the consequent taxation shall be further subject to any benefits available under section 159 of the Act and the applicable Double Taxation Avoidance Agreement, if any, between India and the country of which the non-resident is a tax resident. This is as read with the MLI and subject to furnishing of a tax residency certificate, Form No. 41 and any other document as may be required.

Disclaimers:

1. The tax benefits, if any, are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the direct Tax Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The tax benefits discussed in this Statement are not exhaustive and are only intended to provide general information to the investors; hence, this Statement is neither designed nor intended to be a substitute for professional tax advice, which the investors may wish to take before making any investment. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

3. The Statement is prepared based on information available with the management of the Company and there is no assurance that: (i) the Company or its shareholders will continue to obtain these benefits in future; (ii) the conditions, if any, prescribed for availing the benefits have been/would be met with; and (iii) the revenue authorities/courts will concur with the views expressed herein.

4. The above views are based on the existing provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

5. This Statement has been prepared on the basis that the Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited, and that the Company proposes to issue Equity Shares by way of a qualified institutions placement.

6. This Statement does not discuss any tax consequences in the hands of the Company on account of holding shares, securities or interest outside India.

For Bajaj Finance Limited

Sandeep Jain

Chief Financial Officer

Pune

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares in the Offering that are U.S. Holders that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the equity interests of the Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, traders in securities that elect to mark-to-market their securities for U.S. federal income tax purposes, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad, regulated investment companies, real estate investment trusts, certain taxpayers that file or prepare applicable financial statements and are required to recognise income when the associated revenue is reflected on such financial statements, or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the "**IRS**") and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE EQUITY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a passive foreign investment company ("**PFIC**") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions (subject to certain exceptions, including an exception for certain income generated in the active conduct of a banking business). In general, cash is a passive asset for these purposes.

A non-U.S. corporation's possible status as a PFIC must be determined for each year and cannot be determined until the end of each taxable year. However, although the application of the PFIC rules to the Company is subject to certain uncertainties, because the Company is not a bank and based on the composition of its income, the valuation of assets and the activities conducted by the Company, it is expected that the Company will be treated as a PFIC in the current taxable year and subsequent taxable years. Accordingly, in making their investment decision prospective purchasers should assume that the Company will be treated as a PFIC. The Company does not expect to conduct annual assessments of its PFIC status. Prospective purchasers should consult their own tax advisers regarding the determination of the Company's PFIC status and any resulting tax consequences.

If the Company is a PFIC in any year during which a U.S. Holder holds the Equity Shares, and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules with respect to (i) any "excess distribution" (generally, the excess of the total amount of distributions during a taxable year in which distributions received by the U.S. Holder on the Equity Shares over 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other disposition of the Equity Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which the Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds the Equity Shares, the Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Equity Shares, even if the Company ceases to meet the threshold requirements for PFIC status (unless the U.S. Holder makes a deemed sale election with respect to the Equity Shares once the Company is no longer a PFIC).

If the Company is a PFIC for any taxable year, to the extent any of its subsidiaries are also PFICs, a U.S. Holder will generally be deemed to own equity interests in such lower-tier PFICs that are directly or indirectly owned by the Company in the proportion which the value of the Equity Shares owned by such U.S. Holder bears to the value of all of the Company's equity interests, and such U.S. Holder will generally be subject to the tax consequences described above (and the IRS Form 8621 reporting requirement described below) with respect to the equity interests of such lower-tier PFIC the U.S. Holder is deemed to own. As a result, if the Company receives a distribution from any lower-tier PFIC or sells equity interests in a lower-tier PFIC, a U.S. Holder will generally be subject to tax under the excess distribution rules described above in the same manner as if such U.S. Holder had held a proportionate share of the lower-tier PFIC equity interests directly, even if such amounts are not distributed to the U.S. Holder. However, if a U.S. Holder is treated as receiving an excess distribution in respect of a lower-tier PFIC, such holder would increase its tax basis in the Equity Shares by the amount of such distribution. In addition, if the Company were to distribute such amount to the U.S. Holder with respect to its Equity Shares, such U.S. Holder would not include the distribution in income but would instead reduce its tax basis in the Equity Shares by the amount of the distribution. The application of the PFIC rules to indirect ownership of any lower-tier PFIC held by the Company is complex and uncertain, U.S. Holders may not have the information necessary to comply with any rules regarding lower-tier PFICs, and U.S. Holders should therefore consult their own tax advisers regarding the application of such rules to their ownership of Equity Shares.

If the Company is a PFIC in a taxable year and the Equity Shares are treated as "marketable stock" in such year, a U.S. Holder may make a mark-to-market election with respect to its Equity Shares. A U.S. Holder that makes a valid mark-to-market election with respect to the first taxable year during its holding period in which the Company is a PFIC generally will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of the Equity Shares at the end of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder's adjusted basis in the Equity Shares over the fair market value of such Equity Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognised on the sale or other taxable disposition of Equity Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, because a mark-to-market election cannot technically be made for equity interests in any lower-tier PFICs of the Company that are not treated as "marketable stock", a U.S. Holder would continue to be subject to the excess distribution rules (and corresponding basis adjustments, as discussed above) with respect to any lower-tier PFICs, any distributions received by the Company from a lower-tier PFIC, and any gain recognised by the Company upon a sale of equity interests of a lower-tier PFIC, even if a mark-to-market election has been made by the U.S. Holder with respect to its Equity Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the availability and advisability of the mark-to-market election as well as the application of the PFIC rules to their ownership of the Equity Shares.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, the Company must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. The Company currently does not intend to provide such information for U.S. Holders, and therefore in making their investment decision, prospective investors should assume that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock (including the Company's stock and with respect to any lower-tier PFIC) during any taxable year is generally required to file IRS Form 8621.

Prospective purchasers should consult their tax advisers regarding the determination of our Company's status as a PFIC, the potential application of the PFIC regime to their investment in the Company. the requirement to file IRS Form 8621 and the availability and advisability of making any elections.

Distributions

This section is subject to the discussion under "—***Passive Foreign Investment Company Considerations***" above.

Distributions paid by the Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax with respect thereto, generally will be taxable to a U.S. Holder as dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, the Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Company with respect to Equity Shares will be treated as ordinary dividend income. Such dividend income will not be eligible for the dividends received deduction allowed to corporations, and due to the Company's expected PFIC status, such dividend income is not expected to be eligible for the special reduced rate normally applicable to "qualified dividend income" received by certain non-corporate U.S. Holders. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Company.

Dividends paid in rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the rupees are converted into U.S. dollars at that time. If dividends received in rupees are converted into U.S. dollars at the spot rate applicable on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder may be entitled, subject to certain complex limitations and requirements, to a credit against its U.S. federal income tax liability for Indian income taxes withheld by the Company on payments of dividends (at a rate not exceeding any applicable Treaty rate). The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividends generally will constitute foreign source "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and certain final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable, and we do not intend to determine whether such requirements are met. Notices from the IRS indicate that the Treasury and the IRS are considering proposing amendments to such regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of such regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, subject to applicable limitations and requirements, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct creditable foreign taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. Special rules apply to the determination of foreign tax credits with respect to foreign withholding taxes imposed on distributions by PFICs. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of Indian withholding taxes (also taking into account the Company's likely PFIC status).

Sale or Other Taxable Disposition

This section is subject to further discussion under "—*Passive Foreign Investment Company Considerations*" above.

Upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. In light of the Company's expected PFIC status, gains are expected to be treated in the manner described under "—*Passive Foreign Investment Company Considerations*" above and are not expected to be treated as capital gains. Any loss will generally be capital loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Gain or loss, if any, realized by a U.S. Holder on the sale or other taxable disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. In non-precedential guidance that may not be relied on by other taxpayers, the IRS allowed requesting taxpayers to treat disposition gains from the sale of stock as foreign source income pursuant to a resourcing provision of an unspecified treaty with drafting substantially the same as the Treaty, but the matter is subject to substantial uncertainty. Furthermore, there is uncertainty regarding the interaction of the PFIC rules and the foreign tax credit rules and the extent to which foreign tax credits relating to disposition of a PFIC stock can be utilized. Moreover, under the Final FTC Regulations described above (but subject to the IRS notices described above), Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty, are generally not creditable for U.S. federal income tax purposes. Indian income taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of Equity Shares or alternatively may be deductible. Indian STT is not creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisers regarding the tax consequences if Indian income taxes are imposed on a taxable disposition of Equity Shares, including their ability to credit or deduct any Indian income tax against their U.S. federal income tax liability, the proper application of the Treaty (including their ability to resource gain under the Treaty and treat it as foreign source if Indian income tax is imposed, which is subject to substantial uncertainty), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position, the

interaction between the PFIC rules and the foreign tax credit rules, as well as the proper U.S. federal income tax treatment of Indian STT (including whether Indian STT is deductible, increases the adjusted tax basis in the Equity Shares or reduces the amount realized on disposition).

Backup Withholding and Information Reporting

Payments of dividends on, and proceeds from the sale or other taxable disposition of, Equity Shares by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability provided the required information is properly and timely furnished to the IRS. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Equity Shares, including reporting obligations related to the holding of certain "specified foreign financial assets".

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA, and including an intermediary through which Equity Shares are held) may be required to withhold at a rate of 30% on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Company is registered as a foreign financial institution for these purposes. A number of jurisdictions (including India have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Equity Shares, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Equity Shares, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Equity Shares, proposed U.S. Treasury regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Equity Shares.

LEGAL PROCEEDINGS

We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases, tax proceedings and consumer complaints. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.

*There is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for Determination of Materiality of Events / Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated October 20, 2015 (which was last reviewed on March 23, 2026). However, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section of this Preliminary Placement Document: (i) any outstanding action initiated by statutory and regulatory authorities involving our Company and Bajaj Financial Securities Limited which are (a) quantifiable matters and involve an amount equivalent to or above ₹8,427.2 million; and (b) where any action initiated by regulatory authorities (such as SEBI, RBI, NHB, Stock Exchanges or such similar authorities) which is outstanding and involves our Company or Bajaj Financial Securities Limited ("**BFSL**") or our Directors; (ii) any outstanding action initiated by statutory and regulatory authorities involving Bajaj Housing Finance Limited ("**Listed Material Subsidiary**") which are (a) quantifiable matters and involve an amount equivalent to or above ₹1,075.7 million; and (b) where any action initiated by regulatory authorities (such as SEBI, RBI, NHB, Stock Exchanges or such similar authorities) which is outstanding and involves Listed Material Subsidiary (iii) Outstanding proceedings involving economic offences against the Company and the Subsidiaries; (iv) any outstanding civil/arbitration and tax proceedings involving our Company, BFSL, where the amount involved is ₹ 8,427.2 million (being 5% of the average of absolute value of profit after tax as per the last three audited consolidated financial statements of our Company) or above. For the purposes of identifying the material civil/arbitration and tax proceedings involving our Listed Material Subsidiary, materiality threshold of ₹ 1,075.7 million (being 5% of the average of absolute value of profit after tax as per the last three audited consolidated financial statements of our Listed Material Subsidiary) or above shall be considered in accordance with our Listed Material Subsidiary's 'Policy for Determination of Materiality of Events / Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our BHFL's Board pursuant to its resolution dated September 15, 2025 (the "**BHFL Materiality Threshold**"); (vi) any outstanding criminal litigation involving our Company, and its Subsidiaries; and (vii) any other outstanding litigation involving the Company and Subsidiaries which are non-quantifiable and may have a material adverse effect on the Company or which may be otherwise material for the Company and/or has been intimated to the Stock Exchanges by the Company in accordance with the Materiality Policy;(viii) any other outstanding proceeding involving the Subsidiaries which has been intimated to the Stock Exchanges by the Company in accordance with the Materiality Policy; (ix) any other outstanding proceeding involving our Directors and Subsidiaries which are considered material by the Company on a consolidated basis*

Except as disclosed elsewhere, this section of the Preliminary Placement Document also discloses (i) any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 in the last three years preceding the year of this Preliminary Placement Document involving our Company, its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company or its Subsidiaries; (ii) any material fraud committed against our Company in the last three years, and if so, the action taken by our Company; (iii) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company or its future operations; (iv) any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon; (v) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) any litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoter of our Company during the last three years and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action, if any, will be disclosed.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, its Subsidiaries and our Directors as the case may be, have not been considered as litigation until such time that the above-mentioned entities are not impleaded as a defendant in litigation proceedings before any judicial forum.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section.

Litigation involving our Company

Litigation against our Company

Criminal proceedings

1. Sundeep Polymers Private Limited ("**SPPL**") filed a complaint before the Additional Chief Metropolitan Magistrate, Mumbai ("**ACMM**") against our Company, Rajivnayan Bajaj, alleging, *inter alia*, criminal conspiracy, dishonesty by the respondents for offences punishable under Sections 409, 418, 420, 467, 469, 468, 471 and 34 of the IPC. SPPL has alleged that the security cheques issued by them in favour of our Company, in order to comply with the conditions of a proposed hire-purchase finance agreement, were misused by our Company. Our Company was served summons to appear before the ACMM. Our Company filed a revision application before the Sessions Court of Greater Mumbai,

Sewree on various grounds. The ad hoc Additional Sessions Judge, on April 29, 2010, partly allowed the said revision application; the order of issuance of process dated December 8, 2006 passed by the ACMM was set aside and quashed. The court also directed the ACMM to hold an enquiry. SPPL then filed a criminal revision application before the High Court of Bombay to set aside the order passed by the ad hoc Additional Sessions Judge. Aggrieved by the said order of the ad hoc Additional Sessions Judge, our Company has also filed a criminal revision application challenging the order of the ad hoc Additional Sessions Judge before the High Court of Bombay. Moreover, as per the order of the High Court of Bombay, SPPL is under liquidation. The matter is currently pending.

2. Dilip Nevatia ("**Complainant**"), who was the Managing Director of Sundeep Polymers Private Limited ("**SPPL**"), has filed a complaint before the Additional Chief Metropolitan Magistrate ("**ACMM**") against our Company, Rajivnayan Bajaj, and others for alleged contravention of Sections 34, 120B, 409, 418, 420, 467, 468, 469, and 471 of the IPC. The Complainant has alleged fraud, forgery and cheating by our Company and has stated that a personal guarantee given by him in favour of our Company for compliance with the conditions of a hire-purchase finance agreement proposed to be executed between our Company and SPPL, was misused by our Company by filling in a higher amount without his knowledge. The ACMM found sufficient ground to proceed against our Company and issued summons to appear before it. Our Company filed a revision application before the Sessions Court of Mumbai to quash the order of the ACMM. The Additional Ad Hoc Sessions Judge, on April 29, 2010, partly allowed the said revision application; the order of issuance of process dated December 8, 2006 passed by the ACMM was set aside and quashed. The court also directed the ACMM to hold an enquiry. The Complainant then filed a criminal revision application before the High Court of Bombay to set aside the order passed by the III ad hoc Additional Sessions Judge. Aggrieved by the said order of the ad hoc Additional Sessions Judge, our Company filed a criminal revision application on merits before the High Court of Bombay. Further, pursuant to a High Court of Bombay order, SPPL is under liquidation. The matter is currently pending.

3. Sanjay Kumar Agarwal ("**Complainant**") filed two complaints in the court of Judicial Magistrate of First Class Senior Division at Vashi, Mumbai ("**JMFC**") against Bajaj Finserv Limited, Sanjivnayan Bajaj, Rajivnayan Bajaj, Balaji Rao Jagannathrao Doveton, and others being (i) SCC 10844/2013, alleging defamation in relation to the non-updating of CIBIL records, filed under Section 500 of the IPC; and (ii) SCC 10843/2013, alleging harassment and threats by a collection agent of our Company, filed under Sections 193, 197, 198, 465, 504, 506, 506(ii) and 120B of the IPC. The JMFC found that there were sufficient grounds to proceed against Bajaj Finserv Limited and its directors and issued process only under Section 500 of the IPC in SCC 10844/2013 and Sections 504, 506 and 506(ii) of the IPC in SCC 10843/2013. Bajaj Finserv Limited and its directors filed quashing applications vide criminal revision application nos. 262/14 and 263/14 before the Sessions Court, Thane. The Sessions Court has allowed revision application no. 262/14 and dismissed the revision application No. 263/14. Aggrieved by the said order, Bajaj Finserv Limited and its directors filed criminal application no. 530 of 2016 before the High Court of Bombay which was admitted on August 20, 2019. While the proceedings have been initiated against Bajaj Finserv Limited, the initial loan in respect of which the Complainant alleged harassment, was disbursed by the Company. The matter is currently pending.

4. N. Satyanarayana ("**Complainant**") filed a private complaint before the IV Additional Chief Metropolitan Magistrate ("**Magistrate Court**") seeking to take cognizance of the offences under Sections 120B, 193, 195, 499, 500 and 506 of the IPC against our Company, Sanjivnayan Bajaj and others ("**Respondents**"). However, the Magistrate Court vide its order dated March 4, 2016 took cognizance of the offence under Section 500 of the IPC against only some of the Respondents. Being aggrieved by the order of the Magistrate Court, the Complainant filed Criminal Revision Petition No. 29/2016 before the XIII Additional District and Sessions Judge (F.T.C), Vijayawada ("**Appellate Court**"). The Appellate Court vide its order dated November 10, 2016, allowed the revision petition, set aside the Magistrate Court's order in respect of certain accused and directed the Magistrate Court to take cognizance against them under Section 500 of the IPC. Being further aggrieved by the order of the Appellate Court, the Complainant filed a petition ("**Petition**") before the High Court of Andhra Pradesh ("**High Court**") praying, *inter alia*, to direct the Appellate Court to take cognizance of the offences committed by the Respondents under Sections 109, 120 B, 193, 195, 499, 500 and 506 of the IPC. Separately, our Company filed Criminal Petition No. 5798/2016 before the High Court under Section 482 of the CRPC challenging the proceedings in C.C. No. 180/2016. By its order dated December 22, 2016, the High Court allowed the petition and quashed those proceedings. The High Court disposed of the Petition by an order dated October 12, 2017. The Complainant's review petition was dismissed on February 15, 2017, and his Special Leave Petition No. 3755/2017 was dismissed by the Supreme Court on May 9, 2017.

The Complainant also filed writ petition before the High Court on September 13, 2017, under Article 14, Article 19, Article 21 and violation of human rights seeking directions to register an FIR against certain respondents and file a final report. The High Court disposed of this writ petition on June 25, 2024, in terms of its order dated March 7, 2024 in Writ Petition No. 35174/2017. Subsequently, the Complainant also filed revision petitions in connection with these proceedings. Criminal Revision Petition No. 86/2018 was allowed by the VIII Additional District and Sessions Judge, Vijayawada on January 24, 2024, and Criminal Revision Petition Nos. 88, 89 and 94/2018 were allowed on January 25, 2024, setting aside the respective lower court dismissal orders and directing fresh enquiry. Criminal Revision Petition No. 38/2018 was dismissed on March 20, 2019. By separate orders dated April 24, 2024, in Criminal Petition No. 2768/2024 (arising out of Criminal Revision Petition No. 89/2018) and Criminal Petition No. 2771/2024 (arising out of Criminal Revision Petition No. 88/2018), the High Court granted interim suspension of the respective impugned orders for a period of twelve weeks. The proceeding sheets dated April 24, 2024, in Criminal Petition No. 2769/2024

(arising out of Criminal Revision Petition No. 86/2018) and Criminal Petition No. 2770/2024 (arising out of Criminal Revision Petition No. 94/2018) directed issuance of notice and listing after eight weeks, but did not record any grant of interim suspension. The Complainant filed a petition under Section 319 of CRPC before the Magistrate Court on February 2, 2018 ("**319 Petition**") in C.C. No. 320/2017, seeking to add our Company and certain other persons as accused. This 319 Petition was dismissed by the Magistrate Court by an order dated May 7, 2018; against which the Complainant filed another revision petition before the VII Additional District and Sessions Judge, Vijayawada ("**Sessions Judge**"). The Sessions Judge dismissed the revision petition on March 20, 2019. The matters are currently pending.

5. Vivek Sagar ("**Complainant**") filed an FIR with the Cyber Police Station, Jammu ("**Police Station**") against our Company, Rajeev Jain and certain others, alleging offences in the nature of, *inter alia*, extortion and cheating in connection with a loan availed from our Company under Section 420 of the IPC and Section 66-D of the Information Technology Act, 2000. The Complainant had initially approached the Special Railway Magistrate, Jammu ("**Magistrate**") who by way of an order dated September 2, 2020 dismissed the complaint ("**Order**"). Aggrieved by the Order, the Complainant approached the High Court of Jammu and Kashmir, which by way of an order directed the Police Station to register the FIR. The matter is currently pending.

6. Nafisa Khatoon ("**Complainant**") filed an FIR with Beniapukur Police Station under Sections 506 and 509 of the IPC against a collection agent of Bajaj Finserv Limited in connection with a loan disbursed by our Company. The Complainant alleged that the collection agent of Bajaj Finserv Limited threatened her and outraged her modesty in relation to the repayment of a loan availed by her from the Company. While the proceedings have been initiated against Bajaj Finserv Limited, the loan was disbursed by the Company. The matter is currently pending.

7. Gayatri Devi ("**Complainant**") filed an FIR with Kotwali Police Station against our Company under Sections 420, 467, 468 and 471 of the IPC. The Complainant alleged that our Company fraudulently utilised her KYC documents and forged her signature to disburse a loan to an unknown person, causing monetary loss to the Complainant. The matter is currently pending.

8. Dildar ("**Complainant**") filed an FIR with the Masuri Police Station, Ghaziabad by means of an application under Section 156(3) of the CRPC against our Company and others under Sections 406, 420, 467, 468 and 471 of the IPC. The Complainant alleged that his KYC documents and signature were fraudulently used by our Company to disburse a loan in his name. The Complainant alleged that the loan amount was disbursed to an educational service provider who had approached the Complainant in connection with an online educational course for the Complainant's son. The matter is currently pending.

9. Mukesh Kumar ("**Complainant**") filed a criminal complaint, under Sections 323, 341, 392, 406, 420, 468, and 471 of the IPC, before the Chief Judicial Magistrate, Muzaffarnagar against certain employees of our Company accusing them of, *inter alia*, cheating, robbery and voluntarily causing hurt in connection with a loan availed from our Company. The Complainant alleged that, despite repaying the loan he availed for the purchase of his bike, our Company's employee along with others abused him, assaulted him and wrongfully snatched and sold his bike. The matter is currently pending.

10. Rishikesh ("**Complainant**") filed a criminal complaint ("**Complaint**"), under, *inter alia,* Sections 323, 341/120(B), 392, 384, 420, 406, 468, 469 and 471 of the IPC, before the Chief Judicial Magistrate, Muzaffarpur against Sanjivnayan Bajaj and other employees of our Company accusing them of, *inter alia*, cheating and assault in connection with a loan availed from our Company for the purchase of a bike. The Complainant alleged that his money was embezzled, and his bike was wrongfully snatched, despite making payments. The matter is currently pending.

11. Nitin Kataria ("**Complainant**") filed a complaint with the Station House Officer, Gurugram against our Company, Rajeev Jain, Rajivnayan Bajaj, Balaji Rao Jagannathrao Doveton, Dr. Naushad Darius Forbes, Anami N Roy and others in connection with a loan availed from our Company. The Complainant alleged, *inter alia*, that our Company's employees dishonestly induced him to enter into a loan agreement. Further, the Complainant accused our Company of forging the Complainant's signature and fabricating loan documents. Subsequently, the Complainant filed a complaint before the Deputy Commissioner of Police, Gurugram. Due to inaction by the authorities, the Complainant filed a complaint under Section 200 of the CRPC along with an application ("**Application**") under Section 156(3) before the Chief Judicial Magistrate, Gurugram ("**CJM**"). The CJM dismissed the Application on the grounds that the allegations could not be proved. Aggrieved by the order of the CJM, the Complainant filed a revision petition before Court of the District and Sessions Judge, Gurugram, Haryana. The matter is currently pending.

12. Akhilesh Gupta ("**Complainant**") filed an FIR, against Sunil Goel, Abha Goel and certain employees of our Company, for alleged contravention of Sections 420, 465 and 467 of the IPC. Akhilesh Gupta is a guarantor to the loan availed by Sunil Goel and Abha Goel and due to certain family disputes between Akhilesh Gupta and Sunil Goel and Abha Goel, Akhilesh Gupta has alleged that they along with certain employees of our Company are involved in a criminal conspiracy. The matter is currently pending.

13. Dadasoo Kadam ("**Complainant**") filed an FIR with Khadki Police Station, Pune against an employee of our Company and certain other parties (collectively, "**Parties**"). The Complainant alleged that his KYC documents were fraudulently used by the Parties for availing a loan in the name of the Complainant. The matter is currently pending.

14. Sunika Subhash Sodha ("**Complainant**") filed an FIR with MHB Colony Police Station, Borivali (West) against the employees of our Company. The Complainant had alleged that the employees of our Company had assaulted her and abused her husband, Subhash Sodha, in relation to the repayment of the loan availed by Subhash Sodha from our Company. The matter is currently pending.

15. Mahipal Singh ("**Complainant**") filed a complaint before the Chief Judicial Magistrate, Baghpat against the managing director of our Company and our Company ("**Accused**") for defamation, caused by the acts of the Accused in relation to finance availed from our Company for the purchase of a vehicle. The matter has been stayed by the High Court, Allahabad on May 29, 2014. The matter is currently pending.

16. Nanjappa ("**Complainant**") filed an FIR with the Shivalli Police Station against the employees of our Mandya branch ("**Employees**") under Sections 143, 149, 306 and 504 of the IPC. The Complainant accused the Employees of abetting the suicide of his wife in connection with the repayment of a loan availed by the Complainant from our Company. The matter is currently pending.

17. Arvind Kumar Srivastava ("**Complainant**") filed an FIR dated September 22, 2015 against Anandya Basu, branch manager of our Company and Vishal Mishra, business head of our Company ("**Employees**") before the Judicial Magistrate, Allahabad ("**JM**") under Sections 419, 420, 467, 468 and 471 of the IPC. Arvind Kumar Srivastava alleged that he applied for a loan from our Company but according to the CIBIL report he was shown as a defaulter so the loan was not granted. Arvind Kumar Srivastava submitted fake documents of loan agreements in the FIR. Aggrieved by the FIR, the Employees filed a writ petition before the High Court of Allahabad in 2015 to quash the FIR. The JM has disposed of the matter with the direction that the petitioners shall not be arrested till submission of police report under Section 173(2) of the CRPC. A final report has been filed and the matter is currently pending.

18. Kamlesh Gupta ("**Complainant**") filed an FIR dated January 16, 2026 with Govindgarh Police Station under Sections 305(a) and 331(4) of the BNS, alleging theft of gold and silver ornaments and cash from his residence. During the investigation, the police seized cash amounting to ₹ 0.2 million and the ornaments alleged to have been stolen. Certain gold ornaments were seized from our Company's premises in Rewa. The Complainant filed an application before the Judicial Magistrate of First Class, in Rewa ("**JMFC, Rewa**") under Section 503 of the BNSS seeking interim custody (*supurdagi*) of the seized property. The JMFC, Rewa dismissed the application by an order dated March 2, 2026. Aggrieved by the order, the Complainant filed a criminal revision petition before the Sessions Court, Rewa under Sections 438 and 440 of the BNSS seeking to set aside the order and release the seized property on supurdagi. Our Company has been impleaded as a non-applicant in the revision proceedings. The matter is currently pending.

19. M. Kasiviswanathan ("**Complainant**"), the managing trustee of the 63 Nayanmar Gurupooja Annadhana Chathiram, filed a complaint registered as C.C. No. 497/2019 before the Judicial Magistrate Court No. I, Tirunelveli against our Company's manager and others under Sections 420, 467, 468 and 471 read with Sections 120B and 109 of the IPC. The Complainant alleged that title documents relating to the trust's property were forged and used to create a mortgage by deposit of title deeds in favour of our Company. Our Company filed Crl.O.P.(MD) No. 16954/2025 before the Madras High Court ("**High Court**") seeking quashing of the proceedings under Section 482 CRPC. The High Court vide its order dated October 13, 2025 granted an interim stay of further proceedings in C.C. No. 497/2019. The matter is currently pending.

20. Sagar Arvind Kandesar ("**Complainant**") filed criminal miscellaneous application No. 84/2026 before the Judicial Magistrate First Class, Jaysingpur ("**Court**") against our Company's manager and others under Sections 45 and 46 of the Maharashtra Money-Lending (Regulation) Act, 2014 and Sections 351(2) and 352 of the BNS. The Complainant sought de-freezing of his loan accounts, including seven gold loan accounts maintained with our Company. Our Company filed its response praying that the Court reject the Complainant's de-freezing application and direct that no loan account, pledged gold, or connected asset pertaining to the Company be released or dealt with without prior Court permission and protection of its outstanding dues. The matter is currently pending.

21. Dharmendra Kumar and Aarti filed criminal revision petition No. 462/2025 before the District and Sessions Judge, Kanpur Nagar under Section 438 of the BNSS. They sought to set aside the order dated June 30, 2025 passed by the Additional Chief Judicial Magistrate, Kanpur Nagar directing release of frozen funds amounting to ₹2.9 million in favour of our Company in criminal complaint No. 294/2024, registered with Gujaini Police Station under Sections 316(2), 318(4), 352 and 61(2) of the BNS. The funds represented loan proceeds disbursed by our Company towards the purchase of a property. The matter is currently pending.

22. Atulkumar Babulal Prajapati and Pinal Atulkumar Prajapati ("**Petitioners**") filed special criminal application of 2026 before the High Court of Gujarat ("**High Court**") under Articles 226 and 227 of the Constitution of India read with Section 528 of the BNSS, seeking to set aside the order dated October 29, 2025 passed by the 22nd Additional Chief Judicial Magistrate, Ahmedabad City in criminal miscellaneous application No. 9024/2025 under Section 14 of the SARFAESI Act, directing physical possession of the mortgaged property, and the consequential possession notice

dated June 19, 2026. The mortgaged property of the Petitioners secured two home loans of ₹2.2 million and ₹6.3 million granted by our Company, which classified the loan accounts as non-performing assets on April 9, 2025, following repayment defaults and issued a demand notice under Section 13(2) of the SARFAESI Act on May 16, 2025, demanding ₹ 8.8 million. Our Company took symbolic possession under Section 13(4) of the SARFAESI Act on July 29, 2025 and subsequently obtained the order dated October 29, 2025 for taking physical possession through the Court Commissioner .

The Petitioners alleged that the Court Commissioner was appointed without assessing her competence and that the statutory requirements under Section 14 of the SARFAESI Act were not complied with. The Petitioners had also approached the Debts Recovery Tribunal-I, Ahmedabad ("**DRT**") in Securitisation Application No. 369/2025. By its order dated February 11, 2026, the DRT disposed of that application, directing the Petitioners to pay the outstanding dues of ₹ 6.7 million by May 25, 2026, including ₹ 0.5 million by February 14, 2026 and the remaining dues in two equal instalments. Our Company submitted an affidavit in reply dated August 25, 2026 refuting these allegations, defending the appointment and stating that the Petitioners had failed to comply with the DRT's payment directions. Our Company also sought dismissal of the petition, citing the statutory remedy available before the DRT. By an ex parte interim order dated June 25, 2026, the High Court stayed the execution, implementation and operation of the order dated October 29, 2025 and the consequential possession notice dated June 19, 2026. Our Company subsequently filed a criminal miscellaneous application seeking vacation of the interim stay. The matter is currently pending.

23. Sumam Thomas ("**Complainant**") filed a criminal miscellaneous petition No. 2943/2023 in miscellaneous case No. 340/2022 before the Chief Judicial Magistrate, Kottayam ("**CJM**"), under Section 340 of the CRPC against Jincy, an authorised officer of our Company, alleging offences under Sections 191, 192, 196, 199, 200 and 464 of the IPC. The Complainant has alleged that the authorised officer filed a false affidavit and documents in proceedings under Section 14 of the SARFAESI Act to obtain possession of her property, including by incorrectly classifying the loan account as a non-performing asset, altering the interest rate and loan tenure, and suppressing repayments and her response to the demand notice. By an order dated November 30, 2024, the CJM allowed the application, finding prima facie grounds to proceed, and directed the Chief Ministerial Officer of the court to lodge a complaint before the Judicial First Class Magistrate-I, Kottayam. The authorised officer challenged the order before the High Court of Kerala in Crl. M.C. No. 6890/2025. The High Court granted interim protection against the lower court proceedings and, by an order dated July 20, 2026, extended the interim order by four months. The matter is currently pending.

24. Sunil Laxmanrao Yadav ("**Complainant**") lodged a complaint pursuant to which an FIR dated December 23, 2025 was registered with Peth Beed Police Station under Section 318(4) of the BNS against Vilas Madhukar Yelpale ("**Applicant**") in connection with a transaction involving gold ornaments pledged with our Company's Beed-Barshi Road branch. The Applicant alleged that, despite his offer to repay the outstanding loan amount in July 2026, our Company refused to release the pledged gold ornaments, citing directions from the investigating officer not to return the property without prior consent. The Applicant filed Criminal Miscellaneous Application No. 827 of 2026 before the Judicial Magistrate of First Class, Beed ("**JMFC, Beed**") under Sections 497, 503 and 507 of the BNSS seeking return of the pledged gold ornaments or, alternatively, a direction restraining our Company from levying further interest on the loan account until disposal of the trial. The matter is currently pending.

25. Rangaswamy Mudalagiri Gouda ("**Complainant**") filed a complaint against the managers of our Company in Bengaluru and Hasan before Arasikere Court, Hasan under Sections 34, 379 and 420 of the IPC alleging the theft of vehicle for non-payment of balance amount. The Principal Civil Judge and JMFC disposed of the case and directed the registration of a criminal case against the managers of our Company under Section 379 of the IPC. The matter is currently pending.

26. Budha Singh ("**Complainant**") filed a complaint before the Additional Chief Judicial Magistrate ("**Magistrate Court**") against an employee of our Company's branches in Akurdi and Ajmer alleging forceful and illegal possession of his vehicles by the collection agents of our Company for offences punishable under Sections 34, 120B, 341, 382, 406 and 420 of the IPC. The Magistrate court had directed the concerned police station to file a FIR and submit a final investigation report. Being aggrieved by the final report, the Complainant filed a protest petition with the Magistrate Court which was dismissed. Being aggrieved by the dismissal order, the Complainant filed a criminal miscellaneous petition before the High Court of Rajasthan ("**Court**") for setting aside the dismissal order of the Magistrate Court. The Court allowed the petition and directed the Complainant to appear before the lower court and adduce additional evidence. The matter is currently pending.

27. Sumati Mohanty ("**Complainant**") filed a police station case against Sudarshan Swain, an employee of our Company, for alleged contravention of Section 392 of the IPC. Sumati Mohanty alleged that her vehicle was forcefully and illegally repossessed by the agents of our Company. Subsequently, Sudarshan Swain filed a criminal application before the High Court of Orissa, Cuttack to quash the order of cognizance taken for commission of offence passed in government record arising out of police station case. As per interim order from the High Court of Orissa, Cuttack, further proceedings in government record case pending before the learned Sub- Divisional Judicial Magistrate of Bhubaneshwar, is stayed till the next listing. The matter is currently pending.

28. Pranjit Borah ("**Complainant**") filed an FIR with the Police Station of Dispur against Rubul Das, Kamal Baishya, Rajib Baruah, Ratan and employees of our Company ("**Employees**") for offences under Sections 406 and 420 of the

IPC. The Complainant alleged that employees of our Company induced him to take a vehicle loan by representing that the loan amount need not be repaid and that he would receive ₹0.05 million in return, induced him to sign loan documents under false pretences and cheated him. The Complainant further alleged that despite repaying the loan instalments, employees of our Company violently threatened him and his guarantor, Dhoijya Kalita. The matter is currently pending.

29. Jyoti Barman ("**Complainant**") filed an FIR with the Police Station of Dispur against Rubul Das, Kamal Baishya, Rajib Baruah, Ratan Laishram, workers and employees of our Company under Sections 406 and 420 of the IPC. Jyoti Barman alleged that employees of our Company cheated her by fraudulently creating a vehicle loan in his name and misappropriating the financed vehicle, leaving him liable for EMI repayments. Thereafter, Ratan Laishram filed an anticipatory bail application before the District and Sessions Court, Guwahati for the grant of an anticipatory bail and the same was granted. The matter is currently pending.

30. Our Company and its debt management and recovery personnel have been named in criminal complaints filed by borrowers under, inter alia, Sections 499, 500, 503, 506, 504, 441, 447, 323, 325, 351 and 352 of the IPC and Sections 356, 351 and 352 of the BNS in connection with debt management and recovery actions undertaken by our Company. The borrowers have alleged, *inter alia*, excessive follow-ups, visits to customer premises, use of abusive language, defamation, criminal intimidation, criminal trespass, assault and use of force. As of the date of this Preliminary Placement Document, 89 such matters are pending before various courts and police authorities.

31. Our Company and its officials have been named in criminal complaints filed by borrowers under, inter alia, Sections 415, 420, 405, 406, 463, 465, 468 and 471 of the IPC and Sections 318, 316, 335 and 336 of the BNS in connection with loan transactions entered into with our Company. The borrowers have alleged, *inter alia*, non-disclosure or misrepresentation of loan terms, interest rates, charges or applicable loan schemes, denial of execution of loan documents, cheating, criminal breach of trust and forgery. As of the date of this Preliminary Placement Document, 54 such matters are pending before various courts and police authorities.

32. Certain borrowers have filed revision or quashing petitions against proceedings and appeals against convictions in certain criminal complaints filed by our Company against borrowers under, inter alia, Sections 418, 420, 406 and 506 read with Section 120B of the IPC, Section 138 of the Negotiable Instruments Act, 1881 in connection with loan defaults and dishonour of cheques or electronic payment mandates under Section 25 of the Payment and Settlement Systems Act, 2007. As of the date of this Preliminary Placement Document, 15 such matters are pending before various High Courts and Sessions Courts.

33. Our Company and its officials, including recovery personnel, have been named in criminal complaints filed by borrowers under, inter alia, Sections 323, 341, 392, 504 and 506 read with Section 34 of the IPC and Sections 173(4), 175(3), 223, 438 and 440 of the BNSS in connection with vehicle repossessions undertaken in the ordinary course of our Company's vehicle financing and recovery business. The borrowers have alleged, *inter alia*, forcible or wrongful repossession or sale of vehicles, excess recovery demands, assault, abuse and threats. As of the date of this Preliminary Placement Document, 10 such matters are pending before various courts.

34. Our Company has received summons in criminal proceedings pending before various courts. However, copies of the underlying petitions or complaints have not been received by our Company. Accordingly, details of the allegations and reliefs sought in these proceedings are presently unavailable. As of the date of this Preliminary Placement Document, there are 5 such matters pending before various courts.

35. Our Company has been intimated of criminal proceedings pending before various courts. However, our Company has not yet received summons from the relevant courts in these matters. As of the date of this Preliminary Placement Document, our Company has received intimations in respect of 2 criminal proceedings before various courts.

36. Our Company and its employees have been named in criminal complaints filed by borrowers under, *inter alia*, Section 406 of the IPC in connection with issuance of NOCs and closure of loan accounts. The borrowers have alleged, *inter alia*, delay or failure in issuance of NOCs, release of charge or closure of loan accounts despite repayment, irregular presentation of post-dated cheques or mandates, and demands for amounts allegedly not due. As of the date of this Preliminary Placement Document, 3 such matters are pending before various courts.

Actions taken by regulatory and statutory authorities

Nil

Economic offences where proceedings have been initiated against our Company

Nil

Material civil/arbitration proceedings

1. Sundeep Polymers Private Limited ("**SPPL**"), a vendor of the Bajaj Auto Limited, supplying plastic moulded components, filed a suit before the Civil Judge, Senior Division, Nagpur against our Company, Bajaj Auto Limited, Rajivnayan Bajaj and three other defendants claiming amongst other things a compensation of ₹ 796.4 million for

alleged wrongful termination of a 'life-time contract' for supply of components and on some other counts. Subsequently, through an amendment, SPPL added ₹ 290.6 million as an additional claim amount. Further, in the affidavit of examination in chief dated October 7, 2013, SPPL increased its claim to ₹ 20,822.7 million. However, in one of SPPL's creditors' suit, SPPL has been ordered to be wound up and SPPL is under liquidation. The case is now transferred to the Company Court, High Court of Bombay from the District Court of Nagpur. The matter is currently pending.

Material tax proceedings

1. The Additional Director General, DGCEI, Zonal Unit, Mumbai ("**DGCEI**"), issued a show cause notice dated October 20, 2015 ("**Show Cause Notice**") to our Company for financial years 2010-2011 to 2014-2015. Subsequently, the Service Tax Department issued a statement of demand dated December 22, 2016 ("**Statement of Demand**") to our Company. The Show Cause Notice raised a service tax demand of ₹3,099.8 million for the stated period of while Statement of Demand raised a service tax demand of ₹3,346.9 million for the period from April 2015 to September 2016. The Show Cause Notice and Statement of Demand alleged that our Company provided "business auxiliary services" under Section 65(105)(zzb) of the Finance Act, 1994 ("**Finance Act**") to manufacturers and dealers of consumer durables by extending zero percent or concessional interest loans to their customers, and that the subvention charges or interest subsidy received as consideration in connection with such loans ("**Charges**") were taxable. Our Company contended that the Charges were not taxable either before or after July 1, 2012 and were covered by the negative list under Section 66D(n) of the Finance Act from that date.

   The Commissioner, Service Tax Commissionerate, Pune by an order dated March 31, 2017 ("**Order**"), confirmed the demands raised in the Show Cause Notices, holding that the Charges had not been declared in our Company's ST-3 returns and were, in substance, consideration for business auxiliary services. The Commissioner also imposed penalties of ₹1,654.8 million under Section 78 of the Finance Act, ₹334.7 million under Section 76 of the Finance Act and demanded interest at the applicable rate under Section 75 of the Finance Act. Aggrieved by the Order, our Company filed an appeal in Form ST-5 before the Customs, Excise and Service Tax Appellate Tribunal, Western Zonal Bench, Mumbai ("**CESTAT**"). Our Company deposited ₹100.0 million under Section 83 of the Finance Act read with Section 35F of the Central Excise Act, 1944 towards the mandatory pre-deposit for filing the appeal. The matter is currently pending.

2. The Principal Commissioner of Central Excise and CGST, Pune-I ("**Principal Commissioner**"), issued a statement of demand dated September 9, 2019, read with a corrigendum dated December 4, 2020 ("**Statement of Demand**"), to our Company, raising a service tax demand of ₹2,172.2 million, inclusive of Swachh Bharat Cess and Krishi Kalyan Cess, for the period from October 2016 to June 2017. Our Company contended that the Charges were in the nature of interest on loans and were covered by the negative list under Section 66D(n)(i) of the Finance Act, and that the Statement of Demand was vague and introduced grounds beyond the scope of the earlier show cause notice.

   The Principal Commissioner, by an order dated January 21, 2021, issued on February 3, 2021 ("**Order**"), confirmed the service tax demand of ₹2,172.2 million, holding that the Charges constituted consideration for services under Section 65B(44) of the Finance Act, taxable under Section 66B, and were not covered by the negative list. The Principal Commissioner also imposed penalties of ₹217.2 million under Section 76(1) and ₹0.01 million under Section 77(2) of the Finance Act and demanded interest at the applicable rates under Section 75 of the Finance Act. Aggrieved by the Order, our Company filed an appeal in Form ST-5 before the Customs, Excise and Service Tax Appellate Tribunal, Western Zonal Bench, Mumbai ("**CESTAT**"). Our Company deposited ₹100.0 million on June 7, 2021, under Section 83 of the Finance Act read with Section 35F of the Central Excise Act, 1944 towards the mandatory pre-deposit for filing the appeal. The matter is currently pending.

3. The Directorate General of GST Intelligence, Kozhikode Regional Unit ("**DGGI**") issued a show cause notice dated August 3, 2024 to our Company ("**Notice**"), proposing a GST demand of ₹3,412.9 million, together with interest and penalty, under Section 74(1) of the Central Goods and Services Tax Act, 2017 ("**Act**") for the period from July 2017 to March 2024. The Notice alleged that our Company had evaded GST by incorrectly treating a fee described as "Upfront Interest" as exempt interest income under Entry 27(a) of Notification No. 12/2017-Central Tax (Rate) dated June 28, 2017, instead of treating it as consideration for a taxable supply of services.

   The Joint Commissioner, Central GST, Pune-II Commissionerate, by an order dated January 21, 2025, as corrected by a corrigendum dated January 30, 2025, by an order dated January 21, 2025 as corrected by corrigendum dated January 30, 2025, the Joint Commissioner, Central GST, Pune-II Commissionerate ("**Order**"), held that the entire consideration received by our Company as "Upfront Charges/Interest" constituted as GST demand amounting to ₹3,412.9 million for the period from 2017-18 to 2023-24 across all 65 GSTINs under Section 74(9) read with Section 74(1) of the Act. The Joint Commissioner also confirmed interest at the applicable rate under Section 50(1) of the Act and a penalty of ₹3,412.9 million under Section 74(9) read with Section 74(1) of the Act along with an interest at the applicable rate under Section 74(1) of CGST Act, 2017. Aggrieved by the Order, our Company filed appeals before the Appellate Authority (Commissioner (Appeals-II), CGST, Pune). The matter is currently pending.

Litigation by our Company

Criminal proceedings

1. As on the date of this Preliminary Placement Document, there are 29,889 criminal complaints filed by our Company aggregating to ₹7,838.5 million before various forums in relation to, inter alia, dishonour of cheques and electronic funds transfer under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007. The matters are at different stages of adjudication and are currently pending.

2. Our Company filed a written complaint with the Viman Tal Police Station, Pune on December 22, 2018 against Rajesh Depura, Arun Patil and Amol Chaturvedi ("**Accused**"). Pursuant to the complaint, FIR bearing C.R. No. 69 of 2019 was registered on February 2, 2019 against the Accused for offences under Sections 406, 408 and 420 read with Section 34 of the IPC. Our Company alleged that the Accused, while employed in its Operations Department, misused their system access and passed unauthorised adjustment entries to divert funds to their own and other customers' loan accounts, resulting in the misappropriation of approximately ₹17.9 million. Our Company subsequently recovered and adjusted the said amount from the Accused and terminated their services. By an order dated February 27, 2019, the 12th Judicial Magistrate, First Class, Pune granted bail to the Accused, subject to certain conditions. The matter is currently pending.

Material civil/arbitration proceedings

Nil

Material tax proceedings

Nil

Litigation involving our Subsidiaries

A. *BHFL*

Criminal proceedings involving BHFL

1. S Venkata Ramanan Srinivasan ("**Complainant**") filed a complaint dated August 10, 2020 before the Chief Judicial Magistrate, Jamshedpur ("**Magistrate**") against our Subsidiary, BHFL, our Director, Rajeev Jain, Bajaj Alliance Life Insurance Co. Ltd., Sanjeev Bajaj and others (collectively, "**Accused**") under Section 156(3) of the CRPC. The Complainant alleged that they were a member of a group insurance scheme issued by the Accused covering the first diagnosis of any critical illness, but their claim was rejected on the ground that the policy had subsequently been revised without informing the Complainant. The Magistrate directed Bistpur Police Station to register the case and conduct an enquiry. Bistpur Police Station registered the case on March 13, 2021 and, upon conclusion of its investigation, issued a final report dated June 24, 2021 stating that the dispute was civil in nature. Aggrieved by the final report, the Complainant filed a protest petition dated August 12, 2021 before the Magistrate. The Magistrate issued summons to the Accused on May 25, 2022. The matter is currently pending.

2. Saravanan Sampath ("**Complainant**") filed an FIR against employees of our Subsidiary, BHFL, alleging that they had enrolled him in the EMI holiday scheme and increased the processing fees and monthly instalments without informing him. The Complainant further alleged that his signature had been forged to show that he had availed an additional loan from BHFL. Pursuant to an order passed by the Judicial Magistrate, Tiruvallur, Tamil Nadu, a first information report dated August 29, 2022 was registered with Pattabiram Police Station under Sections 465, 467, 471, 406 and 420 of the IPC. The matter is currently pending.

3. Rashmi Bhaskaran ("**Complainant**") filed a complaint pursuant to which an FIR under Sections 34, 120B, 409, 420, 465, 467, 468 of the IPC dated January 20, 2024 was registered with Jayanagar Police Station, Bangalore, Karnataka against Sarvartha Kanchan ("**Sarvartha**") and our Subsidiary, BHFL. The Complainant alleged that Sarvartha had made her a co-borrower in respect of a loan availed by Sarvartha from BHFL without her knowledge, forging her signatures leading to the sanction of the loan without her consent. BHFL has been named in the FIR in connection with alleged lapses in contacting the Complainant and processing her KYC while granting the loan. Pursuant to a notice issued by the police under Section 91 of the CRPC seeking information in respect of the FIR, BHFL provided the relevant information to the police. The matter is currently pending.

4. Mallikarjun Rachappa ("**Complainant**") filed a complaint pursuant to which an FIR dated November 15, 2023 was registered with Govindarajanagar Police Station, Bangalore, Karnataka against Shobha, Mallikarjun H and bank employees of our Subsidiary, BHFL. The Complainant alleged that Shobha, after divorcing him, had mortgaged his property to obtain a loan from BHFL by arranging for her brother, Mallikarjun H, to impersonate the Complainant, taking advantage of the similarity in their names. BHFL has been named in the FIR for allegedly failing to verify the details of the borrowers in respect of the loan availed by Shobha. Pursuant to a notice issued by the police under Section 91 of the CRPC seeking information in respect of the FIR, BHFL provided the relevant information to the police. The matter is currently pending.

5. Raghuveer Singh ("**Complainant**") filed an FIR dated March 11, 2024 with Bijainagar Police Station, District Beawar, Rajasthan against our Subsidiary, BHFL and one of our former employees, Ranjeet Singh. The Complainant alleged that the interest rate applicable to a loan availed by him from BHFL had been increased without his knowledge. The Complainant further alleged that Ranjeet Singh had collected the dues owed by him but had not deposited the amounts with BHFL. The matter is currently pending.

6. Dr. Yogita Hulkande ("**Complainant**") filed an FIR No. 1192/2018 dated December 28, 2018 with Pimpri Police Station, Pimpri Chinchwad, Maharashtra against officers of our Company and her husband under Sections 34, 468 and 471 of the IPC, alleging, inter alia, criminal conspiracy and forgery. The FIR was subsequently transferred on jurisdictional grounds to Khadki Police Station and registered as FIR No. 21/2019 dated January 11, 2019. The Complainant alleged that her husband had colluded with officers of our Company and forged her signature to obtain a loan from our Company in connection with her residential property. Subsequently, our Company allocated the Complainant's loan account to our Subsidiary, BHFL pursuant to a service agreement. The matter is currently pending.

7. Rajalakshmi ("**Complainant**"), the wife of our customer, Rajkumar, filed a complaint against our Subsidiary, BHFL. The Complainant alleged that she holds a share and ownership rights of the mortgaged property, but that her husband, Rajkumar, created a mortgage over the property in favour of BHFL without her knowledge or consent. The matter is currently pending.

8. Jhuma Bhattacharyya ("**Complainant**"), a borrower of our Subsidiary, BHFL lodged a complaint pursuant to which FIR No. 69/2024 dated April 22, 2024 was registered at Electronic Complex Police Station against BHFL, against Tuhin Mondal, an Operations Manager of BHFL and other persons, under Sections 420, 406, 465, 468, 471 and 120B of the Indian Penal Code, 1860, in relation to alleged cheating and dishonest inducement to deliver property, criminal breach of trust, forgery, forgery for the purpose of cheating, use of forged documents as genuine and criminal conspiracy. The Complainant alleged that, although she had availed three loans from BHFL, an additional loan account of ₹0.2 million relating to an insurance product had been created in her name without her knowledge or consent, resulting in deduction of a fourth EMI. She further alleged that pages of the loan agreements had been replaced and her signatures forged. Subsequently, Tuhin Mondal filed C.R.R. No. 5098 of 2025 before the High Court at Calcutta seeking quashing/setting aside of G.R. No. 480 of 2024, arising out of the aforesaid police station case, and all orders passed therein. By its order dated September 7, 2026, the High Court extended the interim order previously granted. The matter is currently pending.

9. Jagriti Dubey ("**Complainant**") lodged a complaint dated February 14, 2025 at Para Police Station, Lucknow under Sections 131, 296, 352, and 351(3) of BNS against Utkarsh Tiwari ("**Accused**"), who identified himself as a representative of TeamLease seeking payment of an outstanding instalment. The Complainant alleged that, during a visit to her residence on February 11, 2025, the Accused engaged in lewd and obscene behaviour, verbally abused and threatened her and her husband, Praveen Kumar Dubey, and threatened to kill them before leaving the premises. The complaint was registered as FIR No. 0122/2025 dated February 16, 2025, as a cross-FIR to FIR No. 0107/2025 dated February 12, 2025 lodged by the Accused against the Complainant and her husband, alleging verbal abuse, assault and threats to kill during a recovery visit. The matter is currently pending.

10. M. Latha Reddy ("**Complainant**") filed an FIR No. 191/2025 dated June 18, 2025 with Khairatabad Police Station, Hyderabad against Shashi, a regional sales manager, Sanath and other unknown officials of our Subsidiary, BHFL, under Sections 420 and 468 read with Section 34 of the Indian Penal Code, 1860, alleging cheating and forgery. The Complainant alleged that the officials had offered to consolidate her existing housing loans at a lower interest rate and obtained her and her husband's signatures on blank pages and cheques but subsequently converted the loan into a loan against property carrying a higher interest rate and hidden charges. The Complainant further alleged that her and her husband's signatures on the loan offer letter had been forged and that a forensic examination report dated April 21, 2023 supported these allegations. The matter is currently pending.

11. Niladri Sengupta ("**Complainant**"), a borrower of our Subsidiary , BHFL, lodged a complaint on April 22, 2025 with Khardah Police Station and filed an application under Section 126 of the Bharatiya Nagarik Suraksha Sanhita, 2023 before the Executive Magistrate, Barrackpore, against Sandip Kumar Moitra and Mithun Karmakar, who identified themselves as representatives of our Subsidiary, BHFL, in M.P. Case No. 355/2025. The Complainant alleged that, in connection with demands for loan repayment, the representatives forcibly stopped him, took his motorcycle key and mobile phone, assaulted and verbally abused him, and subsequently visited his residence, assaulted his wife and son and threatened him and his wife. By an order dated May 8, 2025, the Executive Magistrate directed Khardah Police Station to enquire into the matter. A police enquiry report dated June 10, 2025 recorded altercations over payment of monthly instalments and stated that the representatives had not appeared for the enquiry despite being called upon to do so. The matter is currently pending.

Actions taken by regulatory and statutory authorities

Nil

Economic offences where proceedings have been initiated against BHFL

Nil

Material civil/ arbitration proceedings against BHFL

Nil

Material tax proceedings against BHFL

Nil

Criminal proceedings by BHFL

1. As on the date of this Preliminary Placement Document, there are 1,541 complaints filed by BHFL amounting to ₹372.1 million before various forums in relation to, *inter alia*, dishonour of cheques and electronic funds transfer under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007. The matters are at different stages of adjudication and are currently pending.

Material civil/arbitration proceedings involving BHFL

Nil

Material tax litigation by BHFL

Nil

B. *BFSL*

Criminal proceedings against BFSL

Nil

Actions taken by regulatory and statutory authorities

Nil

Economic offences where proceedings have been initiated against BFSL

Nil

Material civil/arbitration proceedings against BFSL

Nil

Material tax proceedings against BFSL

Nil

Criminal proceedings by BFSL

1. Our Subsidiary, BFSL, filed a criminal complaint dated October 6, 2023 before the VI Metropolitan Magistrate, Hyderabad against Praveen Ramprasad Chitlangya ("**Accused**") under Sections 138 and 141 of the Negotiable Instruments Act, 1881 read with Section 200 of the CrPC, claiming an amount of ₹0.8 million. The matter is currently pending.

Litigation involving our Directors

Actions taken by regulatory and statutory authorities

Nil

Litigations or legal action pending or taken against our Promoter by any ministry, department of the Government or any statutory authority in the last three years preceding the year of this Preliminary Placement Document and any direction issued by any such Ministry or Department or statutory authority upon conclusion of such litigation or legal action

Nil

Inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company and Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document

Nil

Prosecutions filed against, fines imposed on, or compounding of offences by our Company and Subsidiaries under the Companies Act, 2013 (the "2013 Act") in the last three years immediately preceding the year of this Preliminary Placement Document

Nil

Material frauds committed against our Company in the last three years, and if so, the action taken by our Company

The Audit Committee of our Company monitors and reviews all the frauds involving an amount of ₹ 10 million or more in accordance with the Reserve Bank of India (Non-Banking Financial Companies – Fraud Risk Management) Directions, 2026. In the last three years and during the half year ended September 30, 2026, the acts of material frauds, i.e. the act of frauds involving an amount of ₹10 million or more are as follows:

S. No.	Period	Details of Fraud	Amount Involved (in ₹ million)	Action taken by our Company	Recovery as of end of September 30, 2026 (in ₹ million)
1.	June 8, 2023	The incidence of fraud was initially detected when the Debt Management Services ("**DMS**") team followed up with customers of two-wheeler auto finance loans for overdue instalments. It was observed that in 266 instances of loan disbursed between November 2021 to January 2023, both customers and vehicles were not traceable. The KYC documents provided were fake and all the loans were booked in the name of fictitious entities. It was observed that all the 266 loans were sourced by Jokhan Lal and Sons (Authorized Service Dealer).	29.5	We have filed a police complaint on April 06, 2023, with the Line Bazar Police station, Jaunpur, Uttar Pradesh and investigation is in process. Process implemented to review and investigate cases of name mismatch/hypothecation mismatch in RC.	12.5
2.	September 29, 2023	The incidence of fraud was initially detected during the follow up for collection of overdue instalments of Loan Against Property ("**LAP**") and business loans. The partners of the borrower firm were not traceable at the address provided in the loan application. It was observed that in 2 instances of loan disbursed between November 2022 to January 2023. The perpetrators initially availed a business loan in the name of their firm, basis which they applied for Loan Against Property ("**LAP**"), for a higher value. The perpetrators provided a forged sale deed of the mortgaged property by forging the e-stamp paper and submitted the same to our Company for availing the loans.	22.2	Police complaint was filed on September 22, 2023, at the Office of DCP North-West District, Delhi, against the perpetrators and investigation is in process. Certified True Copy ("**CTC**") of the sale deed to be taken from sub-registrar office for all cases where sale deed is executed in the last 18 months.	1.4
3.	May 3, 2024	The incidence of fraud was initially detected when the DMS team referred certain consumer durable loans for investigation. It was observed that 588 consumer durable loans availed between August 2021 and March 2024 were procured using suspected fraudulent Aadhaar documents. The dealer, Abdul Basheer Sadhamushen, in collusion with our Company's outsourced agent,	31.1	Our Company filed a police complaint on April 30, 2024, with the Office of the Assistant Commissioner of Police, Central Crime Branch-I, Coimbatore City, and an FIR was registered on June 06, 2024. During the police investigation, the outsourced agent was arrested and remanded to judicial custody. The accused dealer remains absconding and investigation is in process.	16.2

S. No.	Period	Details of Fraud	Amount Involved (in ₹ million)	Action taken by our Company	Recovery as of end of September 30, 2026 (in ₹ million)
		Hari Krishnan S, allegedly created suspected fraudulent Aadhaar documents using the same photograph and fake addresses in KYC records to avail loan disbursements.		Chargesheet filing is in progress and court proceedings are underway. No involvement of our Company's employees was observed during the preliminary investigation. Monitoring at dealer level has been enhanced to increase oversight of dealers with lower penetration of e-KYC, PAN and Account Aggregator ("**AA**") validations	
4.	March 27, 2025	The incidence of fraud was initially detected during monitoring by the Risk Containment Unit ("**RCU**"), wherein certain suspicious customer profiles were referred for investigation. The borrowers were found to be employees of a staffing company and had availed loans using bank statements, KYC records, EPFO records and employment details which had undergone verification during loan processing. It was observed that the borrowers were shown as deputed at a company allegedly operating from Alipur, Delhi; however, physical verification revealed that no office existed at the stated address. Interactions with certain customers revealed that loan applications had been submitted with fraudulent intent using fabricated employment details and supporting documents to create salaried profiles meeting the lending criteria. Salary credits in the applicants' bank statements were unusually high at the time of loan processing and declined significantly after disbursal, indicating suspected manipulation of salary transactions to establish fictitious repayment capacity.	15.1	Our Company lodged a complaint with the police on April 11, 2025, at Subhash Nagar Police Station, New Delhi, and an FIR was registered on August 03, 2025. Police arrested two accused persons and seized cash amounting to ₹0.5 million. The bail applications of the accused were rejected by the Sessions Court and District Court. The seized amount was subsequently recovered and adjusted against the respective loan accounts. During February 2026, an additional charge under Section 120B was invoked and the customers who had availed the loans were also named as accused. Police investigation and court proceedings are in progress. No staff involvement was observed during the investigation. Sourcing through the identified staffing company has been restricted.	0.5
5.	March 30, 2025	The incidence of fraud was initially detected pursuant to a market alert received from the Bengaluru region concerning customers recently employed with certain staffing companies. Investigation revealed that 35 personal loans availed by 20 customers were obtained by creating fictitious salaried profiles using employment details associated with staffing companies. The employment details, bank statements, KYC documents, EPFO records and other supporting documents appeared valid and were verified during loan processing. However, subsequent investigation revealed that the customers were not employed at the entities to which they were purportedly deputed. The deputed companies were found to be non-existent or not operating at the addresses provided in the loan applications. Certain	58.9	Our Company lodged a complaint with the police on April 13, 2025, at Kengeri Police Station, Bengaluru, and an FIR was registered on August 08, 2025. Police arrested three accused persons, who were subsequently released on bail. One accused person remains absconding and further investigation is in process. Police filed a chargesheet during April 2026 and court proceedings are underway. No staff involvement was observed during the investigation. Sourcing through the identified staffing companies has been restricted.	5.9

S. No.	Period	Details of Fraud	Amount Involved (in ₹ million)	Action taken by our Company	Recovery as of end of September 30, 2026 (in ₹ million)
		customers had also rented residential properties for a short duration to facilitate address verification and vacated the premises shortly after loan disbursal.			
6.	March 30, 2025	The incidence of fraud was initially detected during post-disbursal document monitoring, wherein RCs were not available and the concerned loan accounts had been classified as written-off or Stage 3. Investigation revealed discrepancies in customer names and/or hypothecation details in 158 two-wheeler finance loans sourced through a dealer, when compared with records available on the VAHAN portal. It was observed that the assets financed were either sold in cash, financed through other financial institutions or registered in the names of customers different from those in our Company's records. The consistent pattern of customer name and hypothecation mismatches indicated fraudulent practices by the dealer. All the loans were disbursed between 2021 and 2023.	14.6	Our Company filed an FIR on April 17, 2025, at Berhampore Police Station, West Bengal. Subsequently, on December 05, 2025, the court directed the police to re-investigate the matter and police investigation is in process. No staff involvement was observed during the investigation. Enhanced monitoring of Post Disbursement Documents ("**PDD**") pendency has been implemented as an ongoing review process.	0.5
7.	September 27, 2025	The incidence of fraud was initially detected through RCU Early Detection Monitoring, which identified suspicious mortgage loan disbursal patterns at Lalitpur, including handwritten property documents and loan disbursals to bank accounts different from the primary customer bank accounts. During field investigations, customers were either not traceable at the registered addresses, denied availing the loans or were found to have discrepancies in property ownership records. Investigation revealed involvement of employees and external parties, acting in collusion, in the fraudulent sanction and disbursement of loans against fictitious collateral. The perpetrators identified individuals in need of funds, opened bank accounts in their names and used fake property documents where the actual property owners had neither availed loans nor transferred ownership to the borrowers. Loan proceeds were diverted for personal gains after disbursal. A total of 47 mortgage loan accounts sourced between December 2024 and July 2025 were identified as fraudulent.	60.7	Our Company filed a police complaint and an FIR was registered on August 05, 2025, at Lalitpur Police Station, Uttar Pradesh. During the investigation, police arrested multiple accused persons, including employees, outsourced partners, customers and external parties, who were remanded to judicial custody. Further arrests were made during the investigation and court proceedings are ongoing. Several bail and FIR quashing applications filed by the accused were rejected by the court. Police investigation is in process. Enhanced pre-disbursal verification measures were implemented on September 22, 2025, including mandatory online sale deed verification, CTC retrieval through empanelled vendors, indemnity requirements and physical cross-verification of property records at the Sub-Registrar Office ("**SRO**") for identified cases.	5.9
8.	December 10, 2025	The incidence of fraud was initially detected during an internal review at a gold loan branch. Investigation revealed	13.4	Our Company filed a police complaint and an FIR was registered on December 9, 2025, at Alwar Palawat Market Police Station,	12.6

S. No.	Period	Details of Fraud	Amount Involved (in ₹ million)	Action taken by our Company	Recovery as of end of September 30, 2026 (in ₹ million)
		involvement of branch employees and customers, acting in collusion, in replacing original gold ornaments pledged by customers with spurious ornaments. Perpetrators created new gold loan packets for the substituted ornaments and forged auditor signatures to make the transactions appear genuine. It was observed that the accused employees and customers shared close personal relationships, which facilitated the fraud. A total of 30 gold loan accounts disbursed between October 03, 2024, and August 07, 2025, were identified as fraudulent.		Rajasthan. Police arrested three accused persons, including two employees and one customer, on December 20, 2025. The bail applications of all three accused were rejected by the competent court and court proceedings are ongoing. Additional controls implemented include designation of a key custodian during audits, enhanced controls during the tare weight process for release of gold packets, introduction of audit stickers to prevent packet tampering, system-based inventory management and capture of packet numbers against loan accounts for audit trail and monitoring purposes.	
9.	March 24, 2026	The incidence of fraud was detected in gold loan accounts where the ornaments pledged with our Company were alleged to be stolen and belonged to a third party. Investigation revealed that the disputed gold had initially been pledged with another financial institution during 2024 and was subsequently transferred to our Company through a balance transfer transaction in February 2025. A total of 18 loan accounts were identified, of which 16 gold loan accounts were directly linked to the disputed gold collateral. The gold pertaining to these accounts was handed over to the police during February 2026 and no recovery has been made from the customer. No employee involvement was identified during the internal investigation.	10.7	Our Company filed a police complaint on April 04, 2026, and the matter was referred to the law enforcement authorities for investigation. A petition was subsequently filed before the District Court; however, the same was returned as non-maintainable. The matter is under legal process. No employee involvement was observed during the investigation. Physical verification of customer residences by the RCU team prior to loan booking has been implemented for exposures of ₹10 million and above. Customer profiling through Hunter checks has been introduced for exposures of ₹2.5 million and above.	0.01
10.	September 16, 2026	The incidence of fraud was identified through the Early Detection process during monitoring of delinquent accounts. Investigation revealed that the borrower had fraudulently availed loans from multiple financial institutions by mortgaging the same property with our Company, Cholamandalam and ICICI Bank. It was observed that the property offered as collateral had already been encumbered with other lenders and the borrower subsequently availed additional financing against the same property. No direct employee involvement was established during the investigation; however, process lapses were observed as the Credit Manager failed to act upon adverse findings available in the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**") records.	10.3	Our Company filed a police complaint on September 17, 2026, at Rangia Police Station, Assam, and legal recovery proceedings have been initiated. Investigation is in process. No direct employee involvement was established; however, process lapses were identified during the investigation. CERSAI verification has been made mandatory at the loan login stage and prior to final disbursal. Legal Managers are required to verify property ownership and existing liens through online records and upload supporting evidence in the system. The Central Housing Secured Collateral team also conducts online verification of all properties prior to disbursal and, where online validation is unavailable, a CTC is obtained from the SRO.	Nil
11.	September 29, 2026	The incidence of fraud was detected during investigation of	15.3	Filing of a police complaint and FIR with the law enforcement	0.04

S. No.	Period	Details of Fraud	Amount Involved (in ₹ million)	Action taken by our Company	Recovery as of end of September 30, 2026 (in ₹ million)
		gold loan accounts where the accused customer and associated individuals pledged third-party gold with our Company while representing themselves as the beneficial owners. Loans were availed in their own names and in the names of associated staff members. Investigation revealed that the accused and associated persons were operating a pawn broker business and had allegedly pledged gold belonging to third parties with our Company. The accused and associated persons had declared occupations such as architect, farmer and agriculture-related activities; however, investigation revealed their involvement in pawn broking activities. It was observed that they induced members of the public to pledge their gold and avail loans, collected funds from them and subsequently failed to return the pledged gold before absconding. Verification confirmed that the pledged gold was genuine. The total amount involved was ₹15.2 million across 62 gold loan accounts and two linked consumer durable/personal loan accounts.		authorities is in process. Investigation has established involvement of the accused customer and associated persons in pledging third-party gold while misrepresenting ownership of the collateral. Customer profiling through RCU checks has been implemented for exposures of ₹2.5 million and above. Physical verification of the customer's residence and office premises by the RCU team has been made mandatory prior to disbursal for customer exposures of ₹10 million and above.	

Details of default in repayment by our Company of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon.

Nil

Details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of our Company and its future operations

Nil

Details of default in annual filings under the Companies Act, 2013 or rules made thereunder

Nil

Summary of outstanding litigation

Brief details of material outstanding litigation that have been initiated by and against us, which, if they result in an adverse outcome, would materially and adversely affect our operations or the financial position of our Company and Subsidiaries, are set forth below**:**

Particulars	Criminal Proceedings	Proceedings involving economic offences	Material statutory or regulatory proceedings	Material civil/arbitration proceedings	Material tax proceedings	Aggregate amount involved (₹ in million)*
Company						
By the Company	29,890	NA	NA	Nil	Nil	7,838.5
Against the Company	207	Nil	Nil	1	3	36,636.8
BHFL#						
By BHFL	1,541	NA	NA	Nil	Nil	372.1
Against BHFL	11	Nil	Nil	Nil	Nil	Nil
BFSL						
By BFSL	1	NA	NA	Nil	Nil	0.8

Particulars	Criminal Proceedings	Proceedings involving economic offences	Material statutory or regulatory proceedings	Material civil/arbitration proceedings	Material tax proceedings	Aggregate amount involved (₹ in million)*
Against BFSL	Nil	Nil	Nil	Nil	Nil	Nil

* *To the extent quantifiable*

\# *The materiality threshold for outstanding statutory or regulatory proceedings, civil/arbitration proceedings, and tax proceedings for the Material Subsidiary is ₹ 1,075.7 million*

INDEPENDENT AUDITORS

Our Company's current Joint Statutory Auditors, Price Waterhouse LLP, Chartered Accountants and Kirtane & Pandit LLP., are independent joint statutory auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI and have been appointed as the joint statutory auditors of our Company with effect from July 23, 2024, pursuant to the approval of our Shareholders.

With respect to Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 and the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025 included herein, the Joint Statutory Auditors have reported that they applied limited procedures in accordance with professional standards for a review of such Unaudited Consolidated Financial Results. However, their separate report included herein, states that they did not audit and they do not express an opinion on that Unaudited Consolidated Financial Results. Accordingly, the degree of reliance of their report on such information should be restricted in light of the limited nature of the review procedures applied**.**

The Audited Consolidated Financial Statements for the Financial Year 2026 and Audited Consolidated Financial Statements for the Financial Year 2025, included in this Preliminary Placement Document, and the operating effectiveness of the internal financial controls with reference to the consolidated financial statements of our Company as on March 31, 2026 and March 31, 2025, have been audited by our Joint Statutory Auditors, as stated in their reports included in the "***Financial Information***" beginning on page 346.

Deloitte Haskins & Sells LLP, Chartered Accountants and G. M. Kapadia & Co., Chartered Accountants have audited the Audited Consolidated Financial Statements for the Financial Year 2024, which have been included in this Preliminary Placement Document.

GENERAL INFORMATION

- Our Company was incorporated on March 25, 1987 under the Companies Act, 1956 as Bajaj Auto Finance Private Limited. We received a licence to commence NBFC operations in India from the RBI on March 5, 1998. For details of changes in the name, Registered Office and a brief history of our Company, see "***Organisational Structure***" on page 274.

- The CIN of our Company is L65910MH1987PLC042961.

- The Registered Office of our Company is situated at 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India.

- The Equity Shares are listed on BSE and NSE.

- The Issue was authorised and approved by the Board pursuant to a resolution dated October 1, 2026, and by the shareholders of our Company pursuant to a special resolution dated November 2, 2026.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, each on November 11, 2026. We shall apply for the final listing and trading approvals of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection during the Issue Period between 9:30 am to 5:00 pm on any weekday (except Saturdays and public holidays) at our Registered Office.

- Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

- There has been no material change in the financial or trading position of our Company since the date of the Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

- Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 328.

- The Floor Price is ₹992.25 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders of our Company accorded through their resolution passed on November 2, 2026 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.

- R Vijay is the Company Secretary and Compliance Officer of our Company. His details are as follows:

  R Vijay
  3rd Floor, Panchshil Tech Park,
  Viman Nagar, Pune 411 014,
  Maharashtra, India
  Tel: +91 20 7157 6403
  Fax: (020) 7157 6364
  E-mail: vijay.r@bajajfinserv.in

- Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including websites of our Group, would be doing it at their own risk.

FINANCIAL INFORMATION

Financial Statements	Page Nos.
Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026	349
Unaudited Consolidated Financial Results for the quarter and half year September 30, 2025	357
Audited Consolidated Financial Statements for the Financial Year 2026	375
Audited Consolidated Financial Statements for the Financial Year 2025	489
Audited Consolidated Financial Statements for the Financial Year 2024	603

For details in relation to the summary of the financial position of our Company as at and for the quarter and half year ended September 30, 2026 and September 30, 2025 and the last three Financial Years including certain financial information with respect to: (i) total income from operations; (ii) net profit/loss before tax and extraordinary items; (iii) net profit/loss after tax and extraordinary items; (iv) equity share capital; (v) reserves and surplus; (vi) net worth; (vii) basic earnings per share; (viii) diluted earnings per share; (ix) return on net worth; (x) net asset value per share; and (xi) cash flow statements in accordance with Schedule VII of the ICDR Regulations, see "***Selected Financial Information***" on page 30.

Price Waterhouse LLP
Chartered Accountants
252, Veer Savarkar Marg
Shivaji Park, Dadar (West)
Mumbai 400 028

Kirtane & Pandit LLP
Chartered Accountants
30, First Floor, Grover Tower-I
Shivaji Marg, Moti Nagar
Delhi 110 015

Independent Auditors' Review Report on Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026 of Bajaj Finance Limited pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Bajaj Finance Limited,

1. We have jointly reviewed the accompanying unaudited consolidated financial results of Bajaj Finance Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its share of the net profit after tax and total comprehensive income of its associates for the quarter ended September 30, 2026 and the year to date results for the period April 01, 2026 to September 30, 2026, which are included in the accompanying 'Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026', the consolidated statement of assets and liabilities (Balance Sheet) as on that date and the consolidated statement of cash flows for the half year ended on that date (the "Statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), including relevant circulars issued by the Securities and Exchange Board of India (SEBI) from time to time. We have initialed the Statement for identification purposes only.

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act"), the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, 2015 to the extent applicable.

4. The Statement includes the results of the following entities:

   Holding Company
   Bajaj Finance Limited

   Subsidiaries
   i. Bajaj Housing Finance Limited
   ii. Bajaj Financial Securities Limited

   Associates
   i. Snapwork Technologies Private Limited
   ii. Pennant Technologies Private Limited

Price Waterhouse LLP LLPIN AAS - 3073 Chartered Accountants FRN 301112E/E300264 Pune

KIRTANE & PANDIT LLP FRN 105215W/W100757 Chartered Accountants

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Shivaji Marg, Moti Nagar
Delhi 110 015

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013, the RBI Guidelines and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of Income Recognition, Asset Classification, Provisioning and other related matters, to the extent those are not inconsistent with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

6. The interim financial results of two subsidiaries, included in the Statement, reflect total assets of Rs. 159,276.67 Crore as at September 30, 2026 and total revenues of Rs. 3,618.54 Crore and Rs. 7,002.65 Crore and total net profit after tax of Rs. 821.28 Crore and Rs. 1,586.41 Crore and total comprehensive income of Rs. 815.75 Crore and Rs. 1,592.93 Crore for the quarter ended September 30, 2026 and for the period from April 01, 2026 to September 30, 2026, respectively, and cash flows (net) of Rs. (111.13) Crore for the period from April 01, 2026 to September 30, 2026, as considered in the Statement. These interim financial results have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion on those financial results, have been furnished to us by the Holding Company's Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matter.

7. The Statement includes the Group's share of net profit after tax of Rs. 3.73 Crore and Rs. 8.84 Crore and total comprehensive income of Rs. 3.73 Crore and Rs. 8.76 Crore for the quarter ended September 30, 2026 and for the period from April 01, 2026 to September 30, 2026, respectively, as considered in the Statement, in respect of two associates, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Holding Company's Management, these interim financial information are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse LLP
Firm Registration Number: 301112E/E300264
Chartered Accountants

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522YIXHLP7336
Place: Pune
Date: October 19, 2026

For Kirtane & Pandit LLP
Firm Registration Number: 105215W/W100057
Chartered Accountants

Chirag Garg
Partner
Membership Number: 540579
UDIN: 26540579BLOEJU5469
Place: Pune
Date: October 19, 2026

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026

Consolidated Statement of Profit and Loss

(₹ in crore)

	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2026 (Unaudited)	30.06.2026 (Unaudited)	30.09.2025 (Unaudited)	30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
1	**Income**						
	(a) Revenue from operations						
	Interest income	21,936.39	20,512.73	17,795.97	42,449.12	34,940.62	72,776.01
	Fees and commission income	2,366.03	2,378.69	1,780.00	4,744.72	3,563.95	7,754.39
	Net gain on fair value changes	65.37	94.40	94.77	159.77	320.07	471.24
	Sale of services	6.00	3.25	3.26	9.25	13.03	15.71
	Income on derecognised (assigned) loans	62.99	34.39	193.45	97.38	284.97	465.46
	Other operating income	109.59	141.99	122.97	251.58	240.45	499.57
	Total revenue from operations	24,546.37	23,165.45	19,990.42	47,711.82	39,363.09	81,982.38
	(b) Other income	29.45	0.97	1.96	30.42	5.72	7.12
	Total income	**24,575.82**	**23,166.42**	**19,992.38**	**47,742.24**	**39,368.81**	**81,989.50**
2	**Expenses**						
	(a) Finance costs	8,601.73	7,942.09	7,010.60	16,543.82	13,927.46	28,665.95
	(b) Fees and commission expense	1,009.33	1,053.44	835.72	2,062.77	1,603.21	3,658.10
	(c) Impairment on financial instruments	2,166.09	1,993.44	2,080.36	4,159.53	4,049.27	9,481.85
	(d) Employee benefits expense	2,690.61	2,644.83	2,154.46	5,335.44	4,257.02	8,978.53
	(e) Depreciation and amortisation expenses	321.07	287.55	258.06	608.62	509.55	1,008.98
	(f) Other expenses	1,253.52	1,101.18	1,048.35	2,354.70	2,050.63	4,130.68
	Total expenses	**16,042.35**	**15,022.53**	**13,387.55**	**31,064.88**	**26,397.14**	**55,924.09**
3	Share of profit/(loss) from associates	3.73	5.11	3.30	8.84	4.04	16.46
4	**Profit before exceptional items and tax (1-2+3)**	**8,537.20**	**8,149.00**	**6,608.13**	**16,686.20**	**12,975.71**	**26,081.87**
5	Exceptional Items - Charge of New Labour Codes (refer note no.8)	-	-	-	-	-	(265.22)
6	**Profit before tax (4+5)**	**8,537.20**	**8,149.00**	**6,608.13**	**16,686.20**	**12,975.71**	**25,816.65**
7	Tax expense						
	(a) Current tax						
	-Current year	2,189.31	2,442.67	1,551.07	4,631.98	3,408.84	6,874.08
	-Earlier years	(0.42)	-	(0.24)	(0.42)	(0.24)	0.08
	(b) Deferred tax (credit)/charge	(18.26)	(374.27)	109.54	(392.53)	(145.94)	(389.87)
	Total tax expense	2,170.63	2,068.40	1,660.37	4,239.03	3,262.66	6,484.29
8	**Profit after tax (6-7)**	**6,366.57**	**6,080.60**	**4,947.76**	**12,447.17**	**9,713.05**	**19,332.36**
9	**Other comprehensive income**						
	(a) Items that will not be reclassified to profit or loss						
	-Remeasurement gains/(losses) on defined benefit plans	18.92	(11.56)	(50.94)	7.36	(57.76)	35.38
	-Tax impact on above	(4.76)	2.91	12.82	(1.85)	14.54	(8.91)
	-Net remeasurement gains/(losses) on defined benefit plans - Share of associates	-	(0.09)	(0.03)	(0.09)	(0.05)	(0.15)
	-Changes in fair value of fair value through OCI (FVOCI) equity instruments	(2.80)	41.70	16.08	38.90	1.25	(20.71)
	-Tax impact on above	0.39	(5.96)	(2.30)	(5.57)	(0.18)	2.95
	(b) Items that will be reclassified to profit or loss						
	-Changes in fair value of FVOCI debt securities	(272.33)	234.23	(232.43)	(38.10)	(97.72)	(408.74)
	-Tax impact on above	68.55	(58.96)	58.50	9.59	24.60	102.88
	-Net other adjustments - Share of associates	-	-	(0.12)	-	(0.15)	(0.02)
	-Cash flow hedge reserve	172.06	(10.60)	(0.17)	161.46	(4.85)	286.30
	-Tax impact on above	(43.30)	2.66	0.04	(40.64)	1.22	(72.06)
	-Cost of hedging reserve	12.20	(16.51)	0.93	(4.31)	9.97	14.84
	-Tax impact on above	4.41	11.56	2.49	15.97	2.52	7.72
	Total other comprehensive income, net of tax	(46.66)	189.38	(195.13)	142.72	(106.61)	(60.52)
10	**Total comprehensive income for the period (8+9)**	**6,319.91**	**6,269.98**	**4,752.63**	**12,589.89**	**9,606.44**	**19,271.84**
	Profit after tax for the period attributable to						
	Owners of the Company	6,266.20	5,985.75	4,875.36	12,251.95	9,574.97	19,017.39
	Non-controlling interest	100.37	94.85	72.40	195.22	138.08	314.97
	Other comprehensive income for the period attributable to						
	Owners of the Company	(46.17)	188.00	(193.38)	141.83	(105.37)	(58.20)
	Non-controlling interest	(0.49)	1.38	(1.75)	0.89	(1.24)	(2.32)
	Total comprehensive income for the period attributable to						
	Owners of the Company	6,220.03	6,173.75	4,681.98	12,393.78	9,469.60	18,959.19
	Non-controlling interest	99.88	96.23	70.65	196.11	136.84	312.65
11	Paid-up equity share capital (Face value of ₹ 1)	622.39	622.09	621.51	622.39	621.51	621.79
12	Other equity				122,557.36	102,591.96	113,377.23
13	Earnings per share (not annualised)						
	Basic (₹)	10.07	9.62	7.85	19.69	15.41	30.60
	Diluted (₹)	10.05	9.60	7.83	19.64	15.37	30.51

PriceWaterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Pune

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

BAJAJ FINANCE LTD

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026

Notes:

1 Disclosure of consolidated statement of assets and liabilities (Balance Sheet) as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in crore)

	Particulars	As at 30.09.2026 (Unaudited)	As at 30.09.2025 (Unaudited)	As at 31.03.2026 (Audited)
A	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	1,815.11	1,681.40	1,896.90
	(b) Bank balances other than cash and cash equivalents	13,762.89	10,319.32	13,858.42
	(c) Derivative financial instruments	2,831.67	800.72	2,391.86
	(d) Trade receivables	2,145.90	1,631.26	1,908.08
	(e) Loans	574,174.44	452,526.98	498,943.54
	(f) Investments	31,744.03	33,750.91	30,577.80
	(g) Other financial assets	5,605.73	3,445.55	4,300.41
	Sub-total - Financial assets	**632,079.77**	**504,156.14**	**553,877.01**
2	**Non-financial assets**			
	(a) Current tax assets (net)	265.85	273.07	229.59
	(b) Deferred tax assets (net)	1,928.93	1,328.91	1,560.07
	(c) Property, plant and equipment	3,279.31	2,665.37	2,851.06
	(d) Capital work-in-progress	75.74	33.39	61.83
	(e) Intangible assets under development	172.40	105.27	57.58
	(f) Goodwill	3.27	3.27	3.27
	(g) Other intangible assets	966.88	977.83	1,092.23
	(h) Other non-financial assets	670.37	417.51	219.72
	Sub-total - Non-financial assets	**7,362.75**	**5,804.62**	**6,075.35**
	Total - Assets	**639,442.52**	**509,960.76**	**559,952.36**
B	**Liabilities and equity**			
	Liabilities			
1	**Financial liabilities**			
	(a) Derivative financial instruments	467.00	29.76	61.58
	(b) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	2.85	2.60	0.91
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,545.59	2,051.62	2,103.62
	(c) Other payables			
	Total outstanding dues of micro enterprises and small enterprises	2.17	3.26	0.33
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,233.70	895.17	1,173.47
	(d) Debt securities	244,830.95	187,447.84	193,131.90
	(e) Borrowings (other than debt securities)	186,672.39	137,174.03	170,642.53
	(f) Deposits	69,753.70	69,765.81	68,532.75
	(g) Subordinated debts	724.82	3,013.25	2,805.31
	(h) Other financial liabilities	4,019.94	2,032.88	2,796.16
	Sub-total - Financial liabilities	**510,253.11**	**402,416.22**	**441,248.56**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	1,123.26	948.17	260.24
	(b) Provisions	961.27	578.39	748.94
	(c) Other non-financial liabilities	739.62	419.61	709.08
	Sub-total - Non-financial liabilities	**2,824.15**	**1,946.17**	**1,718.26**
3	**Equity**			
	(a) Equity share capital	622.39	621.51	621.79
	(b) Other equity	122,557.36	102,591.96	113,377.23
	Equity attributable to owners of the Company	**123,179.75**	**103,213.47**	**113,999.02**
	(c) Non-controlling interest	3,185.51	2,384.90	2,986.52
	Sub-total - Total equity	**126,365.26**	**105,598.37**	**116,985.54**
	Total - Liabilities and equity	**639,442.52**	**509,960.76**	**559,952.36**

PriceWaterhouse LLP LLPIN AAS - 3673 Chartered Accountants FRN 301112E/E300264 Pune

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Limited

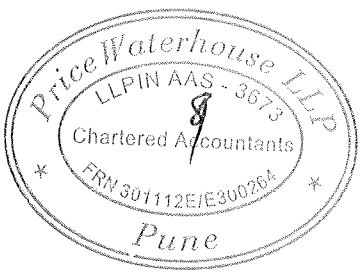
Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026

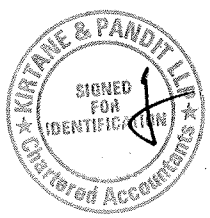
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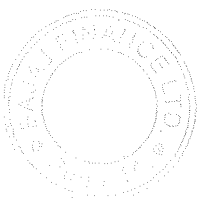
2 Disclosure of consolidated statement of cash flows as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in crore)

	Particulars	Half year ended		Year ended
		30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
A.	**Operating activities**			
	Profit before tax	**16,686.20**	**12,975.71**	**25,816.65**
	Adjustments for:			
	Interest income	(42,449.12)	(34,940.61)	(72,776.01)
	Depreciation and amortisation expenses	608.62	509.55	1,008.98
	Impairment on financial instruments (Gross of recoveries)	4,636.68	4,388.96	10,281.50
	Net loss on disposal of property, plant and equipment and other intangible assets	22.72	7.92	18.34
	Finance costs	16,543.82	13,927.47	28,665.95
	Share based payment expenses	225.58	224.80	439.60
	Net gain on fair value changes	(159.77)	(320.06)	(471.24)
	Service fees for management of assigned portfolio of loans	(9.25)	(13.03)	(15.71)
	Income on derecognised (assigned) loans	(97.38)	(284.97)	(465.46)
	Dividend income	(0.52)	(1.14)	(1.14)
	Share of (profit)/loss from associates	(8.84)	(4.04)	(16.46)
		(4,001.26)	**(3,529.44)**	**(7,515.00)**
	Cash inflow from interest on loans	41,273.72	33,900.50	70,393.75
	Cash inflow from interest on investments	1,119.18	1,437.56	2,947.54
	Cash inflow from servicing of assigned loans	19.79	43.02	51.39
	Cash outflow towards finance cost	(16,280.62)	(11,780.55)	(25,946.79)
	Cash generated from operation before working capital changes	**22,130.81**	**20,071.09**	**39,930.89**
	Working capital changes:			
	(Increase) / decrease in bank balances other than cash and cash equivalents	335.00	(556.43)	(4,124.26)
	(Increase) / decrease in trade receivables	(246.47)	282.58	(52.03)
	(Increase) / decrease in loans	(80,970.92)	(50,127.08)	(103,794.27)
	(Increase) / decrease in investments classified as FVTPL	(2,913.53)	3,164.69	6,212.53
	(Increase) / decrease in other financial assets	(304.09)	3.65	736.52
	(Increase) / decrease in other non-financial assets	(442.18)	(162.14)	33.81
	(Increase) / decrease in derivative financial instruments (net)	(60.31)	36.86	105.12
	Increase / (decrease) in trade payables	443.92	176.18	226.49
	Increase / (decrease) in other payables	62.08	(32.48)	242.89
	Increase / (decrease) in other financial liabilities	850.03	64.86	724.18
	Increase / (decrease) in provisions	213.67	6.25	250.99
	Increase / (decrease) in other non-financial liabilities	29.98	(113.00)	178.19
		(83,002.82)	**(47,256.06)**	**(99,259.84)**
	Income tax paid (net of refunds)	(3,803.29)	(2,352.42)	(6,460.85)
	Net cash used in operating activities (A)	**(64,675.30)**	**(29,537.39)**	**(65,789.80)**
B.	**Investing activities**			
	Purchase of property, plant and equipment and capital work-in-progress	(373.54)	(225.93)	(560.03)
	Sale of property, plant and equipment and other intangible assets	35.52	34.74	65.25
	Purchase of intangible assets and intangible assets under development	(200.89)	(150.25)	(401.07)
	Purchase of investments measured at amortised cost	(50,262.58)	(23,382.55)	(59,340.07)
	Proceeds from liquidation of investments measured at amortised cost	50,285.44	23,446.15	59,446.67
	Purchase of investments classified as fair value through other comprehensive income (FVOCI)	(11,734.50)	(23,699.89)	(44,831.64)
	Proceeds from liquidation of investments classified as FVOCI	13,672.79	21,511.38	42,440.11
	Purchase of equity investments designated under FVOCI	(20.19)	(112.48)	(308.14)
	Proceeds from sale of equity investments designated under FVOCI	42.64	-	99.15
	Dividend received	0.52	1.14	1.14
	Net cash generated from/ (used in) investing activities (B)	**1,445.21**	**(2,577.69)**	**(3,388.63)**







Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026

Notes:

2 Disclosure of consolidated statement of cash flows as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in crore)

	Particulars	Half year ended		Year ended
		30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
C.	**Financing activities**			
	Issue of equity share capital (including securities premium)	295.20	309.42	435.92
	Issue of equity share capital of subsidiary (including securities premium)	1.85	2.55	2.81
	Proceeds from dilution of stake in subsidiary (net of expenses and tax)	-	-	1,380.22
	Share issue expenses	-	(3.49)	(3.47)
	Dividends paid	(3,730.36)	(3,475.82)	(3,476.61)
	Payment of lease liability	(135.49)	(116.44)	(242.53)
	Deposits received / (repaid) (net)	829.09	(2,618.58)	(3,761.08)
	Short term borrowing availed (net)	6,713.26	2,833.31	11,884.78
	Long term borrowing availed	85,245.11	55,339.82	113,336.67
	Long term borrowing repaid	(26,070.36)	(22,116.75)	(52,123.84)
	Net cash generated from financing activities (C)	**63,148.30**	**30,154.02**	**67,432.87**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(81.79)	(1,961.06)	(1,745.56)
	Cash and cash equivalents at the beginning of the period	1,896.90	3,642.46	3,642.46
	Cash and cash equivalents at the end of the period	**1,815.11**	**1,681.40**	**1,896.90**

Components of cash and cash equivalents

(₹ in crore)

Particulars	Half year ended		Year ended
	30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
Cash and cash equivalents comprises of			
Cash on hand	13.17	29.64	10.42
Balance with banks in current accounts	1,801.94	1,651.76	1,886.48
Total	**1,815.11**	**1,681.40**	**1,896.90**

PriceWaterhouse LLP LLPIN AAS - 3673 Chartered Accountants FRN 301112E/E300264 Pune

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2026

Notes:

3 The consolidated financial results of Parent and its subsidiaries (collectively referred as 'Group') and its associates, include the result of the Company and following entities:

	Consolidated as
Bajaj Housing Finance Ltd. (BHFL)	Subsidiary
Bajaj Financial Securities Ltd. (BFinsec)	Subsidiary
Snapwork Technologies Pvt. Ltd.	Associate
Pennant Technologies Pvt. Ltd.	Associate

4 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 19 October 2026 and subjected to limited review by joint statutory auditors, pursuant to regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial results have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other recognised accounting practices generally accepted in India along with the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) and the National Housing Bank (NHB) from time to time.

These financial results are available on the website of the Company viz. www.bajajfinserv.in/corporate-bajaj-finance and on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

5 On 23 March 2026, the Board of Directors of the Company had approved issue of 3,472,439 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 7 April 2026, the Allotment committee allotted the equity shares.

6 The shareholders of the Company had approved a final dividend of ₹ 6 per equity share for the year ended 31 March 2026 at its 39th Annual General Meeting held on 30 July 2026.

7 The Board of Directors, at its meeting held on 1 October 2026 has approved raising of capital through a Qualified Institutions Placement (QIP) for an aggregate amount not exceeding ₹ 11,700 crore by issue of equity shares of face value of ₹ 1 each and Preferential Issue (PI) of warrants convertible into equivalent number of equity shares to Bajaj Finserv Ltd., the promoter and holding Company, for an aggregate amount not exceeding ₹ 5,800 crore in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, the Companies Act, 2013, and the rules made thereunder.

The above proposals are subject to regulatory/statutory approvals as may be required , including approval of the shareholders of the Company.

8 On 21 November 2025, the Government of India has notified four new Labour Codes by consolidating 29 existing labour laws. These changes have resulted in an estimated increase in the past service cost of gratuity by ₹ 265.22 crore. Considering that the impact arising out of an enactment of the new legislation is a non-recurring event, the Company has presented this one-time charge under "Exceptional Item".

9 All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during the half year ended 30 September 2026 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in their respective information memorandum. Until 20 November 2020, the Company had mortgaged its Chennai's office on pari passu charge against specific debentures issued till that date. Further, the Company and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

10 The Company and one of its subsidiary viz. BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

One of the subsidiary viz. BFinsec is engaged in the business of providing stock broking and depository participant services in India. Since, this segment does not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, it has not been considered for segment reporting.

11 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

12 The Company has designated an exclusive email ID viz. investor.service@bajajfinserv.in for investor grievance redressal.

By order of the Board of Directors
For **Bajaj Finance Limited**

Rajeev Jain
Vice Chairman & Managing Director
DIN: 01550158

Pune
19 October 2026

CIN : L65910MH1987PLC042961
Registered Office : 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune – 411014
Tel. : 020- 71576403 Fax : 020 71576364
Email : investor.service@bajajfinserv.in | **Website :** https://www.aboutbajajfinserv.com/finance-about-us

Price Waterhouse LLP LLPIN AAS - 3673 Chartered Accountants FRN 301112E/E300264 Pune

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

BAJAJ FINANCE LTD PUNE

Price Waterhouse LLP
Chartered Accountants

252, Veer Savarkar Marg
Shivaji Park Dadar (West)
Mumbai 400 028

Kirtane & Pandit LLP
Chartered Accountants

5th Floor, Wing-A, Gopal House
S. No. 127/1B/1 Kothrud
Pune 411 029

Independent Auditors' Review Report on Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025 of Bajaj Finance Limited pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Bajaj Finance Limited,

1. We have jointly reviewed the accompanying unaudited consolidated financial results of Bajaj Finance Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its share of the net profit after tax and total comprehensive income of its associates, for the quarter ended September 30, 2025 and year to date results for the period April 01, 2025 to September 30, 2025 which are included in the accompanying 'Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025', the consolidated statement of assets and liabilities (Balance Sheet) as on that date and the consolidated statement of cash flows for the half year ended as on that date (the "Statement") being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), including relevant circulars issued by the Securities and Exchange Board of India ("SEBI") from time to time. We have initialed the Statement for identification purposes only.

2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 (the "Act'), read with the relevant Rules issued thereunder, the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time (the "RBI Guidelines"), other accounting principles generally accepted in India, and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations, 2015 including relevant circulars issued by SEBI from time to time and that it has been prepared in accordance with the relevant prudential norms issued by the RBI in respect of Income recognition, assets classification, provisioning and other related matters, to the extent those are not inconsistent with the Indian Accounting Standards prescribed under section 133 of the Act. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





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4. The Statement includes the results of the following entities:

Holding Company
Bajaj Finance Limited

Subsidiaries
i. Bajaj Housing Finance Limited
ii. Bajaj Financial Securities Limited

Associates
i. Snapwork Technologies Private Limited
ii. Pennant Technologies Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013, read with the relevant Rules issued thereunder, the RBI Guidelines and other accounting principles generally accepted in India, and has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, 2015, including relevant circulars issued by SEBI from time to time, and including the manner in which it is to be disclosed, or that it contains any material misstatement, or that it has not been prepared in accordance with the relevant prudential norms issued by the RBI in respect of Income recognition, asset classification, provisioning and other related matters, to the extent those are not inconsistent with the Indian Accounting Standards prescribed under Section 133 of the Act.

6. The interim financial results of two subsidiaries included in the Statement reflect total assets of Rs. 125,733.72 Crore as at September 30, 2025 and total revenues of Rs. 2,998.13 Crore and Rs. 5,827.68 Crore and total net profit after tax of Rs. 689.69 Crore and Rs. 1,313.52 Crore and total comprehensive income of Rs. 672.78 Crore and Rs. 1,302.03 Crore for the quarter ended September 30, 2025 and for the period from April 01, 2025 to September 30, 2025, respectively, and cash outflows (net) of Rs. 124.85 Crore for the period from April 01, 2025 to September 30, 2025. These interim financial results have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion on those financials information, have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

Price Waterhouse LLP LLPIN AAB-3673 Chartered Accountants FRN 301112E/E300264 Mumbai

KIRTANE & PANDIT LLP FRN 105215W/ W100057 Chartered Accountants

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7. The Statement includes the Group's share of net profit after tax of Rs.3.30 Crore and Rs.4.04 Crore and total comprehensive income (net) Rs 3.15 Crore and Rs.3.84 Crore for the quarter ended September 30, 2025 and for the period from April 01, 2025 to September 30, 2025 respectively, in respect of two associates, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

   Our conclusion on the Statement is not modified in respect of the above matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/ E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFEP5737

Place: Pune
Date: November 10, 2025

Price Waterhouse LLP
LLPIN AAS - 3673
Chartered Accountants
FRN 301112E/E300264
Mumbai

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number:105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGW6996

KIRTANE & PANDIT LLP
FRN 105215W/ W100057
Chartered Accountants

Place: Pune
Date: November 10, 2025

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025

Consolidated Statement of Profit and Loss

(₹ in crore)

	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2025 (Unaudited)	30.06.2025 (Unaudited)	30.09.2024 (Unaudited)	30.09.2025 (Unaudited)	30.09.2024 (Unaudited)	31.03.2025 (Audited)
1	**Income**						
	(a) Revenue from operations						
	Interest income	17,795.97	17,144.65	14,987.02	34,940.62	29,036.20	61,163.55
	Fees and commission income	1,780.00	1,783.95	1,426.37	3,563.95	2,950.61	5,982.84
	Net gain on fair value changes	94.77	225.30	148.36	320.07	251.74	539.03
	Sale of services	3.26	9.77	9.17	13.03	37.62	27.13
	Income on derecognised (assigned) loans	193.45	91.52	165.66	284.97	209.39	552.04
	Other operating income	311.45	268.69	354.90	580.14	705.97	1,418.92
	Total revenue from operations	20,178.90	19,523.88	17,091.48	39,702.78	33,191.53	69,683.51
	(b) Other income	1.86	3.86	3.93	5.72	6.19	41.27
	Total income	**20,180.76**	**19,527.74**	**17,095.41**	**39,708.50**	**33,197.72**	**69,724.78**
2	**Expenses**						
	(a) Finance costs	7,011.28	6,917.68	6,149.32	13,928.96	11,833.18	24,770.79
	(b) Fees and commission expense	835.72	767.49	629.24	1,603.21	1,183.48	2,597.66
	(c) Impairment on financial instruments	2,268.75	2,120.21	1,909.08	4,388.96	3,593.76	7,966.03
	(d) Employee benefits expense	2,154.46	2,102.56	1,834.84	4,257.02	3,609.61	7,508.34
	(e) Depreciation and amortisation expenses	258.06	251.49	210.04	509.55	409.85	880.99
	(f) Other expenses	1,047.66	1,001.47	964.86	2,049.13	1,906.98	3,939.15
	Total expenses	**13,575.93**	**13,160.90**	**11,697.38**	**26,736.83**	**22,536.86**	**47,662.96**
3	Share of profit/(loss) from associates	3.30	0.74	3.45	4.04	5.97	17.81
4	**Profit before tax (1-2+3)**	**6,608.13**	**6,367.58**	**5,401.48**	**12,975.71**	**10,666.83**	**22,079.63**
5	Tax expense						
	(a) Current tax						
	-Current year	1,551.07	1,857.77	1,330.20	3,408.84	2,894.47	5,664.86
	-Earlier years	(0.24)	-	-	(0.24)	(3.68)	(275.12)
	(b) Deferred tax (credit)/charge	109.54	(255.48)	57.54	(145.94)	(149.68)	(89.59)
	Total tax expense	1,660.37	1,602.29	1,387.74	3,262.66	2,741.11	5,300.15
6	**Profit after tax (4-5)**	**4,947.76**	**4,765.29**	**4,013.74**	**9,713.05**	**7,925.72**	**16,779.48**
7	**Other comprehensive income**						
	(a) Items that will not be reclassified to profit or loss						
	-Remeasurement gains/(losses) on defined benefit plans	(50.94)	(6.82)	(27.82)	(57.76)	(27.82)	(24.85)
	-Tax impact on above	12.82	1.72	7.01	14.54	7.01	6.25
	-Net remeasurement gains/(losses) on defined benefit plans - Share of associates	(0.03)	(0.02)	(0.02)	(0.05)	(0.04)	(0.32)
	-Net other adjustments - Share of associates	(0.12)	(0.03)	(0.06)	(0.15)	(0.06)	(0.10)
	-Changes in fair value of fair value through OCI (FVOCI) equity instruments	16.08	(14.83)	(25.03)	1.25	(15.33)	(95.49)
	-Tax impact on above	(2.30)	2.12	14.87	(0.18)	13.76	25.22
	(b) Items that will be reclassified to profit or loss						
	-Changes in fair value of FVOCI debt securities	(232.43)	134.71	102.63	(97.72)	142.42	140.79
	-Tax impact on above	58.50	(33.90)	(25.84)	24.60	(35.86)	(35.45)
	-Cash flow hedge reserve	(0.17)	(4.68)	(73.55)	(4.85)	(66.92)	(117.14)
	-Tax impact on above	0.04	1.18	18.51	1.22	16.84	29.48
	-Cost of hedging reserve	0.93	9.04	-	9.97	-	5.99
	-Tax impact on above	2.49	0.03	-	2.52	-	(1.44)
	Total other comprehensive income, net of tax	(195.13)	88.52	(9.30)	(106.61)	34.00	(67.06)
8	**Total comprehensive income for the period (6+7)**	**4,752.63**	**4,853.81**	**4,004.44**	**9,606.44**	**7,959.72**	**16,712.42**
	Profit after tax for the period attributable to						
	Owners of the Company	4,875.36	4,699.61	3,999.73	9,574.97	7,911.71	16,637.82
	Non-controlling interest	72.40	65.68	14.01	138.08	14.01	141.66
	Other comprehensive income for the period attributable to						
	Owners of the Company	(193.38)	88.01	(9.45)	(105.37)	33.85	(67.80)
	Non-controlling interest	(1.75)	0.51	0.15	(1.24)	0.15	0.74
	Total comprehensive income for the period attributable to						
	Owners of the Company	4,681.98	4,787.62	3,990.28	9,469.60	7,945.56	16,570.02
	Non-controlling interest	70.65	66.19	14.16	136.84	14.16	142.40
9	Paid-up equity share capital (Face value of ₹ 1) (refer note no. 5)	621.51	621.24	123.73	621.51	123.73	124.17
10	Other equity				102,591.96	86,679.13	96,568.70
11	Earnings per share (not annualised) (refer note no. 6)						
	Basic (₹)	7.85	7.57	6.47	15.41	12.79	26.89
	Diluted (₹)	7.83	7.55	6.45	15.37	12.76	26.82

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Mumbai

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Ltd.

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025

Notes:

1 Disclosure of consolidated statement of assets and liabilities (Balance Sheet) as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(₹ in crore)

	Particulars	As at 30.09.2025 (Unaudited)	As at 30.09.2024 (Unaudited)	As at 31.03.2025 (Audited)
A	**Assets**			
1	**Financial assets**			
	(a) Cash and cash equivalents	1,681.40	4,604.91	3,642.46
	(b) Bank balances other than cash and cash equivalents	10,319.32	7,754.88	9,901.08
	(c) Derivative financial instruments	800.72	43.71	250.56
	(d) Trade receivables	1,631.26	1,454.88	1,913.11
	(e) Loans	452,526.98	367,491.48	407,844.14
	(f) Investments	33,750.91	31,036.19	34,440.84
	(g) Other financial assets	3,445.55	2,709.93	2,444.99
	Sub-total - Financial assets	**504,156.14**	**415,095.98**	**460,437.18**
2	**Non-financial assets**			
	(a) Current tax assets (net)	273.07	575.13	480.77
	(b) Deferred tax assets (net)	1,328.91	1,168.88	1,141.20
	(c) Property, plant and equipment	2,665.37	2,439.08	2,688.89
	(d) Capital work-in-progress	33.39	29.46	26.74
	(e) Intangible assets under development	105.27	100.27	14.55
	(f) Goodwill	3.27	3.27	3.27
	(g) Other intangible assets	977.83	880.61	1,088.01
	(h) Other non-financial assets	417.51	363.08	246.22
	Sub-total - Non-financial assets	**5,804.62**	**5,559.78**	**5,689.65**
	Total - Assets	**509,960.76**	**420,655.76**	**466,126.83**
B	**Liabilities and equity**			
	Liabilities			
1	**Financial liabilities**			
	(a) Derivative financial instruments	29.76	55.49	37.13
	(b) Trade payables			
	Total outstanding dues of micro enterprises and small enterprises	2.60	1.36	1.80
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,051.62	2,848.46	1,876.24
	(c) Other payables			
	Total outstanding dues of micro enterprises and small enterprises	3.26	3.80	0.42
	Total outstanding dues of creditors other than micro enterprises and small enterprises	895.17	732.04	930.49
	(d) Debt securities	187,447.84	137,635.86	154,639.73
	(e) Borrowings (other than debt securities)	137,174.03	117,439.75	132,102.25
	(f) Deposits	69,765.81	66,130.79	71,403.13
	(g) Subordinated liabilities	3,013.25	3,011.67	3,103.54
	(h) Other financial liabilities	2,032.88	1,750.88	1,948.20
	Sub-total - Financial liabilities	**402,416.22**	**329,610.10**	**366,042.93**
2	**Non-financial liabilities**			
	(a) Current tax liabilities (net)	948.17	1,241.62	100.63
	(b) Provisions	578.39	544.24	514.28
	(c) Other non-financial liabilities	419.61	343.57	532.10
	Sub-total - Non-financial liabilities	**1,946.17**	**2,129.43**	**1,147.01**
3	**Equity**			
	(a) Equity share capital	621.51	123.73	124.17
	(b) Other equity	102,591.96	86,679.13	96,568.70
	Equity attributable to owners of the Company	**103,213.47**	**86,802.86**	**96,692.87**
	(c) Non-controlling interest	2,384.90	2,113.37	2,244.02
	Sub-total - Total equity	**105,598.37**	**88,916.23**	**98,936.89**
	Total - Liabilities and equity	**509,960.76**	**420,655.76**	**466,126.83**

Price Waterhouse LLP LLPIN AAS - 8673 Chartered Accountants FRN 301112E/E300264 Mumbai

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Ltd.

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025

Notes:

2 Disclosure of consolidated statement of cash flows as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements)

(₹ in crore)

	Particulars	Half year ended		Year ended
		30.09.2025 (Unaudited)	30.09.2024 (Unaudited)	31.03.2025 (Audited)
A.	**Operating activities**			
	Profit before tax	**12,975.71**	**10,666.83**	**22,079.63**
	Adjustments for:			
	Interest income	(34,940.61)	(29,036.20)	(61,163.55)
	Depreciation and amortisation expenses	509.55	409.85	880.99
	Impairment on financial instruments	4,388.96	3,593.76	7,966.03
	Net loss on disposal of property, plant and equipment and other intangible assets	7.92	5.26	35.50
	Finance costs	13,928.97	11,833.18	24,770.79
	Share based payment expenses	224.80	200.11	393.98
	Net gain on fair value changes	(320.06)	(251.74)	(539.03)
	Service fees for management of assigned portfolio of loans	(13.03)	(57.06)	(27.13)
	Income on derecognised (assigned) loans	(284.97)	(209.39)	(552.04)
	Dividend income	(1.14)	(1.22)	(1.28)
	Share of (profit)/loss from associates	(4.04)	(5.97)	(17.81)
		(3,527.94)	**(2,852.59)**	**(6,173.92)**
	Cash inflow from interest on loans	33,877.36	27,667.77	58,216.67
	Cash inflow from interest on investments	1,437.62	1,149.80	2,313.47
	Cash inflow from servicing of assigned loans	66.10	37.87	28.58
	Cash outflow towards finance cost	(11,782.05)	(9,892.94)	(22,421.35)
	Cash generated from operation before working capital changes	**20,071.09**	**16,109.91**	**31,963.45**
	Working capital changes:			
	(Increase) / decrease in bank balances other than cash and cash equivalents	(556.43)	(1,195.49)	(3,095.95)
	(Increase) / decrease in trade receivables	282.58	287.95	(206.31)
	(Increase) / decrease in loans	(50,127.08)	(44,976.51)	(89,988.25)
	(Increase) / decrease in investments classified as FVTPL	3,116.92	(371.08)	(1,429.16)
	(Increase) / decrease in other financial assets	3.65	(651.60)	531.57
	(Increase) / decrease in other non-financial assets	(162.13)	(212.58)	(116.70)
	(Increase) / decrease in derivative financial instruments (net)	36.86	14.02	56.54
	Increase / (decrease) in trade payables	176.18	758.54	(186.00)
	Increase / (decrease) in other payables	(32.48)	(33.30)	166.33
	Increase / (decrease) in other financial liabilities	64.86	(101.37)	(7.48)
	Increase / (decrease) in provisions	6.25	94.52	67.31
	Increase / (decrease) in other non-financial liabilities	(113.00)	(151.20)	38.08
		(47,303.82)	**(46,538.10)**	**(94,170.02)**
	Income tax paid (net of refunds)	(2,352.42)	(2,404.85)	(5,947.90)
	Net cash used in operating activities (A)	**(29,585.15)**	**(32,833.04)**	**(68,154.47)**
B.	**Investing activities**			
	Purchase of property, plant and equipment and capital work-in-progress	(225.93)	(262.87)	(584.06)
	Sale of property, plant and equipment and other intangible assets	34.74	19.30	36.39
	Purchase of other intangible assets and intangible assets under development	(150.25)	(207.93)	(497.76)
	Purchase of investments measured at amortised cost	(23,382.55)	(16,596.93)	(27,461.88)
	Proceeds from liquidation of investments measured at amortised cost	23,446.15	16,490.72	27,624.23
	Purchase of investments classified as fair value through other comprehensive income (FVOCI)	(23,699.89)	(8,393.99)	(31,594.18)
	Proceeds from liquidation of investments classified as FVOCI	21,511.38	9,154.77	29,745.96
	Purchase of equity investments designated under FVOCI	(64.72)	(35.00)	(35.00)
	Dividend received	1.14	1.22	1.28
	Net cash generated from/ (used in) investing activities (B)	**(2,529.93)**	**169.29**	**(2,765.02)**

Price Waterhouse LLP LLPIN AAS-[illegible]673 Chartered Accountants FRN 301112E/E300264 Mumbai

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Ltd.

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025

Notes:

2 Disclosure of consolidated statement of cash flows as per Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements)

(₹ in crore)

	Particulars	Half year ended		Year ended
		30.09.2025 (Unaudited)	30.09.2024 (Unaudited)	31.03.2025 (Audited)
C.	**Financing activities**			
	Issue of equity share capital (including securities premium)	311.97	184.59	1,251.44
	Proceeds from dilution of stake in subsidiary (net of IPO expenses)	-	6,510.68	6,460.50
	Share issue expenses	(3.49)	(23.22)	(0.12)
	Dividends paid	(3,475.82)	(2,225.39)	(2,225.24)
	Payment of lease liability	(116.44)	(105.52)	(214.57)
	Deposits received (net)	(2,618.58)	5,227.67	10,527.22
	Short term borrowing availed/(repaid) (net)	2,833.31	(11,759.06)	8,787.63
	Long term borrowing availed	55,339.82	56,708.46	84,967.14
	Long term borrowing repaid	(22,116.75)	(21,284.06)	(39,026.56)
	Net cash generated from financing activities (C)	**30,154.02**	**33,234.15**	**70,527.44**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,961.06)	570.40	(392.05)
	Cash and cash equivalents at the beginning of the period	3,642.46	4,034.51	4,034.51
	Cash and cash equivalents at the end of the period	**1,681.40**	**4,604.91**	**3,642.46**

Components of cash and cash equivalents

(₹ in crore)

Particulars	Half year ended		Year ended
	30.09.2025 (Unaudited)	30.09.2024 (Unaudited)	31.03.2025 (Audited)
Cash and cash equivalents comprises of			
Cash on hand	29.64	38.81	56.81
Balance with banks in current accounts	1,651.76	3,061.92	2,635.07
Fixed deposits (maturity less than 3 months from date of acquisition)	-	1,504.18	950.58
Total	**1,681.40**	**4,604.91**	**3,642.46**

Price Waterhouse LLP LLPIN AAS-3673 Chartered Accountants FRN 301112E/E300264 Mumbai

SIGNED FOR IDENTIFICATION Chartered Accountants

Bajaj Finance Ltd.

Bajaj Finance Limited

Statement of unaudited Consolidated financial results for the Quarter and Half year ended 30 September 2025

Notes:

3 The consolidated financial results of Parent and its subsidiaries (collectively referred as 'Group') and its associates, include the result of the Company and following entities:

	Consolidated as
Bajaj Housing Finance Ltd. (BHFL)	Subsidiary
Bajaj Financial Securities Ltd. (BFinsec)	Subsidiary
Snapwork Technologies Pvt. Ltd.	Associate
Pennant Technologies Pvt. Ltd.	Associate

4 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 10 November 2025 and subjected to limited review by joint statutory auditors, pursuant to regulation 33 and 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. These financial results have been prepared in accordance with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other recognised accounting practices generally accepted in India along with the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) and the National Housing Bank (NHB) from time to time.

These financial results are available on the website of the Company viz. www.bajajfinserv.in/corporate-bajaj-finance and on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com).

5 Pursuant to approval of the members -

i. Authorised share capital of the Company was increased from ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each to ₹ 1,000 crore consisting of 10,000,000,000 equity shares of face value of ₹ 1 each, subsequently 621,428,652 equity shares of face value of ₹ 2 each as on the record date i.e. 16 June 2025 (end of the day), were sub-divided into 1,242,857,304 equity shares of face value of ₹ 1 each; and

ii. On 17 June 2025 (deemed allotment date), the Allotment Committee of the Board of Directors allotted 4,971,429,216 equity shares of face value of ₹ 1 each as bonus shares in the proportion of four bonus equity shares for every one equity share of face value of ₹ 1 held as on the record date i.e. 16 June 2025 (end of day), by capitalising an amount of ₹ 4,971,429,216 out of securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w e.f. 18 June 2025.

iii. Consequently, in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

6 The earnings per share in respect of the previous periods has been restated considering the aforesaid sub-division of shares, allotment of bonus shares and adjustment in respect of outstanding stock options, in line with requirement of Ind AS 33 'Earnings per share'.

7 One of the subsidiary viz. BHFL has reassessed its business model of collecting cash flows on one of its loan products from "Hold to collect & sell" to "Hold to collect" and consequently, with effect from 1 April 2025, has reclassified the balances from Fair Value through Other Comprehensive Income (FVOCI) to Amortised Cost. Such reclassification has no impact on the financial result.

8 The shareholders of the Company had approved a final dividend of ₹ 44 per equity share for the year ended 31 March 2025 at its 38th Annual General Meeting held on 24 July 2025.

9 On 24 July 2025, the Board of Directors of the Company had approved issue of 8,195,345 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 25 August 2025, the Allotment committee alloted the equity shares.

10 All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during the half year ended 30 September 2025 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in their respective information memorandum. Until 20 November 2020, the Company had mortgaged its Chennai's office on pari passu charge against specific debentures issued till that date. Further, the Company and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

11 The Company and one of its subsidiary viz. BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

One of the subsidiary viz. BFinsec is engaged in the business of providing stock broking and depository participant services in India. Since, this segment does not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, it has not been considered for segment reporting.

12 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

13 The Company has designated an exclusive email ID viz. investor.service@bajajfinserv in for investor grievance redressal.

By order of the Board of Directors
For **Bajaj Finance Limited**

Bajaj Finance Ltd.

Pune
10 November 2025

Rajeev Jain
Vice Chairman & Managing Director

CIN : L65910MH1987PLC042961
Registered Office : Akurdi, Pune - 411 035 | **Corporate Office :** 4th Floor, Bajaj Finserv Corporate Office,
Off. Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014 | **Tel. :** 020- 71576403 **Fax :** 020 71576364
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Price Waterhouse LLP LLPIN AAS - 8673 Chartered Accountants FRN 301112E/E300264 Mumbai

KIRTANE & PANDIT LLP SIGNED FOR IDENTIFICATION Chartered Accountants

BAJAJ FINANCE LIMITED 2025-26

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer note no. 2.5 to the consolidated financial statements), which comprise the consolidated balance sheet as at 31 March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2026 and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report on the standalone financial statements of the Holding Company.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2026, the outstanding balances of loans granted by the Company aggregated to ₹ 376,792.12 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 9,566.16 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), loss given default ('LGD') and exposure at default (Expected Balance at Default together with expected drawdown from committed lines) ('EAD'), staging of loans, etc.	The procedures performed by us included the following: • Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.; ii. Completeness and accuracy of source data used by the Management in the ECL computation; iii. Approval of changes to ECL methodology and models through the Company's governance framework; and iv. Computation of ECL.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	• Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments'; • With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company; • Tested, on a sample basis, the completeness and accuracy of the source data used; • Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year. The Company also upgraded its general ledger application during the year and migrated its data to the newer version. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	The procedures performed by us included the following: • Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting. • Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company. • On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: i. Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured; ii. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorise personnel; iii. Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; and from legacy to newer version of its general ledger application;

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
	iv. IT operations, which includes job scheduling, monitoring, data backup and recovery; v. Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS; and from legacy to newer version of its general ledger application. • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/or performed alternative audit procedures, where necessary.

5. The following key audit matters was included in the audit report issued by the joint auditors, Singhi & Co. and Mukund M. Chitale & Co., of Bajaj Housing Finance Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Allowances for expected credit loss (ECL): Allowances for expected credit losses ('ECL'): As at 31 March 2026, the carrying value of loan assets aggregated ₹ 123,745.05 crore (net of allowance for expected credit loss ₹ 730.00 crore) constituting approximately 97% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on loan assets is a critical estimate involving greater level of Management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and	*Our audit approach:* We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;

Key audit matter	How our audit addressed the key audit matter
• Adjustments to model driven ECL results to address emerging trends. (refer note no. 3.3, 9 and 53(c) to the financial statements).	• Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; • Accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model; and Test of details on a sample basis in respect of the following: • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD; • The mathematical accuracy of the ECL computation by using the same input data as used by the Company. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Company.
Information technology (IT) systems and controls impacting financial controls: The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, multiple systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.	*Our audit approach:* Key IT audit procedures performed included the following, but not limited to: • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised. • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/record/reports, observation, and re-performance.

6. The following key audit matter was included in the audit report issued by the auditor, G.M. Kapadia & Co. of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
IT Systems and Controls: Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	We performed the following procedures on the IT infrastructure and applications relevant to financial reporting: We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/system changes, program development and computer operations; Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting. Carried the test of controls with respect to the IT general controls This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.

Other information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the respective companies.

Auditor's responsibilities for the audit of the consolidated financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
    - Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

16. The financial statements of two subsidiaries, reflect total assets of ₹ 138,606.95 crore and net assets of ₹ 24,608.76 crore as at 31 March 2026, total revenue of ₹ 12,219.99 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,741.55 crore and net cash flows amounting to ₹ (5.03) crore for the year ended on that date, has been considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 16.29 crore for the year ended 31 March 2026 as considered in the consolidated financial statements, in respect of 2 associates companies whose financial statements have not been audited by us. The financial statements of these subsidiaries and associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates and our report in terms of sub-section (3) of section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, and associates, is based on the reports of the other auditors and the procedures performed by us.

    Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on other legal and regulatory requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ('CARO 2020'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these consolidated financial statements.

18. As required by section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– refer note no. 43 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31 March 2026– refer note no. 7 and note no. 9 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, and associates incorporated in India during the year.

iv. (a) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in note no. 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries/associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries/ associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in the note no. 51 to the financial statements, no funds have been received by the Holding Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid by the Holding Company during the year in respect of the prior year ended 31 March 2025 is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend. The interim dividend declared and paid by the Holding Company is in accordance with section 123 of the Act to the extent it applies to declaration and payment of interim dividend. Based on the audit report of statutory auditors of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, the interim dividend declared and paid by Bajaj Financial Securities Limited is in accordance with section 123 of the Act.

Further, as stated in note no. 46 (iii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Group, and its associates have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the Group and its associates.

19. The Group and its associates incorporated in India have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Annexure 'A' to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements as of and for the year ended 31 March 2026.

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of internal financial controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries, and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

9. Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,896.90	3,642.46
Bank balances other than cash and cash equivalents	6	13,858.42	9,901.08
Derivative financial instruments	7	2,391.86	250.56
Trade receivables	8	1,908.08	1,913.11
Loans	9	498,943.54	407,844.14
Investments	10	30,577.80	34,440.84
Other financial assets	11	4,300.41	2,444.99
		553,877.01	**460,437.18**
Non-financial assets			
Current tax assets (net)		229.59	480.77
Deferred tax assets (net)	12	1,560.07	1,141.20
Property, plant and equipment	13	2,851.06	2,688.89
Capital work-in-progress	13	61.83	26.74
Intangible assets under development	13	57.58	14.55
Goodwill		3.27	3.27
Other intangible assets	13	1,092.23	1,088.01
Other non-financial assets	14	219.72	246.22
		6,075.35	**5,689.65**
Total assets		**559,952.36**	**466,126.83**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	61.58	37.13
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,103.62	1,876.24
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,173.47	930.49
Debt securities	16	193,131.90	154,639.73
Borrowings (other than debt securities)	17	170,642.53	132,102.25
Deposits	18	68,532.75	71,403.13
Subordinated liabilities	19	2,805.31	3,103.54
Other financial liabilities	20	2,796.16	1,948.20
		441,248.56	**366,042.93**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	2025
Non-financial liabilities			
Current tax liabilities (net)		260.24	100.63
Provisions	21	748.94	514.28
Other non-financial liabilities	22	709.08	532.10
		1,718.26	**1,147.01**
Equity			
Equity share capital	23	621.79	124.17
Other equity	24	113,377.23	96,568.70
Equity attributable to owners of the Company		**113,999.02**	**96,692.87**
Non-controlling interest	24	2,986.52	2,244.02
Total Equity		**116,985.54**	**98,936.89**
Total liabilities and equity		**559,952.36**	**466,126.83**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Revenue from operations			
Interest income	25	72,776.01	61,163.55
Fees and commission income	26	7,754.39	5,982.84
Net gain on fair value changes	27	471.24	539.03
Sale of services	28	15.71	27.13
Income on derecognised (assigned) loans	29	465.46	552.04
Other operating income	30	499.57	541.12
Total revenue from operations		**81,982.38**	**68,805.71**
Other income	31	7.12	41.27
Total income		**81,989.50**	**68,846.98**
Expenses			
Finance costs	32	28,665.95	24,769.75
Fees and commission expense	33	3,658.10	2,597.66
Impairment on financial instruments	34	9,481.85	7,088.23
Employee benefits expense	35	8,978.53	7,508.34
Depreciation and amortisation expenses	13	1,008.98	880.99
Other expenses	36	4,130.68	3,940.19
Total expenses		**55,924.09**	**46,785.16**
Share of profit/(loss) from associates		16.46	17.81
Profit before exceptional items and tax		**26,081.87**	**22,079.63**
Exceptional items	37	(265.22)	-
Profit before tax		**25,816.65**	**22,079.63**
Tax expense			
Current Tax			
Current year		6,874.08	5,664.86
Earlier years		0.08	(275.12)
Deferred tax (credit)/charge		(389.87)	(89.59)
Total tax expense	12	**6,484.29**	**5,300.15**
Profit after tax		**19,332.36**	**16,779.48**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		35.38	(24.85)
Tax impact on above		(8.91)	6.25
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.15)	(0.32)
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(20.71)	(95.49)
Tax impact on above		2.95	25.22
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		(408.74)	140.79
Tax impact on above		102.88	(35.45)
Net Other adjustments - Share of associate		(0.02)	(0.10)
Cash flow hedge reserve		286.30	(117.14)
Tax impact on above		(72.06)	29.48
Cost of hedging reserve		14.84	5.99
Tax impact on above		7.72	(1.44)
Total other comprehensive income for the year (net of tax)		**(60.52)**	**(67.06)**
Total comprehensive income		**19,271.84**	**16,712.42**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Profit after tax attributable to			
Owner's of the Company		19,017.39	16,637.82
Non-controlling interest		314.97	141.66
Other comprehensive income attributable to			
Owner's of the Company		(58.20)	(67.80)
Non-controlling interest		(2.32)	0.74
Total comprehensive income attributable to			
Owner's of the Company		18,959.19	16,570.02
Non-controlling interest		312.65	142.40
Earnings per equity share:	38		
(Nominal value per share ₹ 1)			
Basic (₹)		30.60	26.89
Diluted (₹)		30.51	26.82
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance at the beginning of the year	124.17	123.60
Changes in equity share capital during the year [refer note no. 23(a)]	497.62	0.57
Balance at the end of the year	**621.79**	**124.17**

Other equity

For the year ended 31 March 2026

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interests	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**
Profit after tax		-	19,017.39	-	-	-	-	-	-	-	-	-	-	-	19,017.39	314.97	19,332.36
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	26.32	(303.54)	(17.78)	214.24	22.56	-	(58.20)	(2.32)	(60.52)
		28,281.33	**70,800.05**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(139.52)**	**(188.48)**	**(37.97)**	**117.71**	**27.11**	**-**	**115,527.89**	**2,556.67**	**118,084.56**
Utilisation for issuance of bonus shares		(497.14)	-	-	-	-	-	-	-	-	-	-	-	-	(497.14)	-	(497.14)
Allotment of shares to ESOP Trust		348.60	-	-	-	-	-	-	-	-	-	-	-	-	348.60	-	348.60
Share issue expenses		(3.47)	-	-	-	-	-	-	-	-	-	-	-	-	(3.47)	-	(3.47)
Transfer on sale of FVOCI equity instrument (net of tax)		-	(6.48)	-	-	-	-	-	-	-	6.48	-	-	-	-	-	-
Adjustment for change of ownership interest in subsidiary without loss of control		-	960.45	-	-	-	-	-	-	-	-	-	-	-	960.45	423.61	1,384.06
Adjustment for movement in reserves for non-controlling interest		-	65.62	(20.22)	-	-	(47.82)	(3.82)	(0.02)	0.02	-	-	-	-	(6.24)	6.24	-
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(3,562.00)	-	3,562.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(152.07)	152.07	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(360.00)	-	-	-	360.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(3,478.28)	-	-	-	-	-	-	-	-	-	-	-	(3,478.28)	-	(3,478.28)
Share based payment to employees		-	-	-	-	-	-	438.58	-	-	-	-	-	-	438.58	-	438.58
Transfer on exercise of stock options by employees		179.94	-	-	-	-	-	(179.94)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	4.70	-	(4.70)	-	-	-	-	-	-	-	-	-
		28,309.26	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,290.39**	**2,986.52**	**116,276.91**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2026		218.12	-	-	-	-	-	-	-	-	-	-	-	-	218.12	-	218.12
Balance as at 31 March 2026	24	**28,396.10**	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,377.23**	**2,986.52**	**116,363.75**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interests	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,571.75**	**-**	**76,571.75**
Profit after tax		-	16,637.82	-	-	-	-	-	-	-	-	-	-	-	16,637.82	141.66	16,779.48
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(18.78)	104.46	(70.37)	(87.66)	4.55	-	(67.80)	0.74	(67.06)
		26,582.00	**53,718.23**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**297.21**	**93,141.77**	**142.40**	**93,284.17**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	891.33	891.33	-	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-	-	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	-	357.44	-	357.44
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.12)	-	(0.12)
Adjustment for change of ownership interest in subsidiary without loss of control		-	4,011.19	-	-		-	-	-	-	-	-	-	-	4,011.19	2,099.10	6,110.29
Adjustment for movement in reserves for non controlling interest		-	47.28	(14.91)	-		(33.75)	(1.14)	-	-	-	-	-	-	(2.52)	2.52	-
Transfer to reserve fund in terms of:		-			-		-	-	-	-	-	-	-	-	-	-	-
Section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	-	3,335.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(132.58)	132.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(300.00)	-	-	-	300.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.46)	-	-	-	-	-	-	-	-	-	-	-	(2,226.46)	-	(2,226.46)
Share based payment to employees		-	-	-	-	-	-	393.97	-	-	-	-	-	-	393.97	-	393.97
Transfer on exercise of stock options by employees		151.37	-	-	-	-	-	(151.37)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-	-	-
		28,279.23	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,566.60**	**2,244.02**	**98,810.62**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(I)	**Operating activities**		
	Profit before tax	25,816.65	22,079.63
	Adjustments for:		
	Interest income	(72,776.01)	(61,163.55)
	Depreciation and amortisation expenses	1,008.98	880.99
	Impairment on financial instruments (Gross of recoveries)	10,281.50	7,966.03
	Net loss on disposal of property, plant and equipment and other intangible assets	18.34	35.50
	Finance costs	28,665.95	24,769.75
	Share based payment expenses	439.60	393.98
	Net gain on fair value changes	(471.24)	(539.03)
	Service fees for management of assigned portfolio of loans	(15.71)	(27.13)
	Income on derecognised (assigned) loans	(465.46)	(552.04)
	Dividend income	(1.14)	(1.28)
	Share of (profit)/loss from associate	(16.46)	(17.81)
		(7,515.00)	(6,174.96)
	Cash inflow from interest on loans	70,393.75	58,185.94
	Cash inflow from interest on investments	2,947.54	2,313.47
	Cash inflow from servicing of assigned loans	51.39	59.31
	Cash outflow towards finance cost	(25,946.79)	(22,420.31)
	Cash generated from operation before working capital changes	**39,930.89**	**31,963.45**
	Working capital changes:		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(4,124.26)	(3,095.95)
	(Increase)/decrease in trade receivables	(52.03)	(206.31)
	(Increase)/decrease in loans	(103,794.27)	(89,988.25)
	(Increase)/decrease in investments classified as FVTPL	6,212.53	(1,429.16)
	(Increase)/decrease in other financial assets	736.52	531.57
	(Increase)/decrease in other non-financial assets	33.81	(116.70)
	(Increase)/decrease in derivative financial instruments (net)	105.12	56.54
	Increase/(decrease) in trade payables	226.49	(186.00)
	Increase/(decrease) in other payables	242.89	166.33
	Increase/(decrease) in other financial liabilities	724.18	(7.48)
	Increase/(decrease) in provisions	250.99	67.31
	Increase/(decrease) in other non-financial liabilities	178.19	38.08
		(99,259.84)	(94,170.02)
	Income tax paid (net of refunds)	(6,460.85)	(5,585.07)
	Net cash used in operating activities (I)	**(65,789.80)**	**(67,791.64)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(560.03)	(584.06)
	Purchase of other intangible assets and intangible assets under development	(401.07)	(497.76)
	Sale of property, plant and equipment and other intangible assets	65.25	36.39
	Purchase of investments measured at amortised cost	(59,340.07)	(27,461.88)
	Proceeds from liquidation of investments measured at amortised cost	59,446.67	27,624.23
	Purchase of investments classified as FVOCI	(44,831.64)	(31,594.18)
	Proceeds from liquidation of investments classified as FVOCI	42,440.11	29,745.96
	Purchase of equity investments designated under FVOCI	(308.14)	(35.00)
	Proceeds from sale of equity investments designated under FVOCI	99.15	-
	Dividend income	1.14	1.28
	Net cash used in investing activities (II)	**(3,388.63)**	**(2,765.02)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(III) Financing activities		
Issue of equity share capital (including securities premium)	435.92	1,251.44
Issue of equity share capital of subsidiary (including securities premium)	2.81	-
Proceeds from dilution of stake in subsidiary (net of expenses and tax)	1,380.22	6,097.67
Share issue expenses	(3.47)	(0.12)
Dividends paid	(3,476.61)	(2,225.24)
Payment of lease liability	(242.53)	(214.57)
Deposits received (net)	(3,761.08)	10,527.22
Short-term borrowing availed (net)	11,884.78	8,787.63
Long-term borrowing availed	113,336.67	84,967.14
Long-term borrowing repaid	(52,123.84)	(39,026.56)
Net cash generated from financing activities (III)	**67,432.87**	**70,164.61**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,745.56)**	**(392.05)**
Cash and cash equivalents at the beginning of the year	**3,642.46**	**4,034.51**
Cash and cash equivalents at the end of the year	**1,896.90**	**3,642.46**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short-term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.
- Total Income tax paid (net of refunds) amounted to ₹ 6,663.62 crore for the year ended 31 March 2026 (Previous year ₹ 5,947.90 crore).

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash and cash equivalents comprises of		
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	**3,642.46**

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

1 Corporate information

Bajaj Finance Limited ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a Company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company and its subsidiary Bajaj Housing Finance Limited (BHFL) are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company and its subsidiary, BHFL, are also listed on the Stock Exchanges. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provider of broking and depository participant services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its subsidiary company Bajaj Housing Finance Limited are classified as NBFC-UL (upper layer) by the RBI.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, and the applicable extant RBI Regulations. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefit plans that are measured at fair value as required or allowed by relevant accounting standard.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2026, the Board of Directors of the Company approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

2 Basis of preparation (Contd.)

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Group intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Group offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.4 Material accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

- Business model assessment [refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [refer note no. 3.3(i), 9 and 49(c)]
- Provisions and contingent liabilities (refer note no. 3.7 and 43)
- Fair value of financial instrument (refer note no. 3.9 and 48)

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net asset of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures':

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Limited (BHFL)	India	86.70%	Subsidiary
Bajaj Financial Securities Limited (Bfinsec)	India	100%	Subsidiary
Snapwork Technologies Private Limited	India	41.50%	Associate
Pennant Technologies Private Limited	India	26.53%	Associate

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of the entities in the Group	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Limited	78.98%	92,400.74	85.86%	16,599.71	64.14%	(38.98)	85.93%	16,560.73
Subsidiaries								
Bajaj Housing Finance Limited	16.64%	19,469.42	11.38%	2,199.28	27.81%	(16.90)	11.32%	2,182.38
Bajaj Financial Securities Limited	1.78%	2,085.97	1.04%	201.94	3.54%	(2.15)	1.04%	199.79
Non-controlling interest in all subsidiaries	2.55%	2,986.52	1.63%	314.97	3.82%	(2.32)	1.62%	312.65
Associates								
Snapwork Technologies Private Limited	0.02%	18.59	0.03%	5.43	0.36%	(0.22)	0.03%	5.21
Pennant Technologies Private Limited	0.02%	24.30	0.06%	11.03	0.33%	(0.20)	0.06%	10.83
	100.00%	116,985.54	100.00%	19,332.36	100.00%	(60.77)	100.00%	19,271.59

3. Summary of material accounting policies

This note provides details of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

3.1 Income

(i) Interest income

The Group recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

3. Summary of material accounting policies (Contd.)

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation, from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment at point in time when the event is concluded.

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Group recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Group records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss with a corresponding receivable in Balance Sheet as 'Interest only strip receivable'. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

Other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 ‘Financial Instruments’.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The cost of the share option is accounted for on a Straight-line basis over the respective vesting periods of the grant. The cost attributable to the services rendered by the employees of the Group is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3. Summary of material accounting policies (Contd.)

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognised initially at fair value adjusted for transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

The classification depends on the SPPI assessment based on contractual terms of the cash flows of the financial assets, and the business model assessment for managing financial assets. In case of equity instruments, it depends on the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payment of principal and interest (SPPI) assessment

In making this assessment, the Group considers whether the contractual cash flows represents sole payments of principal and interest. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition and interest represents the time value of money at an agreed contractual rate.

Business model assessment

The Group has a Board approved policy for determination of the business model. The policy consider whether the objective of the business model, at initial recognition, is to hold the financial asset only to collect its contractual cash flows or, to also sell the financial asset. The Group determines business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

3. Summary of material accounting policies (Contd.)

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are sole payments of principal and interest (SPPI) on the principal amount outstanding.

The Group may enter into following transactions without affecting business model of the Group:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non-NPA assets and sale of credit impaired assets which are infrequent, insignificant and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Group recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

The Group operates a trading portfolio as a part of its treasury strategy and classifies its equity and debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Group enters into derivative contracts and classifies such contracts under FVTPL.

Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Group has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI. On sale of these investments, the Group transfers the realised gains/losses from OCI to retained earnings.

3. Summary of material accounting policies (Contd.)

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired; or
- The financial assets are written off; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same.

The financial assets transferred through the assignment route are derecognised to the extent of transferred portion as the Group neither has any continuing involvement in the same nor does it retain any control. On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Group, based on economic viability of certain portfolios measured at amortised cost, may enter into infrequent and insignificant transactions of assignment and sale of non NPA portfolios within the threshold defined in business model policy which doesn't affect the business model of the Group.

In case of securitisation transactions by way of pass through certificate (PTC), the Group continues to retain the financial assets on the Balance Sheet and recognises a collateralised borrowing for the proceeds received.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made from written off assets are netted off from impairment on financial instrument in Statement of Profit and Loss account.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Group may apply enforcement activities to certain qualifying financial assets written off.

3. Summary of material accounting policies (Contd.)

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Group classifies a financial asset as credit impaired (stage 3) when one or more events indicate impairment in the recoverability of future cash flows. The assessment is based on relevant objective evidence, including the following:

- Contractual payments of principal and/or interest are overdue for more than 90 days.
- Where any loan account of a customer is stage 3, all other loan accounts of the same customer are classified as stage 3 and remain so until overdues across all accounts are fully cleared.
- Where any loan account of a customer has been written off or settled under a one time compromise settlement, all other active loan accounts of such customer are classified as stage 3 for 12 months from the date of such event. Thereafter, such accounts are upgraded to stage 1 only upon clearance of all arrears of principal and interest.
- Restructured loans, involving modification of contractual terms due to financial distress of the borrower, are classified as stage 3. Restructuring does not result in derecognition of the financial asset. Such loans are upgraded to stage 1 only if:
  - The restructured loan is not in default until repayment of at least 10% of the principal outstanding or completion of 12 months, whichever is later; and
  - No other loan account of the same customer is in default during this period.
- Loan accounts where a one time compromise settlement is offered or where recovery is pursued through repossession of security involving waiver of interest and/or principal are classified as stage 3.
- Loan is otherwise considered to be in default based on the Group's internal credit risk assessment or other objective evidence indicating unlikelihood of timely repayment.

(b) Significant increase in credit risk (stage 2)

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioural trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

3. Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

(e) Classification of ECL

ECL for financial assets measured at amortised cost is recognised in the Statement of Profit and Loss. For financial assets measured at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet. Impairment loss pertaining to credit risk on such assets is reclassified immediately to the Statement of Profit and Loss.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3. Summary of material accounting policies (Contd.)

3.4 Taxes

Income tax comprises current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Current tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment and depreciation thereof

The Group measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.7 Provisions and contingent liabilities

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. Summary of material accounting policies (Contd.)

3.8 Leases

As a Lessee

The Group follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right-of-use assets is provided on straight line basis over the lease period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Group has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance leases are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under Interest Income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Group's net investment in the lease.

3.9 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48.

3. Summary of material accounting policies (Contd.)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure to interest rate risk and foreign exchange rate risk. Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Parent Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability and one of its subsidiary viz BHFL designates it IRS as fair value hedge of recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3. Summary of material accounting policies (Contd.)

Fair value hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Group discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has notified following amendments to the existing standards applicable to the Group.

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. 1 April 2025

The amendment clarifies that the classification of liabilities as current or non-current depends on the rights that exist at the end of the reporting period. A liability is classified as non-current only if the entity has a substantive right to defer settlement for at least twelve months after the reporting period. Management expectations or subsequent events after the reporting date do not affect classification. The amendment relating to classification of liabilities has no material impact on the Group's financial statements.

Ind AS 7 - Statement of Cash Flows, applicable w.e.f. 1 April 2025

The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 12 - Income Taxes, applicable w.e.f. 1 April 2025

The amendment provides a temporary exception from recognition and disclosure of deferred taxes arising from Pillar Two income taxes and introduces related disclosure requirements. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025

The amendment specifies how an entity should determine the exchange rate when foreign currency cannot be obtained within a reasonable time and prescribes related disclosures. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025

Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any material impact on the financial statements.

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	3,642.46

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fixed deposits (with original maturity more than 3 months)*	13,645.69	9,757.72
Bank balance earmarked against unclaimed dividend	5.96	4.29
Escrow account balance	206.77	139.07
	13,858.42	9,901.08

*includes:

i. ₹ 2,117.12 crore (Previous year ₹ 1,969.01 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;

ii. ₹ 7,355.89 crore (Previous year ₹ 4,226.65 crore) lien marked to banks against overdraft facilities;

iii. ₹ 1,722.40 crore (Previous year ₹ 328.19 crore) fixed deposit under lien with stock exchanges for margin requirement;

iv. ₹ 496.11 crore (Previous year ₹ 489.88 crore) deposits with bank for bank guarantee;

v. ₹ 100.87 crore (Previous year ₹ 19.88 crore) pledged as lien on securtisation borrowing;

vi. ₹ 27.99 crore (Previous year ₹ 1.57 crore) deposits with exchange for trade; and

vii. ₹ 0.27 crore (Previous year ₹ 0.25 crore) deposits with the Pension Fund Regulatory & Development Authority.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2026		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Fair value hedge			
Interest rate swaps	3,500.00	-	61.58
Futures	292.64	6.70	-
	24,392.24	2,391.86	61.58

7 Derivative financial instruments (at FVTPL) (Contd.)

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Fair value hedge			
Interest rate swaps	2,350.00	41.22	-
Futures	262.40	0.02	0.45
Option purchased	588.71	7.35	-
Options sold (written)	270.03	-	11.15
	18,562.17	250.56	37.13

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, interest rate swaps and forward contracts. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. refer note no. 49(b) (iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Considered good - unsecured		
Interest subsidy	1,184.43	922.70
Fees, commission and others	667.71	876.35
Service asset	66.40	123.02
	1,918.54	1,922.07
Less : Impairment loss allowance	10.46	8.96
	1,908.08	1,913.11

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (gross) ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
As at 31 March 2026								
(i) Undisputed Trade receivables – considered good	1,142.31	93.98	679.22	1.45	1.58	-	-	1,918.54
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	961.63	113.86	843.56	3.02	-	-	-	1,922.07

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Impairment loss allowance as at beginning of the year	8.96	5.19
Net increase/(decrease) during the year	1.50	3.77
Impairment loss allowance as at the end of the year	10.46	8.96

9 Loans

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	At fair value through OCI*	Total	At amortised cost	At fair value through OCI*	Total
(A) Loans						
Term loans	482,325.34	25,944.20	508,269.54	345,415.84	68,936.10	414,351.94
Finance lease receivable	349.27	-	349.27	54.53	-	54.53
Credit substitutes#	624.88	-	624.88	420.03	-	420.03
	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Total - Net (A)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipment's, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	287,632.19	25,944.20	313,576.39	180,170.64	68,936.10	249,106.74
Less: Impairment loss allowance	2,533.72	186.25	2,719.97	1,954.48	356.83	2,311.31
Total (I)	285,098.47	25,757.95	310,856.42	178,216.16	68,579.27	246,795.43
(II) Unsecured	195,667.30	-	195,667.30	165,719.76	-	165,719.76
Less: Impairment loss allowance	7,580.18	-	7,580.18	4,671.05	-	4,671.05
Total (II)	188,087.12	-	188,087.12	161,048.71	-	161,048.71
Total (B) = (I + II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Sub-total (ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
Total (I) = (i+ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14

* The net value is the fair value of these loans

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

-The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

-Prior to the RBI guidelines pertaining to maintenance of Principal Business Criteria (PBC), one of the subsidiary viz. BHFL used to assign home loans to external partners as part of its treasury strategy. Considering the significant change in the regulatory requirement (PBC) on increasing the home loans as proportion to the total assets, BHFL reassessed the requirement for change in the business model for its home loan portfolio. BHFL had done insignificant amount of assignment transactions for its home loan portfolio in order to retain home loan portfolio as part of total assets, necessitated purely due to the change in regulatory landscape, applicable for BHFL, to continue to be classified as a Housing Finance Company, thereby leading to a change in the business model.

-BHFL reassessed its business model of collecting cash flows for home loan portfolio from 'Hold to collect and sell' to 'Hold to collect' and consequently, with effect from 1 April 2025, has reclassified such loan balances (gross) amounting to ₹ 54,128.76 crore from FVOCI to amortised cost.

9 Loans (Contd.)

Loan details

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Total gross loan	512,711.39	417,467.61
Less: EIR impact	3,467.70	2,641.11
Total for gross term loan net of EIR impact	509,243.69	414,826.50

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	499,358.88	4,766.02	5,118.79	509,243.69	405,457.84	5,403.92	3,964.74	414,826.50
Less: Impairment loss allowance	5,088.43	2,155.04	3,056.68	10,300.15	3,103.43	1,748.67	2,130.26	6,982.36
Net carrying amount	494,270.45	2,610.98	2,062.11	498,943.54	402,354.41	3,655.25	1,834.48	407,844.14
Impairment loss allowance as a percentage of gross carrying amount	1.02%	45.22%	59.71%	2.02%	0.77%	32.36%	53.73%	1.68%

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

(₹ in crore)

Particulars	For the year ended 31 March 2026							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36
Transfers during the year								
transfers to stage 1	447.88	109.30	(380.21)	(82.76)	(67.67)	(26.54)	-	-
transfers to stage 2	(4,278.38)	(115.34)	4,302.17	127.76	(23.79)	(12.42)	-	-
transfers to stage 3	(7,825.44)	(252.71)	(3,741.57)	(1,378.29)	11,567.01	1,631.00	-	-
	(11,655.94)	(258.75)	180.39	(1,333.29)	11,475.55	1,592.04	-	-
Impact of changes in credit risk	-	1,333.69	-	1,864.89	-	9,832.04	-	13,030.62
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(160,023.76)	(1,533.67)	(1,789.20)	(638.24)	(3,045.41)	(2,534.03)	(164,858.37)	(4,705.94)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	265,580.74	2,443.73	970.91	513.01	1,887.17	1,199.63	268,438.82	4,156.37
Amounts written off during the year	-	-	-	-	(9,163.26)	(9,163.26)	(9,163.26)	(9,163.26)
As at 31 March 2026	499,358.88	5,088.43	4,766.02	2,155.04	5,118.79	3,056.68	509,243.69	10,300.15

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the period								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk	-	593.19	-	1,397.76	-	8,063.85	-	10,054.80
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(1,137.11)	(1,785.40)	(486.92)	(2,895.45)	(2,395.53)	(125,054.46)	(4,019.56)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36

- Details of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles and equipments as a lessor. These are accounted as finance lease as material risks and rewards are transferred to the lessee. The tenor of these leases ranges from 6 months to 84 months (Previous year 12 months to 60 months). The contracted interest rate ranges from 8.70% to 12.07% p.a. (previous year 10.25% to 11.50% p.a.)

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Undiscounted lease payments due		
Within 12 months	118.84	16.66
After 12 months	306.27	51.40
Total undiscounted lease payments receivable	425.11	68.06
Less: Unearned finance income	75.84	13.53
Gross finance lease receivable	349.27	54.53
Less: Impairment loss allowance	2.93	0.35
Net finance lease receivable	346.34	54.18

10 Investments

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(A)	**At amortised cost**			
	In pass through certificates (PTC)		88.09	194.63
			88.09	194.63
	Less: Impairment loss allowance		0.35	0.78
	Total (A)		87.74	193.85
(B)	**At fair value through other comprehensive income**			
	(i)	In Government securities	25,371.09	22,297.91
		Add: Fair value gain/(losses)	(253.11)	150.34
		Sub-total (i)	25,117.98	22,448.25
		Includes carrying value of (a) ₹ 4,397.51 crore (Previous year ₹ 4,651.84 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934, (b) ₹ 6,272.06 crore (Previous year ₹ 3,930.77 crore) utilised for Repurchase Agreement borrowing (Repo) transaction, (c) ₹ 10,125.02 crore (Previous year ₹ 13,270.90 crore) pledged for triparty repo dealing and settlement (TREPs), and (d) ₹ 272.78 crore (Previous Year ₹ 199.31 crore) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
	(ii)	In equity instruments		
		Equity shares (Quoted)	341.26	446.89
		Add: Fair value gain/(losses)	(180.70)	(129.90)
			160.56	316.99
		Equity shares (Unquoted)	593.79	318.16
		Add: Fair value gain/(losses)	140.38	106.46
			734.17	424.62
		Compulsorily convertible preference shares	32.50	-
		Add: Fair value gain/(losses)	3.70	-
			36.20	-
		Sub-total (ii)	930.93	741.61
	(iii)	In Certificate of deposits	1,934.45	2,740.25
		Add: Fair value gain/(losses)	(1.22)	4.18
		Sub-total (iii)	1,933.23	2,744.43
	(iv)	In Commercial papers	1,378.88	925.96
		Add: Fair value gain/(losses)	0.55	0.42
		Sub-total (iv)	1,379.43	926.38
	(v)	In Non convertible debentures	-	212.83
		Add: Fair value gain/(losses) (Previous year ₹ 40,836)	-	
		Sub-total (v)	-	212.83
	Total (B) = (i+ii+iii+iv+v)		29,361.57	27,073.50

10 Investments (Contd.)

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(C)	**At fair value through profit or loss**			
	(i)	In mutual funds	420.23	5,246.86
		Add: Fair value gains/(losses)	(28.98)	17.45
		Sub-total (i)	391.25	5,264.31
		Includes carrying value of (i) ₹ Nil (Previous year ₹ Nil) under lien with Indian Clearing Corporation Limited for margin requirement (ii) ₹ 5.92 crore (Previous year ₹ 5.57 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
	(ii)	In Government securities	79.16	1,245.43
		Add: Fair value gains/(losses)	(0.78)	0.06
		Sub-total (ii)	78.38	1,245.49
		includes ₹ Nil (Previous year ₹ 25.22 crore) pledged for TREPs and ₹ 24.86 crore (Previous Year ₹ Nil) kept as margin for securities segment with CCIL.		
	(iii)	In equity shares	312.91	280.07
		Add: Fair value gains/(losses)	(69.55)	(23.19)
		Sub-total (iii)	243.36	256.88
		Includes carrying value of ₹ 242.31 crore (Previous year ₹ 0.01 crore) pledged in favour of ICCL for margin requirement.		
	(iv)	In Infrastructure investment trust (Invit) units	20.00	20.00
		Add: Fair value gains/(losses)	(7.60)	-
		Sub-total (iv)	12.40	20.00
	Total (C) = (i+ii+iii+iv)		725.39	6,786.68
D	**At cost**			
		Investment in associate	403.10	386.81
	Total (D)		403.10	386.81
Total (A+B+C+D)			30,577.80	34,440.84

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Out of above		
In India	30,577.80	34,440.84
Outside India	-	-
	30,577.80	34,440.84

Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except for investments measured at amortised cost.

Reconciliation of impairment loss allowance on investments measured at amortised cost

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Impairment loss allowance as at beginning of the year	0.78	1.43
Net increase/(decrease) during the year	(0.43)	(0.65)
Impairment loss allowance as at the end of the year	0.35	0.78

10 Investments (Contd.)

Details of equity instruments (quoted) designated under FVOCI derecognised during the year:

(₹ in crore)

	FY 2025-26			
Name of the Company	**No. of shares de-recognised**	**Average purchase price per share (₹)**	**Average fair valuation as on de-recognition (₹)**	**Cumulative loss on de-recognition (₹ in crore)***
RBL Bank Limited	3,009,504	351	326.65	(7.54)

*net of selling expenses

Cumulative loss (net of tax) on sale of these shares has been transferred from other comprehensive income to retained earnings. The Group had no such transaction in the previous financial year.

11 Other financial assets

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Security deposits	207.95	136.23
Margin with exchanges	47.42	164.26
Advances to dealers	15.28	52.63
Credit cover under Government guarantee schemes	2,676.54	1,108.74
Receivable from debt management agencies	214.55	216.72
Receivable from online payment aggregators and gateways	60.74	92.51
Interest only strip receivable	677.77	474.58
Receivable from assignment servicing partners	309.68	136.65
Others	95.83	69.01
	4,305.76	2,451.33
Less : Impairment loss allowance	5.35	6.34
	4,300.41	2,444.99

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Impairment loss allowance as at beginning of the year	6.34	3.59
Net increase/(decrease) during the year	(0.99)	2.75
Impairment loss allowance as at the end of the year	5.35	6.34

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Profit before tax	25,816.65	22,079.63
At corporate tax rate of 25.17% (Previous year: 25.17%)	6,494.20	5,555.40
Current tax adjustment with respect to earlier years*	(0.24)	(275.12)
Impact of income taxed at different rates	2.87	1.06
Tax on expenditure not considered for tax provision (net of allowance)*	119.14	96.78
Deduction under section 36(1)(viii) of the Income tax Act, 1961#	(90.60)	(75.51)
Tax benefit on additional deductions	(41.08)	(2.46)
Tax expense (Effective tax rate of 25.117%, Previous year 24.005%)	6,484.29	5,300.15

*In the previous year, the Group had re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group had reversed tax expense for earlier years and reduced the current tax provision.

The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss.

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2025-26

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	2.38	0.91	-	-	3.29
	Remeasurements of employee benefits	125.41	89.58	(8.91)	-	206.08
	Expected credit loss	1,155.86	373.26	-	-	1,529.12
	Cash flow hedge reserve	32.48	-	(32.48)	-	-
	Right-of-use assets	247.88	71.76	-	-	319.64
	Changes in fair value on debt instruments at FVTPL	3.54	9.24	2.07	-	14.85
	Changes in fair value on equity instruments designated under FVOCI	3.36	-	1.88	-	5.24
	Changes in fair value on debt instruments designated under FVOCI	-	-	0.40	-	0.40
	Cost of hedging reserve	-	-	6.28	-	6.28
	Other temporary differences	17.61	16.55	-	(2.51)	31.65
	Gross deferred tax assets (a)	1,588.53	561.30	(30.76)	(2.51)	2,116.56

12 Income taxes (Contd.)

(₹ in crore)

Particulars		Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(b)	Deferred tax liabilities					
	Property, plant and equipment and intangible assets	(39.49)	4.21	-	-	(35.28)
	Service asset and interest only strip receivable on assigned loans	(150.41)	(36.89)	-	-	(187.30)
	Changes in fair value on debt instruments at FVTPL	(4.23)	4.23	-	-	-
	Changes in fair value on debt instruments designated under FVOCI	(32.36)	(68.16)	100.41	-	(0.11)
	Cost of hedging reserve	(1.44)	-	1.44	-	-
	Lease liability	(219.32)	(63.49)	-	-	(282.81)
	Cash flow hedge reserve	-	-	(39.58)	-	(39.58)
	Other temporary differences	(0.08)	(11.33)	-	-	(11.41)
Gross deferred tax liabilities (b)		(447.33)	(171.43)	62.27	-	(556.49)
Deferred tax assets/(liabilities), net (a+b)		1,141.20	389.87	31.51	(2.51)	1,560.07

For the financial year 2024-25

(₹ in crore)

Particulars		Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	1.46	0.92	-	-	2.38
	Remeasurements of employee benefits	102.50	16.66	6.25	-	125.41
	Expected credit loss	984.73	171.13	-	-	1,155.86
	Cash flow hedge reserve	3.00	-	29.48	-	32.48
	Right-of-use assets	181.10	66.78	-	-	247.88
	Changes in fair value on debt instruments at FVTPL	-	3.54	-	-	3.54
	Changes in fair value on equity instruments designated under FVOCI	-	-	3.36	-	3.36
	Changes in fair value on debt instruments designated under FVOCI	0.20	-	(0.20)	-	-
	Other temporary differences	6.76	0.74	-	10.11	17.61
	Gross deferred tax assets (a)	1,279.75	259.77	38.89	10.11	1,588.53

12 Income taxes (Contd.)

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(29.85)	(9.64)	-	-	(39.49)
Service asset and Interest only strip receivable on assigned loans	(44.20)	(106.21)	-	-	(150.41)
Changes in fair value on debt instruments at FVTPL	(5.07)	0.84	-	-	(4.23)
Changes in fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-	-
Changes in fair value on debt instruments designated under FVOCI	(0.18)	3.07	(35.25)	-	(32.36)
Cost of hedging reserve	-	-	(1.44)	-	(1.44)
Lease liability	(161.16)	(58.16)	-		(219.32)
Other temporary differences	-	(0.08)	-	-	(0.08)
Gross deferred tax liabilities (b)	(262.32)	(170.18)	(14.83)	-	(447.33)
Deferred tax assets/(liabilities), net (a+b)	1,017.43	89.59	24.06	10.11	1,141.20

13 (A) Property, plant and equipment and other intangible assets

For the financial year 2025-26

(₹ in crore)

	Gross block				Depreciation and amortisation				Net block
Particulars	As at 1 April 2025	Addition	Deductions/ Adjustments	As at 31 March 2026	As at 1 April 2025	Deductions/ Adjustments	For the Year	As at 31 March 2026	As at 31 March 2026
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	77.26	-	3.71	80.97	182.63
Computers and data processing units	674.83	204.03	89.88	788.98	309.39	59.88	145.95	395.46	393.52
Office equipment	431.94	76.03	33.29	474.68	257.60	19.47	65.69	303.82	170.86
Furniture and fixtures	339.81	41.09	11.24	369.66	154.33	8.57	40.95	186.71	182.95
Vehicles	522.29	165.74	70.31	617.72	151.88	36.26	95.77	211.39	406.33
Leasehold improvements	340.78	29.59	5.78	364.59	245.12	5.16	24.05	264.01	100.58
Sub-total (i)	2,846.56	516.48	210.50	3,152.54	1,195.58	129.34	376.12	1,442.36	1,710.18
Right-of-use (f)									
Right-of-use - Premises (e)	1,609.08	398.00	102.38	1,904.70	580.99	91.95	280.83	769.87	1,134.83
Right-of-use - Server	29.59	-	-	29.59	19.77	-	3.77	23.54	6.05
Sub-total (ii)	1,638.67	398.00	102.38	1,934.29	600.76	91.95	284.60	793.41	1,140.88
Sub-total (iii=i+ii)	**4,485.23**	**914.48**	**312.88**	**5,086.83**	**1,796.34**	**221.29**	**660.72**	**2,235.77**	**2,851.06**
Other intangible assets (d)									
Computer softwares	1,025.88	211.46	26.52	1,210.82	472.59	21.00	188.17	639.76	571.06
Internally generated software	760.23	146.54	-	906.77	225.51	-	160.09	385.60	521.17
Sub-total (iv)	**1,786.11**	**358.00**	**26.52**	**2,117.59**	**698.10**	**21.00**	**348.26**	**1,025.36**	**1,092.23**
Total (v=iii+iv)	**6,271.34**	**1,272.48**	**339.40**	**7,204.42**	**2,494.44**	**242.29**	**1,008.98**	**3,261.13**	**3,943.29**

13 (A) Property, plant and equipment and other intangible assets (Contd.)

For the financial year 2024-25

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2024	Addition	Deductions/ Adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ Adjustments	For the Year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	73.59	-	3.67	77.26	186.34
Computers and data processing units	562.93	199.23	87.33	674.83	248.10	63.36	124.65	309.39	365.44
Office equipment	342.65	109.33	20.04	431.94	213.96	18.04	61.68	257.60	174.34
Furniture and fixtures	299.58	56.98	16.75	339.81	130.32	13.33	37.34	154.33	185.48
Vehicles	373.16	193.03	43.90	522.29	96.11	22.44	78.21	151.88	370.41
Leasehold improvements	312.25	42.52	13.99	340.78	229.02	13.85	29.95	245.12	95.66
Sub-total (i)	2,427.48	601.09	182.01	2,846.56	991.10	131.02	335.50	1,195.58	1,650.98
Right-of-use (f)									
Right-of-use - Premises (e)	1,336.22	391.82	118.96	1,609.08	432.29	114.79	263.49	580.99	1,028.09
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,373.70	393.71	128.74	1,638.67	451.76	118.58	267.58	600.76	1,037.91
Sub-total (iii=i+ii)	**3,801.18**	**994.80**	**310.75**	**4,485.23**	**1,442.86**	**249.60**	**603.08**	**1,796.34**	**2,688.89**
Other intangible assets (d)									
Computer softwares	911.19	258.94	144.25	1,025.88	424.98	120.58	168.19	472.59	553.29
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	**1,429.08**	**501.28**	**144.25**	**1,786.11**	**540.77**	**120.58**	**277.91**	**698.10**	**1,088.01**
Total (v=iii+iv)	**5,230.26**	**1,496.08**	**455.00**	**6,271.34**	**1,983.63**	**370.18**	**880.99**	**2,494.44**	**3,776.90**

(a) See note no. 3.5

(b) Represents share in undivided portion of land on purchase/construction of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500)

(d) See note no. 3.6

(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.

(f) See note no. 3.8

(g) The Parent Company had mortgaged one of its offices in Chennai having carrying value of ₹ 4.32 crore as on 31 March 2026 (Previous year ₹ 4.42 crore) on pari passu charge against specific secured NCDs.

Depreciation and amortisation

Depreciation and amortisation is provided using straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Air conditioner#	8 years*
Other office equipment's	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements#	Lease tenure or 9 years, whichever is less
Intangible assets including those internally generated	License tenure or 5 years, whichever is less

* Evaluated useful life is different from Schedule II of Companies Act, 2013.

The Parent Company has changed estimated useful life of air conditioners and leasehold Improvements from 5 years to 8 years and from 5 years to lease tenure or 9 years, whichever is less, respectively. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would had been lower by ₹ 14.84 crore.

The residual values, useful life and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13 (B) Capital work-in-progress, intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Opening balance	26.74	25.35
Additions	70.86	74.01
Deductions/Adjustments	35.77	72.62
Closing balance	61.83	26.74

Ageing for capital work-in-progress

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	31 March 2026	39.91	5.16	2.33	14.43	61.83
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74

Intangible assets under development

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Opening balance	12.98	18.11
Additions	405.59	496.04
Deductions/Adjustments	360.99	499.60
Closing balance	57.58	14.55

Ageing for intangible assets under development

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	31 March 2026	57.00	0.58	-	-	57.58
Projects in progress	31 March 2025	14.55	-	-	-	14.55

The Group does not have any project temporarily suspended or any CWIP and Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP and intangible asset under development completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Capital advances	14.36	5.84
Deposits against appeals	86.29	40.50
Advances to suppliers and others*	119.07	199.88
	219.72	246.22

* Impairment loss allowance recognised on other non financial assets is Nil (Previous year: Nil).

15 Payables

(₹ in crore)

Particulars	As at 31 March 2026	2025
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises#	0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,103.62	1,876.24
	2,104.53	1,878.04
(II) Other payables*		
Total outstanding dues of micro enterprises and small enterprises#	0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,173.47	930.49
	1,173.80	930.91

* Includes payable towards employee performance incentives and capital goods

#Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as per section 22 of MSMED Act, 2006 as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2026	2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	1.24	2.22
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	82.93	36.65
Interest paid to suppliers under MSMED Act (section 16)	0.80	0.42
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

Trade Payables ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
(i) MSME	0.91	-	-	-	-	-	0.91
(ii) Others	235.57	1,245.08	540.51	82.29	0.01	0.16	2,103.62
	236.48	1,245.08	540.51	82.29	0.01	0.16	2,104.53
As at 31 March 2025							
(i) MSME	1.27	-	0.53	-	-	-	1.80
(ii) Others	267.45	925.74	632.99	49.90	-	0.16	1,876.24
	268.72	925.74	633.52	49.90	-	0.16	1,878.04

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	150,354.47	118,284.62
Unsecured and partly paid	1,491.33	2,641.49
Unsecured and fully paid	8,060.00	6,253.19
	159,905.80	127,179.30
Commercial papers - Unsecured	33,226.10	27,460.43
	193,131.90	154,639.73
(B) Out of above		
In India	193,131.90	154,639.73
Outside India	-	-
	193,131.90	154,639.73

* All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2026 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company and one of its subsidiary viz. BHFL has, at all times, for the secured non-convertible debentures, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 3,500 crore (Previous year ₹ 500 crore). The total outstanding as on 31 March 2026 is ₹ 3,500 crore (Previous year ₹ 2,350 crore).

(C) Terms of repayment of non convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
Redeemable at par					
INE296A07FV8	9.05%	07-Apr-15	07-Apr-25	-	170.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	-	330.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	-	1,317.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	-	1,050.00
INE296A07SB3	7.38%	08-Aug-22	08-Aug-25	-	1,575.00
INE377Y07334	7.42%	18-Nov-22	12-Aug-25	-	1,000.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	-	625.00
INE377Y07334	7.42%	14-Oct-22	12-Aug-25	-	475.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	-	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	-	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	-	5,100.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	-	725.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	-	681.00
INE296A07QS1	8.95%	09-Jan-19	08-Jan-26	-	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	-	300.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	-	1,000.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	-	1,795.00
INE377Y07375	7.92%	09-Nov-22	16-Mar-26	-	390.00
INE377Y07375	7.92%	24-Mar-23	16-Mar-26	-	475.00
INE377Y07375	7.92%	13-Apr-23	16-Mar-26	-	2,000.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	-	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	-	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	-	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	-	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	500.00
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	2,600.00
INE296A07LG7	8.65%	04-Jul-16	03-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	500.00
INE377Y07490	7.98%	09-Jul-24	09-Sep-26	1,520.00	1,520.00
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	08-Jan-27	1,625.00	1,625.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE377Y07557	7.14%	02-May-25	26-Feb-27	1,000.00	-
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	1,000.00
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	1,980.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE296A07RZ4	7.70%	07-Jun-22	07-Jun-27	1,581.00	1,581.00
INE296A07TK2	7.23%	28-Apr-25	28-Jun-27	1,000.00	-
INE377Y07482	8.10%	08-May-24	08-Jul-27	3,000.00	3,000.00
INE377Y07581	6.90%	12-Jun-25	12-Aug-27	1,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	2,815.00
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE296A07TF2	7.80%	09-Oct-24	10-Dec-27	1,750.00	1,750.00
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE377Y07615	6.95%	13-Oct-25	28-Jan-28	1,000.00	-
INE296A07TT3	7.31%	12-Feb-26	11-Feb-28	500.00	-
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	2,175.00
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE377Y07565	7.02%	26-May-25	26-May-28	2,335.00	-
INE296A07SN8	7.73%	07-Jun-23	07-Jun-28	500.00	500.00
INE296A07TJ4	7.38%	17-Apr-25	26-Jun-28	6,275.00	-
INE296A07TM8	7.11%	08-Jul-25	10-Jul-28	1,500.00	-
INE377Y07599	6.97%	17-Jul-25	17-Jul-28	1,000.00	-
INE377Y07433	7.85%	01-Sep-23	01-Sep-28	1,350.00	1,350.00
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07TN6	7.07%	30-Jul-25	21-Sep-28	1,750.00	-
INE377Y07607	7.10%	16-Sep-25	16-Oct-28	3,000.00	-
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07TP1	7.24%	12-Sep-25	12-Dec-28	1,350.00	-
INE377Y07623	7.25%	22-Jan-26	22-Jan-29	1,000.00	-
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07TV9	7.40%	20-Feb-26	12-Mar-29	1,000.00	-
INE377Y07474	8.05%	08-May-24	08-May-29	1,500.00	1,500.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	4,777.20
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	4,852.00
INE296A08870	8.06%	04-Oct-16	04-Oct-29	365.00	365.00
INE377Y07524	6.83%	17-Oct-24	17-Oct-29	1,500.00	1,500.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	2,858.40
INE296A07TI6	7.57%	03-Apr-25	03-Apr-30	3,000.00	-
INE377Y07573	7.08%	12-Jun-25	12-Jun-30	3,500.00	-
INE296A07TL0	7.38%	28-Apr-25	28-Jun-30	4,765.00	-
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07TQ9	7.37%	29-Sep-25	27-Sep-30	4,015.00	-
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07TU1	7.55%	20-Feb-26	20-Feb-31	1,500.00	-
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,719.50	2,483.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE296A07RW1	7.15%	02-Dec-21	02-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	06-Jun-17	07-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	08-Sep-22	08-Sep-32	327.00	327.00
INE377Y07359	7.89%	08-Sep-22	08-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07409	8.04%	09-Feb-23	09-Feb-33	750.00	750.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	06-Nov-18	02-Nov-33	4,575.00	4,575.00
INE296A07TS5	7.65%	27-Oct-26	27-Jan-34	1,024.00	-
INE296A07SV1	7.82%	08-Feb-24	31-Jan-34	7,995.00	7,995.00
INE296A07SU3	7.87%	08-Feb-24	08-Feb-34	1,887.30	1,887.30
INE377Y07458	7.80%	09-Feb-24	09-Feb-34	1,500.00	1,500.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	02-May-24	02-May-34	2,360.50	2,360.50
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	4,000.00
INE296A07TE5	7.70%	04-Oct-24	04-Oct-34	750.00	750.00
INE377Y07516	7.56%	04-Oct-24	04-Oct-34	1,750.00	1,750.00
INE296A07TS5	7.65%	27-Jan-26	27-Jan-35	1,024.00	-
INE377Y08118	8.00%	31-Jan-20	07-Feb-35	-	105.00
INE377Y08118	8.00%	29-Jan-21	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-22	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-23	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-24	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-25	07-Feb-35	-	105.00
INE377Y08134	8.00%	31-Jan-20	07-Feb-35	750.00	-
INE377Y08126	7.70%	13-Mar-20	09-Mar-35	-	147.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
INE377Y08126	7.70%	12-Mar-21	09-Mar-35	-	147.00
INE377Y08126	7.70%	11-Mar-22	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-23	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-24	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-25	09-Mar-35	-	147.00
INE377Y08142	7.70%	13-Mar-20	09-Mar-35	1,050.00	-
INE296A07TH8	7.55%	03-Apr-25	03-Apr-35	4,240.00	-
INE377Y07540	7.50%	09-Apr-25	09-Apr-35	1,500.00	-
INE296A08987/ INE296A08995	7.99%	01-Jun-22	01-Jun-35	1,400.00	1,050.00
INE296A07TR7	7.45%	15-Oct-25	15-Oct-35	500.00	-
INE296A07TS5	7.65%	27-Jan-26	27-Jan-36	3,072.00	-
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	-	906.00
				153,510.00	122,460.50
Interest accrued				6,515.12	4,822.82
Impact of EIR (including premium and discount on NCD)				(101.49)	(147.31)
Fair value gain/(loss) on NCD hedged through interest rate swap				(17.83)	43.29
				159,905.80	127,179.30

-Includes partly paid NCD on which amount to be called is ₹ 350 crore in June 2026

Out of above NCD having put option are as under:

(₹ in crore)

ISIN	Coupon rate	Put option date	As at 31 March 2026	As at 31 March 2025
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	07-Feb-27	7,995.00	7,995.00
			10,070.00	10,070.00

(D) Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	33,124.38	27,426.99
Impact of EIR	101.72	33.44
	33,226.10	27,460.43

-Interest rate ranges from 6.36% to 8.20% p.a as at 31 March 2026 (Previous year 7.45% to 8.05% p.a)

-As at 31 March 2026, face value of commercial paper is ₹ 33,827 crore (Previous year ₹ 27,925 crore)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) In India		
At amortised cost:		
Term loans from banks	97,333.65	78,311.25
Term loans from Developement Financial Institutions	8,280.91	6,533.36
Term loan from National Housing Bank (NHB)#	10,340.88	8,372.40
Cash credit/Overdraft facility	5,791.97	3,783.79
Working capital demand loans	4,272.67	2,367.58
Triparty repo dealing and settlement (TREPs) against Government securities	8,636.93	11,676.78
Repurchase agreement borrowings (Repo)	6,350.75	3,929.78
Securitisation liabilities*	6,767.80	1,753.68
	147,775.56	116,728.62
Outside India		
External commercial borrowing (ECB)**	22,866.97	15,373.63
	22,866.97	15,373.63
(B) Out of above		
Secured (Against loans, book debts and other receivables)	169,241.45	130,652.72
Unsecured	1,401.08	1,449.53
	170,642.53	132,102.25

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 3,789.34 crore during the year ended 31 March 2026 (Previous Year ₹ 2,893.75 crore) against eligible individual Housing loans under various refinance schemes.

*Represents associated liabilities in respect of securitisation transactions. The outstanding value is proceeds received from the trust which is net of Investment in Pass-through Certificates by the group.The Group has provided additional external credit enhancement to the trust by way of cash collateral.

**External commercial borrowing is denominated in foreign currency and secured against book debts.

-The Group has not been declared as Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof under the RBI guidelines on wilful defaulters.

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2026

	Residual maturity of loans								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Monthly										
Up to 3 years	120	603.13	64	224.17	34	93.89	-	-	218	921.19
Over 3 to 4 years	120	615.54	120	542.82	106	503.93	12	103.16	358	1,765.45
Quarterly										
Up to 3 years	10	341.68	8	116.64	-	-	-	-	18	458.32
Over 3 to 4 years	92	2,210.70	78	1,645.07	62	1,112.87	30	660.94	262	5,629.58
Over 4 years	172	2,875.43	149	2,375.23	137	1,665.23	218	2,332.74	676	9,248.63
Half yearly										
Up to 3 years	10	816.33	4	199.67	2	84.00	-	-	16	1,100.00
Over 3 to 4 years	22	1,668.16	10	675.89	4	106.25	-	-	36	2,450.30
Over 4 years	225	14,060.59	248	14,540.58	198	11,183.42	345	13,982.08	1,016	53,766.67

17 Borrowings (other than debt securities) (Contd.)

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Yearly										
Up to 3 years	4	174.60	4	224.60	3	100.80	-	-	11	500.00
Over 3 to 4 years	4	267.32	4	266.32	4	266.36	-	-	12	800.00
Over 4 years	10	1,355.00	20	1,788.33	21	1,688.33	33	3,616.67	84	8,448.33
On maturity (Bullet)										
Up to 3 years	14	9,250.00	5	2,565.00	1	500.00	-	-	20	12,315.00
Over 3 to 4 years	-	-	2	1,500.00	2	1,000.00	-	-	4	2,500.00
Over 4 years	1	500.00	2	2,200.00	-	-	1	3,000.00	4	5,700.00
Interest accrued	-	13.88	-	-	-	-	-	-	-	13.88
Impact of EIR										(2.79)
										105,614.56

-Interest rate ranges from 5.25 % p.a. to 8.05 % p.a. as at 31 March 2026

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	121	2,281.13	111	2,368.97	81	1,759.38	127	1,926.53	440	8,336.01
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	147	9,285.56	191	13,304.02	166	11,454.56	258	13,596.12	762	47,640.26
Yearly										
Up to 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 3 to 4 years	-	-	-	-	-	-	-	-	-	-
Over 4 years	12	1,130.00	12	1,580.00	13	1,413.22	20	1,805.00	57	5,928.22
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	3	650.00	-	-	13	7,500.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Over 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued	-	16.62	-	-	-	-	-	-		16.62
Impact of EIR										(0.23)
										84,844.61

-Interest rate ranges from 6.61 % p.a. to 8.80 % p.a. as at 31 March 2025

17 Borrowings (other than debt securities) (Contd.)

(D) Terms of repayment of working capital demand loans from bank

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	12	4,272.00	7	2,366.27
Interest accrued		0.67		1.31
	12	4,272.67	7	2,367.58

-Interest rate ranges from 6.50% p.a to 8.20% p.a as at 31 March 2026 (Previous year 7.11% p.a to 9.30% p.a)

(E) Terms of repayment of TREPs

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	18	8,636.93	28	11,676.78
	18	8,636.93	28	11,676.78

-Interest rate ranges from 5.95% p.a to 6.77% p.a as at 31 March 2026 (Previous year 6.00% p.a to 6.99% p.a)

(F) Terms of repayment of term loan from NHB as at 31 March 2026

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	156	1,140.34	208	1,520.43	208	1,520.43	801	6,159.68	1,373.00	10,340.88
										10,340.88

Interest rate ranges from 4.25 % p.a. to 8.35 % p.a. as at 31 March 2026.

Terms of repayment of term loan from NHB as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058	8,372.40
										8,372.40

-Interest rate ranges from 5.25 % p.a. to 8.45 % p.a. as at 31 March 2025

17 Borrowings (other than debt securities) (Contd.)

(G) Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	5	4,022.81	-	-
Original maturity over 3 years	4	2,839.63	-	-
Due in 1 to 2 year				
Original maturity over 2 to 3 years	11	9,465.43	5	3,637.21
Original maturity over 3 years	1	711.26	4	2,567.44
Due in 2 to 3 year				
Original maturity over 2 to 3 years	5	5,829.19	11	8,558.14
Original maturity over 3 years	-	-	1	641.06
Interest Accrued		58.99		34.80
Impact of EIR		(60.34)		(65.02)
	26	22,866.97	21	15,373.63

-Contracted Interest rate ranges from 4.60% p.a to 4.94% p.a as at 31 March 2026 (Previous year 5.30% p.a to 5.61% p.a)

-Interest rate ranges from 7.17% p.a to 8.11% p.a post effective hedge as at 31 March 2026 (Previous year 7.47% to 8.11% p.a)

(H) Terms of repayment of repo borrowing

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	9	6,350.75	10	3,929.78
	9	6,350.75	10	3,929.78

-Contracted Interest rate is 6.50% p.a to 7.90% p.a as at 31 March 2026 (Previous year 7.40% p.a)

(I) Terms of repayment of securitisation liabilities

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Original maturity over 3 years				
Due within 1 year	2,140	2,127.64	12	396.97
Due in 1 to 2 years	2,120	1,942.90	12	413.91
Due in 2 to 3 years	2,091	1,656.48	12	381.74
Due over 3 years	16,036	1,027.27	24	556.29
Interest Accrued		13.96		4.89
Impact of EIR		(0.45)		(0.12)
	22,387	6,767.80	60	1,753.68

-Contracted Interest rate is 6.64% to 7.82% p.a as at 31 March 2026 (Previous year 7.75% p.a)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) At amortised cost		
Public deposits*	39,379.73	41,792.22
From others	29,153.02	29,610.91
	68,532.75	71,403.13

*As defined in Master direction - Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(B) Terms of repayment of deposits as at 31 March 2026

(₹ in crore)

	Residual maturity of deposits				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	10,959.93	-	-	-	10,959.93
Over 1 to 2 years	9,393.81	4,002.00	-	-	13,395.81
Over 2 to 3 years	3,035.36	4,347.64	3,001.29	-	10,384.29
Over 3 years	8,785.34	12,956.77	6,950.12	1,428.57	30,120.80
Interest accrued	2,095.73	1,358.79	325.81	35.24	3,815.57
Impact of EIR					(143.65)
					68,532.75

Terms of repayment of deposits as at 31 March 2025

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	12,233.43	-	-	-	12,233.43
Over 1 to 2 years	8,707.42	6,294.21	-	-	15,001.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,704.81	8,945.86	13,246.01	5,710.50	30,607.18
Interest accrued	1,396.03	876.34	623.13	77.01	2,972.51
Impact of EIR					(191.28)
					71,403.13

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	2,805.31	3,103.54
	2,805.31	3,103.54
(B) Outside India	-	-

19 Subordinated liabilities (Unsecured) (Contd.)

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
Redeemable at par					
INE296A08755	8.94%	21-Oct-15	21-Oct-25	-	40.00
INE296A08763	8.94%	09-Nov-15	07-Nov-25	-	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	02-Dec-16	02-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,660.00	2,950.00
Interest accrued				148.72	158.92
Impact of EIR				(3.41)	(5.38)
				2,805.31	3,103.54

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Unclaimed dividends*	5.96	4.29
Book overdraft	413.21	26.48
Security deposits	184.47	190.00
Lease liability[+]	1,254.65	1,121.19
Unclaimed matured deposits*	0.38	0.35
Payable on account of assignment	118.58	93.93
Outstanding liability for prepaid instrument	189.84	120.11
Unspent CSR liability	15.16	6.24
Advance received towards ECB variation margin	101.31	-
Others	512.60	385.61
	2,796.16	1,948.20

-Others includes amounts pertaining to sale of customers securities, ICD and deposits under process, FLDG advance etc.

*There are no undisputed amounts which were due and remained unpaid to Investor Education and Protection Fund as at the close of the year.

[+]Disclosures as required by Ind AS 116 'Leases':

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 12 to 218 months. The discount rate ranges from 5.95% to 9.15%.

20 Other financial liabilities (Contd.)

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening balance	1,121.19	1,001.16
Add: Addition during the year	389.26	347.55
Interest on lease liability	92.18	85.57
Less: Deletion during the year	13.26	12.94
Lease rental payments	334.72	300.15
Balance at the end of the year	1,254.65	1,121.19

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Not later than one year	346.32	306.80
Later than one year but not later than five years	857.74	803.89
Later than five years	383.04	280.74
	1,587.10	1,391.43

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Within 12 months	260.17	228.69
After 12 months	994.48	892.50

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on lease liabilities	92.19	85.57
Depreciation charge for the year	284.13	267.59
Expense related to short-term leases	4.87	4.92
(Gain)/loss on pre-mature lease closure	(3.07)	(2.79)
	378.12	355.29

(E) Total cash outflow for leases for the year

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Cash outflow for leases	334.72	300.15
Cash outflow for short-term leases	4.87	4.92
	339.59	305.07

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity	626.39	404.62
Compensated absences*	56.10	23.94
Other long-term service benefits	3.74	54.90
Impairment allowance on undrawn loan commitments	62.71	30.82
	748.94	514.28

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 15.87 crore (Previous year ₹ 23.94 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues	674.91	498.37
Others	34.17	33.73
	709.08	532.10

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
10,000,000,000 equity shares of ₹ 1 each (Previous year 750,000,000 equity shares of ₹ 2 each)	1,000.00	150.00
Issued		
6,222,481,865 equity shares of ₹ 1 each (Previous year 621,428,652 equity shares of ₹ 2 each)	622.25	124.29
Subscribed and paid up:		
6,222,481,865 equity shares of ₹ 1 each fully called up and paid up (Previous year 621,428,652 equity shares of ₹ 2 each fully called up and paid up)	622.25	124.29
Less: 4,605,529 equity shares of ₹ 1 each held in a trust for employees under ESOP Scheme [See footnote (f) below] (Previous year 616,288 equity shares of ₹ 2 each held in a trust for employees under employees under ESOP Scheme)	0.46	0.12
	621.79	124.17

23 Equity share capital (Contd.)

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	-
	621,428,652	124.29
Less: Equity shares held in trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17
As at 1 April 2025	621,428,652	124.29
Adjusted no. of shares on account of sub-division of equity share#	1,242,857,304	124.29
Add: Issue of bonus shares during the year to eligible shareholders#	4,971,429,216	497.14
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	8,195,345	0.82
	6,222,481,865	622.25
Less: Equity shares held in trust for employees under ESOP scheme	4,605,529	0.46
As at 31 March 2026	6,217,876,336	621.79

#During FY 2025-26, pursuant to approval of the Members

i. Authorised share capital of the Company was increased from ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each to ₹ 1,000 crore consisting of 10,000,000,000 equity shares of face value of ₹ 1 each, subsequently 621,428,652 equity shares of face value of ₹ 2 each as on the record date i.e. 16 June 2025 (end of the day), were sub-divided into 1,242,857,304 equity shares of face value of ₹ 1 each; and

ii. On 17 June 2025 (deemed allotment date), the Allotment Committee of the Board of Directors allotted 4,971,429,216 equity shares of face value of ₹ 1 each as bonus shares in the proportion of four bonus equity shares for every one equity share of face value of ₹ 1 held as on the record date i.e. 16 June 2025 (end of day), by capitalising an amount of ₹ 4,971,429,216 out of securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 18 June 2025.

iii. Consequently, in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

*On 24 July 2025, the Board of Directors of the Company had approved issue of 8,195,345 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 25 August 2025, the Allotment committee alloted the equity shares.

(B) Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Shares held by Holding Company

	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
Particulars	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	3,193,661,300	319.37	319,366,130	63.87

*An associate of Bajaj Holdings and Investments Limited.

23 Equity share capital (Contd.)

(D) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	3,193,661,300	51.32%	319,366,130	51.39%

*An associate of Bajaj Holdings and Investments Limited

(E) Shareholding pattern of promoters

Particulars	As at 31 March 2026		As at 31 March 2025		% Changes during the year in number of shares#	% Changes during the previous year in number of shares
	Face value ₹ 1 per share		Face value ₹ 2 per share			
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	3,193,661,300	51.32%	319,366,130	51.39%	0.00%	0.49%
Promoter Group :						
Aryaman Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Bachhraj Factories Private Limited	720,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj General Insurance Limited	921,000	0.01%	48,000	0.01%	91.88%	Nil
Bajaj Life Insurance Limited	2,470,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	3,085,000	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	1,176,000	0.02%	117,600	0.02%	0.00%	0.00%
Jamnalal Sons Private Limited	1,276,400	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	40,000	0.00%	2,000	0.00%	100.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	-	0.00%	2,000	0.00%	-100.00%	0.00%
Nimisha Jaipuria (A/c Kumud Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Neelima Bajaj Swamy (A/c Kumud Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	190,261,600	3.06%	18,974,660	3.05%	0.27%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Rajivnayan Bajaj	10,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Sanjali Bajaj	1,553,540	0.02%	65,104	0.01%	138.62%	0.00%
Sanjivnayan Bajaj	4,676,880	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	631,040	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	1,553,040	0.02%	65,104	0.01%	138.55%	0.00%
Suman Jain	70,150	0.00%	7,015	0.00%	0.00%	0.00%

#Percentage change in number of shares has been calculated by adjusting previous year numbers for split and bonus to make it comparable

23 Equity share capital (Contd.)

(F) Shares reserved for issue under employee stock option plan

Particulars		No. of Stock options/ Equity shares as at 31 March 2026*	31 March 2025
a.	Number of equity shares approved/reserved for issue under employee stock option plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	350,711,600	35,071,160
b.	Options granted under the scheme	344,274,350	33,044,110
c.	Options cancelled and added back to pool for future grants	45,691,416	4,247,656
d.	Options granted net of cancellation under the scheme (d = b-c)	298,582,934	28,796,454
e.	Balance available under the scheme for future grants (e=a-d)	52,128,666	6,274,706
f.	Equity shares allotted to BFL Employee Welfare Trust	246,192,385	23,799,704
g.	Stock options exercised	241,586,856	23,183,416
h.	Balance stock options available with BFL Employee Welfare trust (h = f-g)	4,605,529	616,288

*All number are adjusted for split and bonus action during the year

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the Trust at the close of the year have been reduced against the share capital as if the Trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the Trust at the close of the year aggregating to ₹ 218.12 crore (as at 31 March 2025 ₹ 304.96 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

Dividends declared by the Parent Company do not accrete to the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Parent Company and adjusted against the source from which dividend has been paid.

24(A) Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2026	2025
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	28,396.10	28,281.33
(ii)	Retained earnings	Retained earnings represents the surplus in Profit and Loss account post appropriations made from retained earnings.	64,267.29	51,782.66
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act,1987 as a statutory reserve.	687.88	556.03
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	17,129.75	13,567.75
(v)	General reserve	Amount set aside from retained profits as a reserve to be utilised for permissible general purpose as per law.	796.99	792.29

24(A) Other equity (Contd.)

(₹ in crore)

Particulars	Nature and purpose	As at 31 March 2026	As at 31 March 2025
(vi) Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	1,113.08	800.90
(vii) Share options outstanding account	Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for employees of the group.	1,200.81	950.69
(viii) Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(139.54)	(165.84)
(ix) Other comprehensive income			
(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	(188.46)	115.06
(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. the Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(31.49)	(20.19)
(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	117.71	(96.53)
(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(e) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	27.11	4.55
		113,377.23	96,568.70

24(A) Other equity (Contd.)

*The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	-	-
Fair value changes during the year	(170.58)	29.45
Impairment loss allowances transferred to profit or loss	170.58	(29.45)
Balance as at the end of the year	**-**	**-**

24(B) Non-controlling interest (NCI)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	2,244.02	-
Change during the year:		
Change in proportion held by non-controlling interest (on the date of dilution)	2,667.63	2,099.10
Adjustment for movement in reserves for non-controlling interest (post dilution)	6.24	2.52
Profit attributable to NCI	314.97	141.66
Other comprehensive income attributable to NCI	(2.32)	0.74
Balance as at the end of the year	2,986.52	2,244.02

25 Interest income

(₹ in crore)

	For the year ended 31 March 2026				For the year ended 31 March 2025			
	On financial assets measured at				On financial assets measured at			
Particulars	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
On loans*	1,895.72	67,888.99	-	69,784.71	5,939.36	52,471.94	-	58,411.30
On investments	1,822.07	36.48	68.24	1,926.79	1,622.19	43.02	133.85	1,799.06
On deposits with bank	-	766.16	-	766.16	-	589.77	-	589.77
On others	-	298.35	-	298.35	-	363.42	-	363.42
	3,717.79	68,989.98	68.24	72,776.01	7,561.55	53,468.15	133.85	61,163.55

*Includes ₹ 17.18 crore (Previous year ₹ 1.34 crore) of interest income from Finance lease

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure income	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
	7,754.39	5,982.84

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on equity/debt instruments at FVTPL	297.40	433.47
Unrealised gain/(loss) on equity/debt instruments at FVTPL	(101.41)	(39.21)
Realised derivative gain/(loss) on financial instruments at FVTPL	108.47	52.70
Unrealised derivative gain/(loss) on financial instruments at FVTPL	7.58	(0.44)
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	159.20	92.51
	471.24	539.03

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service fees for management of assigned portfolio of loans	15.71	27.13
	15.71	27.13

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Income on derecognised (assigned) loans	465.46	552.04
	465.46	552.04

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Marketing, branding and allied services	471.04	490.97
Dividend income	4.42	10.89
Grant towards QR deployment operating expenditure*	2.00	1.21
Others	22.11	38.05
	499.57	541.12

*The Parent Company has received a government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 2.00 crore in current year (Previous year ₹ 1.21 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under 'Ind AS 20 - Accounting for government grants and disclosure of government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

- The Group has changed presentation of recoveries against written off financial assets and net realisation on sale of written off loans from 'Other Operating Income' to 'impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in other operating income and impairment of financial instruments to the extent of ₹ 799.65 crore in financial year ended March 2026 and ₹ 877.80 crore in financial year ended March 2025.

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on income tax refund	2.74	25.93
Miscellaneous income	4.38	15.34
	7.12	41.27

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
On financial liabilities measured at amortised cost:		
On debt securities	13,508.38	10,491.84
On borrowings other than debt securities	9,235.61	8,729.47
On deposits	5,538.87	5,147.48
On subordinated liabilities	245.33	277.69
On lease liability	92.19	85.57
On others	13.46	12.78
Other interest expenses*	32.11	24.92
	28,665.95	24,769.75

*Includes interest on net defined benefit liability of gratuity of ₹ 32.11 crore (Previous year ₹ 19.68 crore).

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Commission and incentives	121.51	107.47
Recovery costs	2,571.58	1,973.59
Credit guarantee fees	945.77	508.76
Loan portfolio management service charges	19.24	7.84
	3,658.10	2,597.66

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2026			For the year ended 31 March 2025		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans						
Gross of recoveries against written off loans	10,115.11	73.50	10,188.61	7,863.94	44.62	7,908.56
Recoveries against written off financial assets*	(793.49)	(3.57)	(797.06)	(697.69)	(17.21)	(714.90)
Net realisation on sale of written off loans*	(1.70)	(0.89)	(2.59)	(162.90)	-	(162.90)
	9,319.92	69.04	9,388.96	7,003.35	27.41	7,030.76
On others	92.89	-	92.89	57.47	-	57.47
	9,412.81	69.04	9,481.85	7,060.82	27.41	7,088.23

*The Group has changed presentation of recoveries against written-off financial assets and net realisation on sale of written off loans from 'Other operating Income' to 'Impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in 'other operating income' and 'impairment of financial instruments'.

35 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Employees emoluments	8,140.99	6,698.34
Contribution to provident fund and other funds	284.71	233.10
Gratuity expense	25.71	91.62
Share based payment to employees	441.18	399.07
Staff welfare expenses	85.94	86.21
	8,978.53	7,508.34

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Communication expenses	251.21	186.82
Outsourcing/back office expenses	446.19	564.06
Travelling expenses	542.52	504.81
Information technology expenses	983.92	771.97
Bank charges	232.91	221.39
Net loss on disposal of property, plant and equipment and intangible assets	18.34	35.50
Auditor's fees and expenses	3.39	2.85
Insurance charges	17.04	11.69
Rent, taxes and energy cost	132.22	118.05
Director's fees, commission and expenses	22.68	17.91
Advertisement, branding and promotion expenses	465.12	477.23
Expenditure towards corporate social responsibility activities	379.21	295.64
Repairs, maintenance and office expenses	265.49	282.91
Employee training, recruitment and management expenses	82.88	93.81
Printing and stationery expenses	10.69	11.05
Legal and professional charges	63.34	59.11
Customer experience cost	83.85	120.95
Miscellaneous expenses[+]	129.68	164.44
	4,130.68	3,940.19

[+]Includes donation of ₹ Nil (Previous year ₹ 25 crore) made to political parties.

37 Exceptional items

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Charge of New Labour Codes	(265.22)	-
	(265.22)	-

On 21 November 2025, the Government of India has notified four New Labour Codes by consolidating 29 existing labour laws. These changes have resulted in an estimated increase in the past service cost of gratuity by ₹ 265.22 crore. Considering that the impact arising out of an enactment of the new legislation is a non-recurring event, the Group has presented this one-time charge under 'Exceptional Item'. The Ministry of Labour and Employment have published draft Central rules and various FAQs. The Group continues to monitor the clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

38 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Particulars	For the year ended 31 March 2026	2025
(A)	Net profit attributable to equity shareholders (₹ in crore)	19,017.39	16,637.82
(B)	Weighted average number of equity shares for basic earnings per share	6,214,050,375	6,186,356,840
	Effect of dilution:		
	Employee stock options	19,919,777	17,136,160
(C)	Weighted average number of equity shares for diluted earnings per share	6,233,970,152	6,203,492,990
	Earning per share (basic) (₹) (A/B)	30.60	26.89
	Earning per share (diluted) (₹) (A/C)	30.51	26.82

Basic and diluted earnings per share for the year ended March 2025 have been restated for split and bonus action (refer note no. 23a) as per the requirement of Ind AS 33 Earnings Per Share.

39 Segment Information

The Parent Company and one of its subsidiary viz BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

40(A) Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

40 (B) Transfer of financial assets that are not derecognised in their entirety

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Securitisations		
Carrying amount of transferred assets (measured at amortised cost)	7,810.52	1,976.92
Carrying amount of securitisation liabilities - Borrowing other than debt securities (measured at amortised cost)	6,767.80	1,753.68
Fair value of assets (A)	7,801.21	1,975.04
Fair value of associated liabilities (B)	6,774.93	1,742.93
Net position at fair value (A-B)	1,026.28	232.11

41 Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Type of services		
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure charges	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
Marketing, branding and allied services	471.04	490.97
	8,225.43	6,473.81
Geographical markets		
India	8,225.43	6,473.81
Outside India	-	-
	8,225.43	6,473.81
Timing of revenue recognition		
Services transferred at a point in time	8,190.16	6,449.19
Services transferred over time	35.27	24.62
	8,225.43	6,473.81

Contract balances

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fees, commission and other receivable	408.49	466.86
	408.49	466.86

- Impairment allowance recognised on contract balances is ₹ 1.64 crore (Previous year ₹ 1.88 crore)
- Contract asset as on 31 March 2026 is ₹ Nil (Previous year ₹ Nil)

42 Employees benefit plans

(I) Defined benefit plans

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Company, into an entity, or fund from which the employee benefits are paid. The Company is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Company.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan assets.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.

Gratuity

With the introduction of the Code on Social Security, 2020 w.e.f. 21 November 2025, the Payment of Gratuity Act, 1972 is repealed. While the Act has been repealed, its core provisions have been incorporated into the new code. The new code has also defined the eligibility of fixed-term employees for gratuity after completion of one year of service and introduced new definition of 'wages'.

The Group has a gratuity plan for its employee's, and gratuity benefit applicable to the employees of the Group is higher of (a) gratuity computed on the basis of wages capped at ₹ 20 lakh and (b) gratuity computed on the basis of Group's internal gratuity scheme.

Employees, other than fixed-term employees, who are in continuous service for a period of 5 years; and fixed-term employees who are in continuous service for a period of one year, are eligible for gratuity. The level of benefits provided depends on the employee's length of service, and wages/eligible salary at the time of separation/retirement.

The Group has a funded gratuity plan. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions based on past trends and forseeable changes in consultation with actuary. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

42 Employees benefit plans (Contd.)

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Defined benefit obligation as at the beginning of the year	652.79	510.51
Current service cost	152.31	91.62
Past service cost	151.97	7.57
Interest on defined benefit obligation	49.02	35.69
Remeasurements due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(18.71)	24.49
Actuarial loss/(gain) arising from change in demographic assumptions	(86.56)	11.70
Actuarial loss/(gain) arising on account of experience changes	59.51	(12.61)
Benefits paid	(32.05)	(15.21)
Liabilities assumed/(settled)*	(1.60)	(0.97)
Defined benefit obligation as at the end of the year	926.68	652.79

*Towards continuity of service offered to employees on movement.

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Fair value of plan asset as at the beginning of the year	248.18	222.17
Employer contributions	81.08	27.50
Interest on plan assets	16.92	15.96
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(12.23)	(1.27)
Benefits paid	(32.05)	(15.21)
Assets acquired/(settled)*	(1.60)	(0.97)
Fair value of plan asset as at the end of the year	300.30	248.18

* Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Net defined benefit liability/(asset) as at the beginning of the year	404.61	288.34
Expense charged to Statement of Profit and Loss	336.37	118.91
Amount recognised in other comprehensive income	(33.51)	24.86
Employers contribution	(81.08)	(27.50)
Net defined benefit liability/(asset) as at the end of the year	626.39	404.61

42 Employees benefit plans (Contd.)

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Current service cost	152.31	91.62
Past service cost	151.97	7.56
Interest cost	32.10	19.73
	336.38	118.91

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Opening amount recognised in other comprehensive income	219.79	194.94
Changes in financial assumptions	(18.71)	24.49
Changes in demographic assumptions	(86.56)	11.70
Experience adjustments	59.51	(12.61)
Actual return on plan assets less interest on plan assets	12.23	1.27
Closing amount recognised outside profit or loss in other comprehensive income	186.26	219.79

Amount recognised in Balance Sheet

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Present value of funded defined benefit obligation (A)	926.68	652.79
Fair value of plan assets (B)	300.29	248.17
Net funded defined benefit obligation C=(A-B)	626.39	404.62
Net defined benefit liability recognised in Balance Sheet	626.39	404.62

Key actuarial assumptions

	As at 31 March	
Particulars	**2026**	**2025**
Discount rate (p.a)	7.15%	6.85%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100.00%	100.00%

42 Employees benefit plans (Contd.)

Sensitivity analysis for significant assumptions

(₹ in crore)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(60.18)	58.16	(35.02)	36.36
Impact of decrease in 50 bps on defined benefit obligation	68.12	(53.36)	38.00	(33.93)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Maturity Profile		
Expected benefits for year 1	118.94	29.55
Expected benefits for year 2	102.90	32.37
Expected benefits for year 3	99.09	36.08
Expected benefits for year 4	99.54	38.27
Expected benefits for year 5	93.28	49.91
Expected benefits for year 6	91.00	45.66
Expected benefits for year 7	86.54	48.88
Expected benefits for year 8	85.23	52.62
Expected benefits for year 9	80.94	56.79
Expected benefits for year 10 and above	890.41	1,239.77

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Expected contribution to fund in the next year	123.70	28.55

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss account is as below:

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Provident fund and pension scheme of Employees' Provident Fund Organisation	321.42	195.65
National pension scheme	16.90	12.18
Superannuation fund	0.14	0.29

42 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2026	2025
Maturity profile		
Present value of unfunded obligations	40.27	-
Expense recognised in the Statement of Profit and Loss	40.27	-

(₹ in crore)

Particulars	As at 31 March 2026	2025
Key actuarial assumptions		
Discount rate (p.a.)	7.15%	-
Salary escalation rate (p.a.)*	11.00%	-

*For full time employees

B) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of unfunded obligations	1.70	51.83
Expense recognised in the Statement of Profit and Loss	(46.54)	(14.66)
Discount rate (p.a.)	7.10%	6.85%

43 Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2026	2025
Disputed claims against the Group not acknowledged as debts	161.58	147.17
PF matters under appeal	110.76	110.76
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank Guarantees	0.75	0.75
Service tax/Goods and Service Tax matters under appeal		
- On interest subsidy [Refer footnote (ii) below]	2,552.20	2,422.92
- On interest collected upfront [Refer footnote (iii) below]	936.22	874.79
- On additional reversal of credit on investment activity [Refer footnote (iv) below]	658.57	630.32
- On reversal of input tax credit on credit note by the customer	22.99	14.13
- On excess claim ITC and diff in GSTR-1 Vs GSTR 3B	32.42	33.29
- On others	5.14	15.82
Income tax matters:		
- Appeals by the Group	182.40	87.56

43 Contingent liabilities and commitments (Contd.)

i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/ defense.

ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 1,174.32 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 295.34 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Parent Company in relation to interest collected upfront by the Parent Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Parent Company pays the GST liability demanded, which as at 31 March 2026 amounted to ₹ 253.64 crore. In accordance with legal advice, the Parent Company has filed an appeal on 23 April 2025 before the office of the Commissioner (Appeals), Pune disputing the demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Parent Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 281.83 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

v) It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

43 Contingent liabilities and commitments (Contd.)

(b) Capital and other commitments

(₹ in crore)

Particulars		As at 31 March 2026	2025
(i)	Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
	Tangible	69.30	30.84
	Intangible	14.91	20.39
(ii)	Other commitments		
	Towards partially disbursed/un-encashed loans	36,617.01	5,388.57
	Towards investment	3.98	-
	Towards future corporate social responsibility spend	263.45	178.05
		36,968.65	5,617.85

44 Changes in liability arising from financing activities (Ind AS 7 - Statement of Cash flows)

(₹ in crore)

Particulars	As at 1 April 2025	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2026
Debt securities	154,639.73	36,847.92	(17.83)	1,662.08	193,131.90
Borrowings (other than debt securities)	132,102.25	36,558.12	1,956.08	26.08	170,642.53
Deposits	71,403.13	(3,761.08)	-	890.70	68,532.75
Subordinated liabilities	3,103.54	(290.00)	-	(8.23)	2,805.31
Lease liabilities	1,121.19	(242.53)	-	375.99	1,254.65
	362,369.84	69,112.43	1,938.25	2,946.62	436,367.14

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2025
Debt securities	117,999.54	34,998.68	43.29	1,598.22	154,639.73
Borrowings (other than debt securities)	111,617.47	20,190.63	284.01	10.14	132,102.25
Deposits	60,150.92	10,527.22	-	724.99	71,403.13
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liabilities	1,001.16	(214.57)	-	334.60	1,121.19
	294,346.99	65,049.46	327.30	2,646.09	362,369.84

*Includes movement in interest accrued and impact of EIR

45 (A) Disclosure of transactions with related parties as required by IND AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Limited	Contribution to equity (3,193,661,300 shares of ₹ 1 each, adjusted for split and bonus, previous year 319,366,130 share of ₹ 2 each)	-	(319.37)	-	(63.87)
	Proceeds from conversion of preferential warrants	-	-	891.64	-
	Secured non-convertible debentures issued	-	(300.00)	-	(200.00)
	Secured non-convertible debentures redemption	700.00	-	395.00	(800.00)
	Security deposit for leased premises	1.30	1.30	-	-
	Interest paid on non-convertible debentures	80.37	-	75.16	-
	Inter-corporate deposits accepted	-	(550.00)	-	(550.00)
	Interest accrued on Inter-corporate deposits	49.19	(114.06)	45.82	(69.78)
	Dividend paid	1,788.45	-	1,144.14	-
	Asset sales	0.85	-	-	-
	Business support charges received	-	-	0.46	-
	Business support charges paid	17.95	-	17.76	-
	Fair value of ESOP paid	1.47	-	4.72	-
	Rent and maintenance expenses	2.59	-	-	-
(B) Fellow subsidiaries					
1. Bajaj Life Insurance Limited (Formerly known as Bajaj Allianz Life Insurance Company Limited)	Contribution to equity (2,470,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 247,000 shares of ₹ 2 each)	-	(0.25)	-	(0.05)
	Secured non-convertible debentures issued	-	(649.80)	-	(500.00)
	Unsecured non-convertible debentures issued	318.00	(4,025.00)	287.00	(3,707.00)
	Interest paid on non-convertible debentures	360.26	-	311.34	-
	Dividend paid	1.38	-	0.89	-
	Asset sales	-	-	0.19	-
	Security deposit for leased premises	-	1.82	-	1.82
	Advance towards insurance	-	7.17	-	5.96
	Commission income	687.56	43.58	382.31	29.21
	Marketing, branding and allied service charges received	196.16	24.24	146.89	19.58
	Business support charges received	0.32	0.36	0.27	-
	Business support charges paid	0.06	-	1.70	(0.27)
	Insurance expenses	55.57	-	66.02	0.12
	Rent and maintenance expenses	2.91	-	2.79	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Contribution to equity (921,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 48,000 shares of ₹ 2 each)	-	(0.09)	-	(0.01)
	Secured non-convertible debentures issued	-	(943.50)	-	(743.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Interest paid on non-convertible debentures	61.94	-	33.90	-
	Dividend paid	0.27	-	0.17	-
	Asset purchases	0.47	-	-	-
	Asset sales	-	-	0.06	0.06
	Advance towards insurance	-	12.07	-	9.82
	Commission income	66.76	5.00	80.68	9.14
	Business support charges received	3.19	1.57	0.90	0.30
	Business support charges paid	-	-	0.44	-
	Insurance expenses	111.33	-	88.96	1.39
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	283.16	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	-	-	280.47	280.47
	Information technology design and development charges paid	51.36	(2.84)	74.45	(14.66)
	Asset purchases	4.47	(0.01)	7.18	(6.65)
	Asset sales	1.17	0.10	1.02	-
	Business support charges received	0.74	0.29	5.09	0.11
	Business support charges paid (outstanding ₹ 22,990)	7.74		80.28	(5.25)
	Sourcing commission paid	116.64	(17.01)	159.04	(17.01)
	Information technology support and usage charges paid	8.64	(0.44)	24.73	(1.51)
	Annual maintenance charges on loan	3.66	-	6.32	(0.01)
	Guarantee/Service fees paid for FLDG	15.07	(1.62)	18.79	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	-	(1.32)	12.04	(21.11)
	Invocation of deposit towards FLDG	19.79	-	13.33	-
	Interest accrued on cash deposit received towards FLDG	0.72	(0.06)	2.03	(0.36)
4. Bajaj Finserv Health Limited	Asset purchases	0.08	-	0.07	-
	Commission income	162.00	19.47	165.76	8.17
	Reimbursement of manpower cost received	39.98	11.21	-	-
	Interest subsidy received (previous year transaction value ₹ 1,710)	-	-		-
	Business support charges received	0.63	-	0.58	-
	Business support charges paid	2.82	(0.36)	0.42	(0.46)
	Product distribution fee paid	-	-	0.03	-
	Services received	3.37	-	1.70	(0.02)
	Settlement of security deposit on leased premises on behalf of lessor	-	-	1.79	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.27	-	0.24	-
	Asset purchases	0.26	-	-	-
6. Bajaj Finserv Ventures Limited	Asset sales	0.12	-	0.08	-
	Asset purchases	-	-	7.17	(0.02)
	Business support charges received	-	-	11.00	6.22
	Business support charges paid	-	-	1.10	(1.18)
7. VH Medcare Private Limited	Asset sales	0.45	-	-	-
	Sourcing commission paid	3.66	(0.44)	-	-
8. Bajaj Alternate Investment Management Limited	Asset sales	0.32	-	-	-
	Business support charges received	0.10	-	-	-
(C) Associates					
1. Snapwork Technologies Private Limited	Investment in equity shares	-	28.49	-	28.49
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges paid	30.14	-	20.02	-
	Information technology support and usage charges paid	0.28	-	0.24	-
2. Pennant Technologies Private Limited	Investment in equity shares	-	113.75	-	113.75
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	-	153.72
	Inter-corporate deposits accepted	42.91	(42.91)	40.00	(40.00)
	Inter-corporate deposits repaid	40.00	-	-	-
	Interest accrued on inter-corporate deposits	3.06	(1.46)	1.80	(1.62)
	Information technology design and development charges paid	31.34	-	35.79	(11.84)
	Annual maintenance charges paid	7.04	-	5.82	-
	Finance lease given	0.85	0.93	0.26	0.26
	Finance lease repayment received	0.26	-	-	-
	Interest income on finance lease	0.07	-	-	-
	Advance given towards lease related transactions	0.09	0.13	0.06	0.06
	Receipt of repayment towards advance given	0.02	-	-	-
	Lease management and other charges received	0.02	-	-	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(D) Key Management Personnel (KMP) of the entity or its Parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Contribution to equity (4,676,880 shares of ₹ 1 each, adjusted for split and bonus, previous year 467,688 shares of ₹ 2 each)	-	(0.47)	-	(0.09)
	Short-term employee benefits:				
	Sitting fees	0.46	-	0.53	-
	Commission	7.25	(6.53)	5.44	(4.90)
	Dividend paid	2.62	-	1.68	-
2. Rajeev Jain (Vice Chairman w.e.f 1 Apr 2025 to 21 Jul 2025) (Vice Chairman and Managing Director w.e.f. 22 Jul 2025)	Contribution to equity (1,699,500 shares of ₹ 1 each, adjusted for split and bonus, previous year 169,950 shares of ₹ 2 each)	-	(0.17)	-	(0.03)
	Short-term employee benefits:				
	Remuneration	28.87	(20.73)	21.41	(7.08)
	Sitting fees	0.34	-	0.33	-
	Commission	0.58	(0.52)	0.66	(0.59)
	Share-based payment	42.60	-	39.06	-
	Equity shares issued pursuant to stock option scheme	-	-	40.52	-
	Asset purchase	-	-	0.50	-
	Dividend paid	0.95	-	0.61	-
	Cashback given (previous year transaction value ₹ 666)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-
3. Anup Saha (Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Short-term employee benefits:				
	Remuneration	10.38	-	13.97	(9.19)
	Share-based payment	5.04	-	13.33	-
	Equity shares issued pursuant to stock option scheme	15.89	-	-	-
	Dividend paid	0.02	-	-	-
	Asset sales	-	-	0.02	-
	Fixed deposit accepted (previous year transaction value ₹ 25,000)	-	-		(0.01)
	Interest accrued on fixed deposit (transaction value ₹ 2,925, previous year ₹ 8,716, outstanding ₹ 12,817)		-		
	Cashback given (previous year transaction value ₹ 175)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
4. Rajiv Bajaj (Director and Promoter group)	Contribution to equity (10,000 shares of ₹ 1 each, adjusted for split and bonus) (outstanding ₹ 10,000), (previous year 1,000 shares of ₹ 2 each, outstanding ₹ 2,000)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.05	-	0.07	-
	Commission	0.24	(0.22)	0.28	(0.25)
	Dividend paid (previous year transaction value ₹ 36,000)	0.01	-		-
5. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.75	-	0.58	(0.01)
	Commission	1.89	(1.70)	1.74	(1.57)
6. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.13	-	0.24	-
	Commission	0.64	(0.58)	0.96	(0.86)
7. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.29	-	0.32	-
	Commission	1.41	(1.27)	1.28	(1.15)
8. Radhika Haribhakti (Director)	Contribution to equity shares of BHFL (214 shares of ₹ 10 each) (previous year transaction value ₹ 14,980, outstanding ₹ 2,140)	-	-		
	Short-term employee benefits:				
	Sitting fees	0.36	-	0.20	(0.01)
	Commission	1.03	(0.93)	0.76	(0.68)
9. Dr. Arindam Bhattacharya (Director)	Contribution to equity (5,000 shares of ₹ 1 each, adjusted for split and bonus, outstanding ₹ 5,000), (previous year 724 shares of ₹ 2 each, outstanding ₹ 1,448)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.40	-	0.45	-
	Commission	1.26	(1.13)	1.18	(1.06)
	Loan given	0.02	-	-	-
	Loan repayment received	0.02	-	-	-
	Cashback given (transaction value ₹ 8,167)		-	-	-
	Other income (transaction value ₹ 328)		-	-	-
	Dividend paid (transaction value ₹ 40,544, previous year ₹ 26,064)		-		-
10. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.23	-	0.05	-
	Commission	1.14	(1.03)	0.20	(0.18)
11. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.22	-	0.01	-
	Commission	1.03	(0.93)	0.04	(0.04)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
12. Sanjiv Sahai (Director of Parent w.e.f. 1 Mar 2025)	Contribution to equity shares of BHFL (2,000 shares of ₹ 10 each, outstanding ₹ 20,000) (previous year transaction value ₹ 14,980, outstanding ₹ 20,000)	-			
(E) Close members of the families of key management personnel of the entity or its Parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	-	-	0.05	-
2. Archana Jain (Spouse of Rajeev Jain, Vice Chairman and Managing Director of the Company)	Assets Purchases	-	-	0.31	-
3. Tapati Saha (Spouse of Anup Saha, Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Fixed deposit accepted	-	-	-	(1.66)
	Interest accrued on fixed deposit	0.04	-	0.14	(0.31)
4. Siddhant Bajaj (Son of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.10	-	-	-
(F) Entities in which key management personnel or close members of their families have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Inter-corporate deposits accepted	745.00	(745.00)	480.00	(280.00)
	Inter-corporate deposits repaid	280.00	-	700.00	-
	Interest accrued on inter-corporate deposits	31.35	(22.30)	29.77	(13.84)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 31,500, previous year ₹ 12,000)		-		-
	Business support charges paid	32.91	-	31.23	-
	Rent and maintenance expenses	1.82	-	1.76	-
	Finance lease given	15.86	21.17	8.76	8.29
	Finance lease repayment received	4.36	-	0.78	-
	Interest income on finance lease	1.37	-	0.31	-
	Advance given towards lease related transactions	3.10	3.98	1.95	1.77
	Receipt of repayment towards advance given	0.90	-	0.18	-
	Lease management charges received	0.22	-	0.04	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	296.80	(296.80)	243.50	(223.50)
	Inter-corporate deposits repaid	223.50	-	20.00	-
	Interest accrued on inter-corporate deposits	17.68	(7.12)	8.06	(6.80)
	Finance lease given	1.55	1.81	0.40	0.39
	Finance lease repayment received	0.21	-	0.03	-
	Interest income on finance lease	0.08	-	0.01	-
	Advance given towards lease related transactions	0.45	0.49	0.10	0.09
	Receipt of repayment towards advance given	0.05	-	0.01	-
	Lease management charges received (previous year transaction value ₹ 14,157)	0.01	-		-
3. Bajaj Auto Credit Limited	Asset sales	1.49	-	2.55	(0.11)
	Business support charges received	0.93	-	-	-
	Business support charges paid	4.67	-	-	-
	Fair value of ESOP received	4.10	-	-	-
	Finance lease given	0.57	0.77	0.34	0.34
	Finance lease repayment received (previous year transaction value ₹ 19,048)	0.18	-		-
	Interest income on finance lease (previous year transaction value ₹ 31,232)	0.04	-		-
	Advance given towards lease related transactions	0.11	0.15	0.08	0.08
	Receipt of repayment towards advance given (previous year transaction value ₹ 3,869)	0.03	-		-
	Lease management charges received (previous year transaction value ₹ 1,363)	0.01	-		-
4. Bajaj Holdings and Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
	Security deposit for leased premises	0.19	0.19	-	0.70
	Repayment of security deposit received	0.70	-	-	-
	Commission income	3.35	-	-	-
	Dividend received (transaction value ₹ 6,975, previous year ₹ 6,450)		-		-
	Business support charges paid	23.50	-	23.69	-
	Rent and maintenance expenses	0.26	-	1.99	-
5. Hind Musafir Agency Limited	Services received	49.66	(1.76)	49.13	(0.04)
6. Bajaj Electricals Limited	Inter-corporate deposits accepted	285.00	(285.00)	198.00	(183.00)
	Inter-corporate deposits repaid	183.00	-	75.00	-
	Interest accrued on inter-corporate deposits	9.56	(5.39)	13.06	(10.22)
	Interest subsidy received	3.48	0.80	2.31	0.62
	Purchase of electrical equipments and other services (transaction value ₹ 7,840)		-	-	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26		FY2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	-	-	20.00	-
	Inter-corporate deposits repaid	-	-	20.00	-
	Interest accrued on inter-corporate deposits	-	-	0.61	-
	Loan given against flexi limit of ₹ 110 crore	146.00	-	203.00	21.00
	Loan repayment received	167.00	-	182.00	-
	Interest income on loan given	1.03	-	6.45	0.66
	Processing fees received	0.20	-	0.22	-
8. Jamnalal Sons Private Limited	Contribution to equity (1,276,400 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,27,640 shares of ₹ 2 each)	-	(0.13)	-	(0.03)
	Dividend paid	0.71	-	0.46	-
9. Maharashtra Scooters Limited	Contribution to equity (19,02,61,600 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,89,74,660 shares of ₹ 2 each)	-	(19.03)	-	(3.79)
	Secured non-convertible debentures issued	-	(200.00)	-	(200.00)
	Secured non-convertible debentures redemption	-	-	75.00	-
	Interest paid on non-convertible debentures	17.86	-	4.90	-
	Dividend paid	106.26	-	68.31	-
10. Bachhraj Factories Private Limited	Contribution to equity (720,000 shares of ₹ 1 each, adjusted for split and bonus, previous year, 72,000 shares of ₹ 2 each)	-	(0.07)	-	(0.01)
	Dividend paid	0.40	-	0.26	-
11. Baroda Industries Private Limited	Contribution to equity (1,176,000 shares of ₹ 1 each, adjusted for split and bonus, previous year,1,17,600 shares of ₹ 2 each)	-	(0.12)	-	(0.02)
	Dividend paid	0.66	-	0.42	-
12. Bajaj Sevashram Private Limited	Contribution to equity (3,085,000 shares of ₹ 1 each, adjusted for split and bonus, Previous year, 308,500 shares of ₹ 2 each)	-	(0.31)	-	(0.06)
	Dividend paid	1.73	-	1.11	-
13. Bajaj Staffing Solutions Limited (Formerly know as Bajaj Allianz Staffing Solutions Limited)	Outsourcing manpower supply services	86.95	-	104.16	-
(G) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(H)	**Post employment benefit plans**					
1.	Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(15.00)	-	(25.00)
		Unsecured non-convertible debentures redemption	10.00	-	11.00	-
		Interest paid on non-convertible debentures	2.22	-	3.32	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	-	-	0.15	-
3.	Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	68.43	-	16.00	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	11.49	-	11.50	-
(I)	**Post employment benefit plans of related parties**					
1.	Bajaj Electricals Limited Employees Provident Fund	Interest paid on non-convertible debentures	0.13	-	-	-
		Unsecured non-convertible debentures redemption	1.50	-	-	-
2.	Bachhraj & Co Limited Provident Fund Institution	Secured non-convertible debentures issued	-	(1.60)	-	-
		Unsecured non-convertible debentures issued	-	(0.30)	-	-
		Interest paid on non-convertible debentures	0.09	-	-	-
3.	Bajaj International Provident Fund Institution	Secured non-convertible debentures issued	-	(0.10)	-	-

Notes:

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash (except deemed equity and preferential warrants) and are unsecured (except secured non-convertible debentures issued to related parties which are disclosed appropriately).
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- During the year, the Group has received broking and other charges amounting to ₹ 1.41 crore from 76 related parties with respect to purchase and sale of securities (Previous year ₹ 0.36 crore from 75 related parties). Net amount receivable towards such transaction amounts to ₹ 0.10 crore from 28 related parties is outstanding as on 31 March 2026. (Previous year payable amounts to ₹ 0.03 crore to 24 related parties)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in confirmity with the Indian Accounting Standard (IND AS) 24.

45 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note no. 45(A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
1	Close members of the families of key management personnel of the entity or its Parent	Contribution to equity (38,37,089 share of ₹ 1 each, adjusted for split and bonus, previous year 203,005 shares of ₹ 2 each)	-	(0.38)	-	(0.04)
		Contribution to equity shares of BHFL (3,862 share of ₹ 10 each) (previous year 7,278 shares of ₹ 10 each)	-	(0.00)	0.05	(0.01)
		Dividend Paid	1.14	-	0.73	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (18,60,000 share of ₹ 1 each,adjusted for split and bonus, previous year 186,000 shares of ₹ 2 each)	-	(0.19)	-	(0.04)
		Dividend Paid	1.03	-	0.67	-

45(C) Details of commitment given to related parties

(₹ in crore)

S. No	Name of the related party and nature of relationship	Nature of commitment	As at 31 March 2026	As at 31 March 2025
A	**Fellow Subsidiaries**			
1	Bajaj Finserv Direct Limited	Information technology design and development charges paid	0.51	1.22
2	Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Insurance expenses on assets purchases	-	0.02
B	**Associates**			
	Snapwork Technologies Private Limited	Information technology design and development charges paid	-	0.04
C	**Entities in which key management personnel or close members of their families have significant influence**			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (Up to 12 months tenor from the date of disbursement and interest rate at arm's length)	110.00	89.00

45 (D) Summary of total compensation to key management personel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2026	For the year ended 31 March 2025
1	Short-term employee benefits	58.96	50.70
2	Share-based payment	47.64	52.39
		106.60	103.09

46 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Parent Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Parent Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

(ii) Regulatory capital

Bajaj Finance Limited

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Tier I capital	95,751.27	82,233.86
Tier II capital	4,091.48	3,284.64
Total capital (Tier I+Tier II)	99,842.75	85,518.50
Risk weighted assets	463,323.41	389,981.09
Tier I CRAR	20.67%	21.09%
Tier II CRAR	0.88%	0.84%
Total CRAR (Tier I+Tier II)	21.55%	21.93%

46 Capital (Contd.)

Bajaj Housing Finance Limited

(₹ in crore)

Particulars	As at 31 March 2026	2025
Tier I capital	21,994.67	19,456.12
Tier II capital	444.93	367.09
Total capital (Tier I+Tier II)	22,439.60	19,823.21
Risk weighted assets	99,906.32	70,188.39
Tier I CRAR	22.01%	27.72%
Tier II CRAR	0.45%	0.52%
Total CRAR (Tier I+Tier II)	22.46%	28.24%

(iii) Dividend distributions made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Bajaj Finance Limited

Dividends on equity shares declared and paid during the year:

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Dividend paid out of profits of previous year*	3,480.00	2,228.39
Profit for the relevant year	16,661.50	12,644.11
Dividend as a percentage of profit for the relevant year	20.89%	17.62%

*includes amount paid ₹ 1.72 crore (Previous year ₹ 1.93 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as on 31 March 2026)

(₹ in crore)

Particulars	FY2025-26
Final dividend on equity share at ₹ 6 per share (a)	3,733.49
Profit after tax for the year ended 31 March 2026 (b)	17,803.87
Final dividend proposed as a percentage of profit after tax (a/b)	20.97%

46 Capital (Contd.)

Bajaj Financial Securities Limited

Interim dividend on equity shares declared and paid during the year ended 31 March 2026

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Interim dividend paid out of profit of previous year (a)	3.36	9.68
Profit for the relevant year (b)	202.58	138.66
Interim dividend declared and paid as a percentage of profit after tax (a/b)	1.66%	6.98%

Bajaj Housing Finance Limited

Bajaj Housing Finance Limited has not paid nor recommended any dividend for financial year ended 31 March 2026.

47 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

48 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

48 Fair values (Contd.)

Valuation methodologies adopted

Fair value of financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans have been determined under level 3.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.
- The Group has also hedged some of its foreign currency exposure under External Commercial Borrowings using currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair values of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case of cash and cash equivalents, bank balances, trade receivables, short-term loans, floating rate loans, trade payables, short-term debts, borrowings, bank overdrafts and other current liabilities, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2026

(₹ in crore)

	Fair value measurement using			
Particulars	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Investments held under FVTPL	725.39	-	-	725.39
Equity instruments designated under FVOCI (Unquoted)	-	-	770.37	770.37
Equity instruments designated under FVOCI (Quoted)	160.56	-	-	160.56
Other investments designated under FVOCI	25,117.98	3,312.66	-	28,430.64
Loans designated under FVOCI	-	-	25,757.95	25,757.95
Derivative financial instruments (net)	6.70	2,323.58	-	2,330.28
	26,010.63	5,636.24	26,528.32	58,175.19

48 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	6,786.68	-	-	6,786.68
Equity instruments designated under FVOCI (Unquoted)	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	316.99	-	-	316.99
Other investments designated under FVOCI	22,448.25	3,883.64	-	26,331.89
Loans designated under FVOCI	-	-	68,579.27	68,579.27
Derivative financial instruments (net)	(4.23)	217.66	-	213.43
	29,547.69	4,101.30	69,003.89	102,652.88

-The Group does not carry any financial asset and liability which is fair valued on a non-recurring basis

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Opening balance	424.62	699.22
Acquisitions during the year	308.14	35.00
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from Level 3 to Level 1	-	(296.89)
Gains/(losses) recognised in other comprehensive income	37.61	(12.71)
Closing balance	770.37	424.62

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2026		Sensitivity to fair value as at 31 March 2025	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(86.09)	100.09	(28.51)	33.06
Cash flows	53.98	(46.74)	15.02	(13.10)

48 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Loans	473,185.59	-	-	473,297.00	473,297.00
Investments	87.74	-	-	88.20	88.20
	473,273.33	-	-	473,385.20	473,385.20
Financial liabilities					
Debt securities	193,131.90	-	193,126.25	-	193,126.25
Borrowings (other than debt securities)	170,642.53	-	-	170,649.21	170,649.21
Deposits	68,532.75	-	-	69,565.31	69,565.31
Subordinated liabilities	2,805.31	-	2,812.64	-	2,812.64
	435,112.49	-	195,938.89	240,214.52	436,153.41

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Loans	339,264.87	-	-	339,609.13	339,609.13
Investments	193.85	-	-	194.64	194.64
	339,458.72	-	-	339,803.77	339,803.77
Financial liabilities					
Debt securities	154,639.73	-	156,579.65	-	156,579.65
Borrowings (other than debt securities)	132,102.25	-	-	132,091.38	132,091.38
Deposits	71,403.13	-	-	71,718.46	71,718.46
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	361,248.65	-	159,720.57	203,809.84	363,530.41

49 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations; • when long-term assets cannot be funded at the expected term resulting in cash flow mismatches; • Amidst volatile market conditions impacting sourcing of funds from banks and money markets.	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by – identification of gaps in the structural and dynamic liquidity. – assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. – liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and board approved liquidity risk framework. • monitored by – assessment of the gap between maturity of its assets and liabilities – a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. – periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

49 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to fair value movement in equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating rate assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	Board constituted RMC, and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and sectoral exposure; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. Internal capital adequacy assessment process (ICAAP) Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

49 Financial risk management (Contd.)

(a) Liquidity risk

The Group's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Group maintains a judicious mix of borrowings from banks, money markets, External commercial borrowings (ECBs), securitisation, public and other deposits and and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Group maintain a healthy asset liability position and interest rate during the financial year 31 March 2026 (FY 2025-26). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 435,112.49 crore as of 31 March 2026 (previous year ₹ 361,248.65 crore). The weighted average cost of borrowing was 7.54% for FY 2025-26 (previous year 7.97%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain an average liquidity buffer of 4% to 6% of its overall net borrowings under various market scenario.

RBI has issued guidelines on liquidity risk framework for NBFCs, covering various aspects of liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Group has a Board approved liquidity risk management framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, collateral management for derivative exposure, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2026, the Parent Company and BHFL maintained a LCR of 128.38% and 152.52% respectively. Both are well above the RBI's stipulated norm of 100%.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Team (CMT) constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

49 Financial risk management (Contd.)

The table below summarises the maturity profile of the undiscounted contractual cash flow of the Group's financial liabilities :

As at 31 March 2026

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	8,239.92	25,983.97	21,443.81	116,905.81	75,909.21	248,482.72
Borrowings (other than debt securities)	25,243.45	11,352.77	40,912.15	105,322.43	5,687.37	188,518.17
Deposits	3,039.35	7,440.82	26,463.59	38,546.06	-	75,489.82
Subordinated liabilities	-	48.90	2,238.52	648.90	-	2,936.32
Trade payables	1,319.19	493.63	291.71	-	-	2,104.53
Other payables	837.30	6.07	309.50	20.93	-	1,173.80
Other financial liabilities	1,130.26	85.44	666.88	862.33	383.69	3,128.60
	39,809.47	45,411.60	92,326.16	262,306.46	81,980.27	521,833.96

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,662.71	5,307.47	24,522.51	48,169.81	-	80,662.51
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
	33,536.24	32,391.74	84,339.75	225,783.23	65,987.93	442,038.90

49 Financial risk management (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities :

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,896.90	-	1,896.90	3,642.46	-	3,642.46
Bank balances other than cash and cash equivalents	13,120.72	737.70	13,858.42	9,805.65	95.43	9,901.08
Derivative financial instruments	987.08	1,404.78	2,391.86	7.37	243.19	250.56
Trade receivables	1,839.20	68.88	1,908.08	1,791.55	121.56	1,913.11
Loans	160,263.51	338,680.03	498,943.54	126,435.77	281,408.37	407,844.14
Investments	22,726.14	7,851.66	30,577.80	27,012.79	7,428.05	34,440.84
Other financial assets	3,596.81	703.60	4,300.41	1,980.14	464.85	2,444.99
Non-financial assets						
Current tax assets (net)	-	229.59	229.59	-	480.77	480.77
Deferred tax assets (net)	-	1,560.07	1,560.07	-	1,141.20	1,141.20
Property, plant and equipment	-	2,851.06	2,851.06	-	2,688.89	2,688.89
Capital work-in-progress	-	61.83	61.83	-	26.74	26.74
Intangible assets under development	-	57.58	57.58	-	14.55	14.55
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,092.23	1,092.23	-	1,088.01	1,088.01
Other non-financial assets	133.43	86.29	219.72	205.72	40.50	246.22
	204,563.79	355,388.57	559,952.36	170,881.45	295,245.38	466,126.83
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	61.58	61.58	37.13	-	37.13
Trade payables	2,104.53	-	2,104.53	1,878.04	-	1,878.04
Other payables	1,152.87	20.93	1,173.80	930.91	-	930.91
Debt securities	49,534.96	143,596.94	193,131.90	53,916.54	100,723.19	154,639.73
Borrowings (other than debt securities)	69,993.95	100,648.58	170,642.53	46,900.60	85,201.65	132,102.25
Deposits	34,242.26	34,290.49	68,532.75	29,606.41	41,796.72	71,403.13
Subordinated liabilities	2,206.00	599.31	2,805.31	448.44	2,655.10	3,103.54
Other financial liabilities						
Lease liabilities	260.17	994.48	1,254.65	228.69	892.50	1,121.19
Others	1,539.36	2.15	1,541.51	827.01	-	827.01
Non-financial liabilities						
Current tax liabilities (net)	260.24	-	260.24	100.63	-	100.63
Provisions	51.75	697.19	748.94	27.81	486.47	514.28
Other non-financial liabilities	697.51	11.57	709.08	501.40	30.70	532.10
	162,043.60	280,923.22	442,966.82	135,403.61	231,786.33	367,189.94

49 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates, equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate assets and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial assets and liabilities, as follows:

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	209,167.87	2,091.68	(2,091.68)
Debt securities	5,000.45	(50.00)	50.00
Borrowings (other than debt securities)	116,164.68	(1,161.65)	1,161.65

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	168,005.42	1,680.05	(1,680.05)
Debt securities	1,597.35	(15.00)	15.00
Borrowings (other than debt securities)	92,094.02	(920.91)	920.91

(ii) Price risk

The Group's quoted equity instruments, mutual funds and Invit carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Group periodically monitors the sectors it has invested in, performance of the investee companies and measures mark-to-market gains/(losses).

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	403.92	403.92	40.39	(40.39)

49 Financial risk management (Contd.)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	25,117.98	25,117.98	251.18	(251.18)
Investment at FVTPL - Other than equity shares	482.03	482.03	4.82	(4.82)

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	573.87	573.87	57.39	(57.39)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by extant RBI guidelines and Board approved policies. As a matter of prudence, the Group hedges the entire ECB exposure for the full tenure as per its Board approved Interest rate and currency risk hedging policy.

The Group evaluates its fully hedged cost for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

The Group's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Hedged		
ECB (USD 2,415 million, previous year USD 1,800 million)	(20,599.60)	(15,091.03)
Derivative financial instrument*	20,599.60	(15,091.03)
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

49 Financial risk management (Contd.)

Foreign currency sensitivity impact on profit or loss and OCI :

The sensitivity to changes in exchange rates arises mainly from foreign currency denominated financial instruments and derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The resulting impact of movements in exchange rates on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has assumed a uniform increase and decrease of ±5% against the relevant foreign currencies to determine the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
USD sensitivity				
INR/USD - increase by 5%	-	-	1,164.52	789.13
INR/USD - decrease by 5%	-	-	(1,164.52)	(789.13)

Interest rate sensitivity impact on profit or loss and OCI :

The sensitivity to changes in interest rates arises from derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The impact of interest rate movements on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has considered a uniform increase and decrease of ±1% in the relevant interest rates to assess the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
Interest rate - increase by 1%	-	-	260.95	282.01
Interest rate - decrease by 1%	-	-	(268.96)	(290.77)

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument matches with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

49 Financial risk management (Contd.)

Impact of hedge on the Balance Sheet:

As at 31 March 2026

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Interest rate swap	3,500.00	-	61.58
Future and options	292.64	6.70	-

As at 31 March 2025

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	201.97	25.53
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Interest rate swap	2,350.00	41.22	-
Future and options	1,121.14	7.37	11.60

Movement in cash flow hedge reserve and cost of hedging reserve

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Movement in cash flow hedge reserve		
Balance at the beginning of the year	(96.53)	(8.87)
Changes in the fair value during the year	286.30	(117.14)
Deferred tax related to above (net)	(72.06)	29.48
Balance at the end of the year	117.71	(96.53)
Movement in cost of hedging reserve		
Balance at the beginning of the year	4.55	-
Changes in the fair value during the year	(30.68)	5.74
Amortisation of time value	45.52	0.25
Deferred tax related to above (net)	7.72	(1.44)
Balance at the end of the year	27.11	4.55

49 Financial risk management (Contd.)

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

Stage 1: which are not credit impaired as on date and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment and therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no. 3.3 (i).

The Group recalibrates components of its ECL model periodically by;

(1) incorporating the available incremental and recent information, except where such information does not represent the future outcome, and

(2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has recalibrated various components of its ECL model and used them in redevelopement of the model. The changes to ECL model and its implementation are approved by Board and its Committee.

During the year, to enhance Balance Sheet resilience and further strengthen its ECL framework, the Parent Company introduced LGD flooring across various businesses. LGD flooring has been introduced as a more conservative and prudent approach to provisioning and it will continue the same over the medium term period.

49 Financial risk management (Contd.)

The table below summarises the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="10">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates.</td><td rowspan="10">Empirical performance across different DPD (Days Past Due) ranges</td><td rowspan="15">100%</td><td rowspan="14">Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="4">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>MSME lending</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="3">Based on captive two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Rural B2C</td><td>Personal loans to salaried, self employed customers, professionals</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td>Based on Management judgement</td></tr>
<tr><td>Open market two and three wheeler finance</td><td>Open market two and three wheeler financing</td><td rowspan="2">Based on captive two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Used Car loans</td><td>Used car financing</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates and management evaluation/ judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Tractor/ Commercial vehicle finance</td><td>Financing for the purchase of tractor/ commercial vehicle</td><td colspan="2" rowspan="2">Basis industry benchmark</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Micro financing</td><td>Loans provided under micro finance</td></tr>
<tr><td>New car financing</td><td>New car loans</td><td colspan="2">Use of empirical default rates for Stage 1 and proxy from Used car finance for Stage 2</td><td>Use of empirical information for Stage 1 and proxy for Stage 2</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Loan against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

49 Financial risk management (Contd.)

The table below summarises stage wise gross carrying values and the associated allowances for expected credit loss (ECL) for loan portfolio:

As at 31 March 2026

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	309,567.59	1,831.24	2,177.56	189,791.29	2,934.78	2,941.23
Allowance for ECL	1,172.54	495.27	1,052.16	3,915.89	1,659.77	2,004.52
ECL coverage ratio	0.38%	27.05%	48.32%	2.06%	56.56%	68.15%

As at 31 March 2025

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	244,817.82	2,344.08	1,944.84	160,640.02	3,059.84	2,019.90
Allowance for ECL	865.45	495.06	950.80	2,237.98	1,253.61	1,179.46
ECL coverage ratio	0.35%	21.12%	48.89%	1.39%	40.97%	58.39%

Collateral valuation

The Group offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban Sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Gold loans	Pledge of gold jewellery.
MSME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loan against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.
Tractor and commercial vehicle loans	Hypothecation of underlying vehicle

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

49 Financial risk management (Contd.)

Guarantee cover taken on loans

The Parent Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Parent Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to qualifying customers.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD, EAD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Group has adopted the use of three scenarios, representative of its view of forecasted economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the Downside and Upside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. On 8 April 2026, the MPC (Monetary Policy Committee of the RBI) opined that the intensity and the duration of the (West Asia) conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to withstand shocks now than in the past.

Additionally, the Group reviewed the appropriateness of the Forward-looking Economic Guidance (FEG) assumptions used for Expected Credit Loss (ECL) assessment under Ind AS 109 by evaluating alternative scenario weightings of 75:15:10 and 80:15:5 for the central, downside and upside scenarios, respectively. In determining the most appropriate scenario, the Group considered (a) the RBI Governor's statement dated 8 April 2026 reaffirming the resilience of the Indian economy and supporting macro-economic indicators, (b) proactive measures undertaken by the Government of India to mitigate inflationary pressures by containing retail fuel price increases, including the reduction in special excise duties on petrol by ₹ 10 per litre and diesel, and (c) the stability of the Group's business operations, EMI default rates and collection efficiencies since the onset of the West Asia conflict.

Based on the above assessment, the scenario weights of 80:10:10 for the central, downside and upside scenarios, respectively, are considered appropriate for an unbiased estimation of the impact of macro-economic factors on ECL. The key scenario assumptions incorporate external economic forecasts and management estimates to ensure objectivity and balance in the measurement of credit risk. The Group will continue to closely monitor macro-economic conditions, geopolitical developments and portfolio performance, and will revise scenario weights and ECL provisions, as necessary, in response to emerging trends and uncertainties.

49 Financial risk management (Contd.)

The Group uses multiple economic factors and tests their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), unemployment rate, crude oil prices and policy interest rates. etc.

Real GDP (year on year rate), unemployment rate (year on year rate with lag effect) and inflation reflected higher and acceptable correlation with past observed default rates and basis their linkage with respective companies business, two of these variables with high correlation were considered by respective companies as appropriate. Unemployment has a direct relation with the income levels and so with the growth of the economy from an expenditure side. GDP has a direct relation with the overall income levels and with the broader growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For unemployment, the Parent Company has relied on data published by a leading business information provider tracking Indian economic indicators. In FY 2025-26, unemployment rate over the quarters has been oscillating around 6.3-7.7%. For the central scenario, it has considered the current unemployment level based on a quarterly average of 6.7% and assumed a gradual normalisation towards a long-term average of 5.2% by end of FY2027. Under the downside scenario, unemployment is assumed to peak at 11.5%, followed by a mean reversion trend, normalising to approximately 7.4%. In the upside scenario, factoring in improving employment trends and industrial recovery indicated by various surveys and studies, unemployment is assumed to improve to a best case level of 3.3% by June–September 2027, before reverting to the long-term average of 7.4%.

For Real GDP growth, the Parent Company has based its assumptions on projections published by the Reserve Bank of India (RBI). With Real GDP growth at 7.3% year on year in Q4 FY 2025-26, it has adopted the RBI's projected growth rate of 6.9% year on year as the central scenario, with growth moderating to 6.3% over a three year horizon. In the downside scenario, considering ongoing uncertainties such as geopolitical developments and tariff related risks, GDP growth is assumed to decline to 3.3% in Q2 FY2027, aligned with the lowest pre COVID-19 levels, before normalising to around 6.3% within the following two years. In contrast, the upside scenario assumes an optimistic growth rate of 10.3% in Q2 FY2027, consistent with the highest pre COVID-19 levels, with growth averaging back to 6.3% over the subsequent two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Gross carrying amount of loans	509,243.69	414,826.50
Reported ECL on loans	10,300.15	6,982.36
Reported ECL coverage	2.02%	1.68%
Base ECL without macro-economic provisions	10,165.95	6,915.36
ECL amounts for alternate scenario		
Central scenario (80%)	10,247.50	6,993.11
Downside scenario (10%)	11,524.38	7,550.98
Upside scenario (10%)	9,497.21	6,327.88
Reported ECL	10,300.16	6,982.36
Macro-economic provisions	134.21	67.00
ECL coverage ratios by scenario		
Central scenario (80%)	2.01%	1.69%
Downside scenario (10%)	2.26%	1.82%
Upside scenario (10%)	1.86%	1.53%

50 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

The Parent Company has an Employee Stock Option Plan, 2009 ('ESOP Plan') duly approved by its Board of Directors and shareholders. As of 31 March 2025, total number of equity shares approved and reserved for issue under the ESOP plan were 35,071,160 equity shares of face value of ₹ 2 each. The ESOP plan covers employees of the Company and that of its Group companies including Parent, subsidiaries, associates and any successor Company thereof.

As of 31 March 2026, consequent to the sub-division of equity shares from a face value of ₹ 2 each into ₹ 1 each and the issuance of bonus equity shares in the ratio of 4:1, total number of equity shares reserved for issue under the ESOP Plan were proportionately adjusted to 350,711,600 equity shares of face value ₹ 1 each.

The options issued under the ESOP Plan vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Company has approved the following grants to eligible senior and middle level executives of the Company and its subsidiaries in accordance with the ESOP Plan. Details of grants given and the related disclosures up to the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 24-May-16	3.59 to 76.54	222,718,000	-	-	189,723,050	32,994,950	-	-
17-May-17	134.78	11,207,500	157,140	-	9,597,360	1,413,630	39,370	157,140
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	5,000	-	700,360	489,640	5,000	5,000
17-May-18	192.00	12,734,160	626,560	-	10,008,960	2,080,400	18,240	626,560
16-May-19	300.28	11,239,000	2,611,006	-	7,735,564	884,570	7,860	2,611,006
19-May-20	193.86	20,542,500	5,399,830	-	13,285,770	1,856,900	-	5,399,830
27-Apr-21	473.66	9,366,430	4,286,570	-	4,350,730	729,130	-	4,286,570
26-Apr-22	700.55	10,037,560	4,511,509	2,340,050	2,071,041	1,114,960	-	6,851,559
25-Jul-22	625.83	193,490	18,860	18,860	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	4,637,510	6,480,350	2,806,819	1,709,291	-	11,117,860
25-Apr-24	732.92	15,366,090	2,722,213	10,213,570	987,932	1,442,375	-	12,935,783
12-Sep-24	734.56	38,900	9,730	29,170	-	-	-	38,900
28-Apr-25	911.20	13,833,250	18,020	12,839,660	-	975,570	-	12,857,680
		344,274,350	25,003,948	31,921,660	241,586,856	45,691,416	70,470	56,925,608

50 Employee stock option plan (Contd.)

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 20-May-15	3.59 to 44.82	208,418,000	-	-	177,676,800	30,741,200	-	-
24-May-16	76.54	14,300,000	242,500	-	11,803,750	2,253,750	-	242,500
17-May-17	134.78	11,207,500	474,350	-	9,293,280	1,413,630	26,240	474,350
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	10,000	-	700,360	489,640	-	10,000
17-May-18	192.00	12,734,160	1,405,900	-	9,257,010	2,062,140	9,110	1,405,900
16-May-19	300.28	11,239,000	3,992,180	-	6,385,890	860,930	-	3,992,180
19-May-20	193.86	20,542,500	6,998,650	-	11,730,400	1,813,450	-	6,998,650
27-Apr-21	473.66	9,366,430	3,602,070	2,058,420	3,017,730	688,210	-	5,660,490
26-Apr-22	700.55	10,037,560	3,824,530	4,737,290	654,060	821,680	-	8,561,820
25-Jul-22	625.83	193,490	-	37,720	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	2,865,240	10,861,110	995,610	912,010	-	13,726,350
25-Apr-24	732.92	15,366,090	-	14,946,170	-	419,920	-	14,946,170
12-Sep-24	734.56	38,900	-	38,900	-	-	-	38,900
		330,441,100	23,415,420	32,679,610	231,834,160	42,476,560	35,350	56,095,030

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2025-26	FY2024-25	FY2024-25
Grant date	28-Apr-25	25-Apr-24	12-Sep-24
No. of options granted	13,833,250	15,366,090	38,900
Weighted average fair value (₹)	350.67	312.05	302.56

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2026

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	56,095,030	76.54-734.56	551.46	4.82
Granted during the year	13,833,250	911.20	911.20	
Cancelled during the year	3,214,856	192.00-911.20	736.13	
Lapsed during the year	35,120	134.78-300.28	191.39	
Exercised during the year	9,752,696	76.54-732.92	446.98	
Outstanding at the end of the year	56,925,608	134.78-911.20	646.58	4.65
Exercisable at the end of the year	25,003,948	134.78-911.20	480.41	2.77

50 Employee stock option plan (Contd.)

As on 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	54,897,890	44.82-700.55	443.13	4.80
Granted during the year	15,404,990	732.92-734.56	732.92	
Cancelled during the year	1,643,380	473.66-732.92	658.39	
Lapsed during the year	22,240	134.78-192.00	158.21	
Exercised during the year	12,542,230	44.82-700.55	286.86	
Outstanding at the end of the year	56,095,030	76.54-734.56	551.46	4.82
Exercisable at the end of the year	23,415,420	76.54-700.55	385.89	2.91

The weighted average market price of equity shares for options exercised during the year is ₹ 943.60 (Previous year ₹ 754.27).

Method used for accounting for share based payment plan

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*	Options granted	Vesting period
25-Apr-24	7.10%	3.5 - 6.5 years	36.87%	0.41%	732.92	15,366,090	4 years on SLM basis
12-Sep-24	6.68%	3.5 - 6.5 years	36.29%	0.49%	734.56	38,900	4 years on SLM basis
28-Apr-25	6.11%	3.5 - 6.5 years	33.03%	0.40%	911.20	13,833,250	4 years on SLM basis

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has accounted expense of ₹ 407.53 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 377.00 crore). The balance in employee stock option outstanding account is ₹ 1,157.76 crore as of 31 March 2026 (Previous year ₹ 934.86 crore).

(B) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the holding Company has approved grant of 183,050 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Group in accordance with the Stock Option Scheme of the Holding Company. The weighted average fair value of the option granted is ₹ 689.20. There has been no vesting and excercise during the year. As of 31 March 2026, the number of stock option outstanding (net of cancellation) is 119,930.

The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant is:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has recognised ₹ 1.59 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 5.09 crore)

50 Employee stock option plan (Contd.)

(C) Employee stock option plan of Bajaj Housing Finance Limited

Details of grants given up to the reporting date by BHFL under the scheme are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	3,501,869	11,314,938	515,305	1,419,561	-	14,816,807
04-Jan-25	126.38	486,445	160,527	325,918	-	-	-	486,445
23-Apr-25	131.16	9,108,697	-	8,849,335	-	259,362	-	8,849,335
		26,346,815	3,662,396	20,490,191	515,305	1,678,923	-	24,152,587

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,068,695	-	682,978	-	16,068,695
04-Jan-25	126.38	486,445	-	486,445	-	-	-	486,445
		17,238,118	-	16,555,140	-	682,978	-	16,555,140

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2025-26	FY2024-25	
Grant date	23-Apr-25	24-Apr-24	04-Jan-25
No. of options granted	9,108,697	16,751,673	486,445
Weighted average fair value (₹)	55.50	24.54	51.43

Following table depicts range of exercise prices and weighted average remaining contractual life:

For the year ended 31 March 2026

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	16,555,140	54.5 - 126.38	56.61	6.58
Granted during the year	9,108,697	131.16	131.16	
Cancelled during the year	995,945	54.5 - 131.16	74.46	
Lapsed during the year	-	-	-	
Exercised during the year	515,305	54.50	54.50	
Outstanding at the end of the year	24,152,587	54.5 - 131.16	84.04	5.96
Exercisable at the end of the year	3,662,396	54.5 - 126.38	57.65	4.10

50 Employee stock option plan (Contd.)

For the year ended 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,238,118	54.50 - 126.38	56.53	
Cancelled during the year	682,978	54.50	54.50	
Lapsed during the year	-	-	-	
Exercised during the year	-	-	-	
Outstanding at the end of the year	16,555,140	54.50 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

The weighted average market price of equity shares for options exercised during the year ended 31 March 2026 is ₹ 119.32.

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black Scholes Model for calculating fair value as on the date of grant are:

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Options granted	Vesting period
24-Apr-24	7.05%	3.5 - 6.5 years	38.46%	Nil	54.50	16,751,673	1- 4 years on SLM basis
04-Jan-25	6.63%	3.5 - 5.5 years	36.57%	Nil	126.08	486,445	1- 3 years on SLM basis
23-Apr-25	6.08%	3.5 - 6.5 years	36.78%	Nil	131.16	9,108,697	1- 4 years on SLM basis

For the period ended 31 March 2026, the Company has accounted expense of ₹ 32.06 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ 16.97 crore). The balance in employee stock option outstanding account is ₹ 48.01 crore as of 31 March 2026 (Previous year ₹ 16.97 crore).

51 Ultimate beneficiary

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds have been received by the Group from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Group shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

52 Relationship with struck off companies

(₹ in crore)

S. No.	Name of struck off Company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as at 31 March	
				2026	2025
1	Abhilash Global Corporation Private Limited	Loan receivable	No	-	0.02
2	Adwave Publicity & Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	-	0.02
4	Astroid Pharma Private Limited	Loan receivable	No	-	0.01
5	Criper Garments (India) Private Limited	Loan receivable	No	-	-
6	CSE Computer Solutions East Private Limited	Loan receivable	No	0.29	0.38
7	D.H. Power Engineers Private Limited	Loan receivable	No	-	-
8	DVR Marine Exports Private Limited	Loan receivable	No	0.09	0.11
9	Enkoway Motors Private Limited	Loan receivable	No	-	-
10	Farm Protector Private Limited	Loan receivable	No	-	-
11	First Office Solutions India Private Limited	Loan receivable	No	-	0.01
12	Grabstance Technologies Private Limited	Loan receivable	No	-	-
13	Green Way Super Market Private Limited	Loan receivable	No	-	0.11
14	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
15	Indira Smart Systems Private Limited	Loan receivable	No	0.05	0.07
16	Koolair Systems Private Limited	Loan receivable	No	-	-
17	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
18	Mahakash Sales Private Limited	Loan receivable	No	-	-
19	Mechwing Engineering & Services Private Limited	Loan receivable	No	-	-
20	Memmo Global Telecommunications Private Limited	Loan receivable	No	-	-
21	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
22	Nature Bless International Private Limited	Loan receivable	No	-	-
23	Satidham Industries Private Limited (Equity shares of face value ₹ 10 and ₹ 50,000. Previous Year ₹ 40,000)	Shares Held		-	-
24	Sawalka Autotech Private Limited	Loan receivable	No	-	1.17
25	Smart Choice Retail Private Limited	Loan receivable	No	-	-
26	Spice Flora (India) Private Limited	Loan receivable	No	-	-
27	Sri Beera Barji Trading Co. Private Limited	Loan receivable	No	-	-
28	Sustainable Technologies & Environmental Projects Private Limited	Loan receivable	No	-	-
29	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
30	Volando Tours Private Limited	Loan receivable	No	-	-
31	Yayin Enterprises Private Limited	Loan receivable	No	-	-
32	Aleem Autos Private Limited	Payables	No	-	-
33	Fident Wealth Private Limited	Payables	No	-	-
34	Impact Agencies Private Limited	Payables	No	-	-
35	Keen Financial Services Private Limited	Payables	No	-	-
36	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
37	Visakam Motors Private Limited	Payables	No	-	-

The above disclosure has been prepared basis the relevant information compiled by the Group on best effort basis.

53 Disclosure pertaining to stock statement filed with banks or financial institutions

The Group has availed facilities (secured borrowings) from the lenders inter alia on the condition that, the Group shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year ended 31 March 2026 and previous year ended 31 March 2025, the quarterly statements or returns of current assets filed by the Group with banks or financial institutions are in agreement with books of accounts.

54 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Agarwal
Partner
Membership number: 118522

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

BAJAJ FINANCE LIMITED 2024-25

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group') and its associates (refer Note 2.5 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at 31 March 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report on the standalone financial statements of the Holding Company.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2025, the outstanding balances of loans granted by the Company aggregated to ₹ 310,761.52 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 6,402.36 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the Management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), and Loss Given Default ('LGD') and Exposure at Default (expected balance at default together with expected drawdown from committed lines) ('EAD'), Staging of Loans, etc.	The procedures performed by us included the following: • Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.; ii. Completeness and accuracy of source data used by the Management in the ECL computation; iii. Approval of changes to ECL methodology and models through the Company's governance framework; and iv. Computation of ECL.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to Management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	• Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments'; • With the assistance of auditor's experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company; • Tested, on a sample basis, the completeness and accuracy of the source data used; • Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; • Evaluated the reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment loss allowance, and the related approvals; • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.	The procedures performed by us included the following: • Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting. • Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company. • On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: – Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured;

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	- User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel; - Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; - IT operations, which includes job scheduling, monitoring, data backup and recovery; - Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/ or performed alternative audit procedures, where necessary.

5. The following Key Audit Matters were reported to us by joint auditors, Singhi & Co. and Mukund M. Chitale & Co., of Bajaj Housing Finance Limited, a subsidiary of the Holding Company, vide their communication dated 23 April 2025 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Allowances for expected credit loss (ECL): Allowances for expected credit losses ('ECL'): As at 31 March 2025, the carrying value of loan assets carried at amortised cost, aggregated ₹ 99,512.86 crore (net of allowance for expected credit loss ₹ 577.86 crore) constituting approximately 97% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets carried at amortised cost is a critical estimate involving greater level of Management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets carried at amortised cost; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and	*Our audit approach:* We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;

Key audit matter	How our audit addressed the key audit matter
• Adjustments to model driven ECL results to address emerging trends. (Refer note no. 4.3, 9 and 50(c) to the financial statements.	• Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio and • Accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model. Test of details on a sample basis in respect of the following: • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD. • The mathematical accuracy of the ECL computation by using the same input data as used by the Company. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Company.
Information Technology (IT) Systems and Controls impacting financial controls The Company key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated. Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting. Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting. We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.	*Our Audit Approach:* Key IT audit procedures performed included the following, but not limited to: • For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. • Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology. • Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised. • In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/record/reports, observation, and re-performance.

6. The following Key Audit Matter were reported to us by the auditor, G.M. Kapadia & Co., of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, vide their communication dated 22 April 2025 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
IT systems and Controls: Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	We performed the following procedures on the IT infrastructure and applications relevant to financial reporting: We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/ system changes, program development and computer operations; Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting. Carried the test of controls with respect to the IT general controls. This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.

Other information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's responsibilities for the audit of the consolidated financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

16. The consolidated financial statements of the Company for the year ended 31 March 2024 were audited by previous joint auditors under the Act who, vide their joint audit report dated 25 April 2024, expressed an unmodified opinion on those consolidated financial statements.

    Our opinion on the consolidated financial statement is not modified in respect of above matter.

17. The financial statements of two subsidiaries reflect total assets of ₹ 109,352.96 crore and net assets of ₹ 21,235.73 crore as at 31 March 2025, total revenue of ₹ 10,376.23 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,313.20 crore and net cash flows amounting to ₹ 98.69 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 17.39 crore for the year ended 31 March 2025 as considered in the consolidated financial statements, in respect of two associates companies whose financial statements have not been audited by us. The financial statements of these subsidiaries/ associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report

in terms of sub-section (3) of section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associates, is based on the reports of the other auditors and the procedures performed by us.

Our opinion on the consolidated financial statements, and our report on 'other legal and regulatory requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on other legal and regulatory requirements

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ('CARO 2020'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these consolidated financial statements.

19. As required by section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, of pending litigations on the consolidated financial position of the Group and its associates– Refer Note 42 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts as at 31 March 2025 – Refer Note 7 and Note 9 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associates incorporated in India during the year.

iv. (a) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, other than as disclosed in Note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries/associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries/ associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 50 to the financial statements, no funds have been received by the Company or any of such subsidiaries/associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries/associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/ associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid by the Holding Company and one of its subsidiary during the year is in compliance with section 123 of the Act. One of the subsidiary and associates of Holding Company have not declared or paid any dividend during the year.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Group and its associates have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail for the prior financial year has been preserved by the Group and its associates as per the statutory requirements for record retention.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

20. The Group and its associates have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBH9321

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGD9037

Pune
29 April 2025

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements as of and for the year ended 31 March 2025

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as 'Company' or the 'Holding Company') and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of internal financial controls with reference to consolidated financial statements

6. A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBH9321

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGD9037

Pune
29 April 2025

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
ASSETS			
Financial Assets			
Cash and cash equivalents	5	3,642.46	4,034.51
Bank balances other than cash and cash equivalents	6	9,901.08	6,589.50
Derivative financial instruments	7	250.56	27.84
Trade receivables	8	1,913.11	1,733.49
Loans	9	407,844.14	326,293.32
Investments	10	34,440.84	30,880.65
Other financial assets	11	2,444.99	1,431.88
		460,437.18	**370,991.19**
Non-financial assets			
Current tax assets (net)		480.77	290.92
Deferred tax assets (net)	12	1,141.20	1,017.43
Property, plant and equipment	13	2,688.89	2,358.32
Capital work-in-progress	13	26.74	25.35
Intangible assets under development	13	14.55	18.11
Goodwill		3.27	3.27
Other intangible assets	13	1,088.01	888.31
Other non-financial assets	14	246.22	148.72
		5,689.65	**4,750.43**
Total assets		**466,126.83**	**375,741.62**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	37.13	2.12
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.80	0.73
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,876.24	2,063.31
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		930.49	764.58
Debt securities	16	154,639.73	117,999.54
Borrowings (other than debt securities)	17	132,102.25	111,617.47
Deposits	18	71,403.13	60,150.92
Subordinated liabilities	19	3,103.54	3,577.90
Other financial liabilities	20	1,948.20	1,844.39
		366,042.93	**298,020.96**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
Non-financial liabilities			
Current tax liabilities (net)		100.63	108.64
Provisions	21	514.28	421.89
Other non-financial liabilities	22	532.10	494.78
		1,147.01	**1,025.31**
Equity			
Equity share capital	23	124.17	123.60
Other equity	24	96,568.70	76,571.75
Equity attributable to owners of the Company		**96,692.87**	**76,695.35**
Non-controlling interest	24	2,244.02	-
Total Equity		**98,936.89**	**76,695.35**
Total liabilities and equity		**466,126.83**	**375,741.62**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2025	2024
Revenue from operations			
Interest income	25	61,163.55	48,306.60
Fees and commission income	26	5,982.84	5,267.17
Net gain on fair value changes	27	539.03	308.29
Sale of services	28	27.13	49.97
Income on derecognised (assigned) loans	29	552.04	13.33
Other operating income	30	1,418.92	1,028.53
Total revenue from operations		**69,683.51**	**54,973.89**
Other income	31	41.27	8.62
Total income		**69,724.78**	**54,982.51**
Expenses			
Finance costs	32	24,770.79	18,724.69
Fees and commission expense	33	2,597.66	1,931.50
Impairment on financial instruments	34	7,966.03	4,630.70
Employee benefits expense	35	7,508.34	6,396.01
Depreciation and amortisation expenses	13	880.99	683.32
Other expenses	36	3,939.15	3,314.36
Total expenses		**47,662.96**	**35,680.58**
Share of profit/(loss) from associates		17.81	7.64
Profit before tax		**22,079.63**	**19,309.57**
Tax expense			
Current Tax			
Current year		5,664.86	4,958.00
Earlier years		(275.12)	(0.28)
Deferred tax (credit)/charge		(89.59)	(99.32)
Total tax expense	12	**5,300.15**	**4,858.40**
Profit after tax		**16,779.48**	**14,451.17**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(24.85)	(61.65)
Tax impact on above		6.25	15.52
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.32)	(0.10)
Net other adjustments - Share of associates		(0.10)	0.01
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(95.49)	151.62
Tax impact on above		25.22	(29.82)
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		140.79	39.45
Tax impact on above		(35.45)	(9.93)
Cash flow hedge reserve		(117.14)	(20.80)
Tax impact on above		29.48	5.24
Cost of hedging reserve		5.99	-
Tax impact on above		(1.44)	-
Total other comprehensive income for the year (net of tax)		**(67.06)**	**89.54**
Total comprehensive income for the year		**16,712.42**	**14,540.71**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2025	2024
Profit after tax for the period attributable to			
Owners of the Company		16,637.82	14,451.17
Non-controlling interest		141.66	-
Other comprehensive income for the period attributable to			
Owners of the Company		(67.80)	89.54
Non-controlling interest		0.74	-
Total comprehensive income for the period attributable to			
Owners of the Company		16,570.02	14,540.71
Non-controlling interest		142.40	-
Earnings per equity share:	37		
(Nominal value per share ₹ 2)			
Basic (₹)		268.94	236.89
Diluted (₹)		268.20	235.98
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

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Rajeev Jain
Vice Chairman
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Anup Saha
Managing Director
DIN - 07640220

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman -Audit Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Pune: 29 April 2025

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Balance at the beginning of the year	123.60	120.89
Changes in equity share capital during the year [refer note no. 23(A)]	0.57	2.71
Balance at the end of the year	**124.17**	**123.60**

Other equity

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received aganst share warrants	Total other equity	Non-controlling interest	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,571.75**	**-**	**76,571.75**
Profit after tax		-	16,637.82	-	-	-	-	-	-	-	-	-	-	-	16,637.82	141.66	16,779.48
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(18.78)	104.46	(70.37)	(87.66)	4.55	-	(67.80)	0.74	(67.06)
		26,582.00	**53,718.23**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**297.21**	**93,141.77**	**142.40**	**93,284.17**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	891.33	891.33	-	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-	-	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	-	357.44	-	357.44
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.12)	-	(0.12)
Adjustment for change of ownership interest in subsidiary without loss of control		-	4,011.19	-	-	-	-	-	-	-	-	-	-	-	4,011.19	2,099.10	6,110.29
Adjustment for movement in reserves for non-controlling interest		-	47.28	(14.91)	-	-	(33.75)	(1.14)	-	-	-	-	-	-	(2.52)	2.52	-
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	-	3,335.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(132.58)	132.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(300.00)	-	-	-	300.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.46)	-	-	-	-	-	-	-	-	-	-	-	(2,226.46)	-	(2,226.46)
Share based payment to employees		-	-	-	-	-	-	393.97	-	-	-	-	-	-	393.97	-	393.97
Transfer on exercise of stock options by employees		151.37	-	-	-	-	-	(151.37)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-	-	-
		28,279.23	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,566.60**	**2,244.02**	**98,810.62**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interest	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve			
Balance as at 31 March 2023	24	17,440.98	27,320.89	327.11	7,702.75	788.93	299.65	555.46	(100.83)	(18.92)	(71.62)	6.69	-	-	54,251.09	-	54,251.09
Profit after tax		-	14,451.17	-	-	-	-	-	-	-	-	-	-	-	14,451.17	-	14,451.17
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(46.23)	29.52	121.80	(15.56)	-	-	89.53	-	89.53
		17,440.98	**41,772.06**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**-**	**68,791.79**	**-**	**68,791.79**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	297.21	297.21	-	297.21
Issue of equity share capital		8,797.58	-	-	-	-	-	-	-	-	-	-	-	-	8,797.58	-	8,797.58
Allotment of shares to ESOP Trust		448.00	-	-	-	-	-	-	-	-	-	-	-	-	448.00	-	448.00
Share issue expenses		(34.55)	-	-	-	-	-	-	-	-	-	-	-	-	(34.55)	-	(34.55)
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(2,530.00)	-	2,530.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(111.25)	111.25	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(235.00)	-	-	-	235.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(1,815.40)	-	-	-	-	-	-	-	-	-	-	-	(1,815.40)	-	(1,815.40)
Share based payment to employees		-	-	-	-	-	-	268.24	-	-	-	-	-	-	268.24	-	268.24
Transfer on exercise of stock options by employees		111.11	-	-	-	-	-	(111.11)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	1.09	-	(1.09)	-	-	-	-	-	-	-	-	-
		26,763.12	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,752.87**	**-**	**76,752.87**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	-	-	-	-	125.94	-	125.94
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,571.75**	**-**	**76,571.75**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2025	2024
(I)	**Operating activities**		
	Profit before tax	22,079.63	19,309.57
	Adjustments for:		
	Interest income	(61,163.55)	(48,306.60)
	Depreciation and amortisation expenses	880.99	683.32
	Impairment on financial instruments	7,966.03	4,630.70
	Net loss on disposal of property, plant and equipment and other intangible assets	35.50	12.54
	Finance costs	24,770.79	18,724.69
	Share based payment expenses	393.98	268.23
	Net gain on fair value changes	(539.03)	(308.29)
	Service fees for management of assigned portfolio of loans	(27.13)	(49.97)
	Income on derecognised (assigned) loans	(552.04)	(13.33)
	Dividend income (Previous year ₹ 30,225)	(1.28)	
	Share of (profit)/loss from associate	(17.81)	(7.64)
		(6,173.92)	(5,056.78)
	Cash inflow from interest on loans	58,216.67	45,853.52
	Cash inflow from interest on investments*	2,313.47	943.99
	Cash inflow from servicing and interest spread on assigned loans	28.58	89.61
	Cash outflow towards finance cost	(22,421.35)	(17,044.04)
	Cash generated from operation before working capital changes	**31,963.45**	**24,786.30**
	Working capital changes		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(3,095.95)	(3,589.13)
	(Increase)/decrease in trade receivables	(206.31)	(457.54)
	(Increase)/decrease in loans	(89,988.25)	(88,194.09)
	(Increase)/decrease in investments classified as FVTPL*	(1,429.16)	1,972.84
	(Increase)/decrease in other financial assets	531.57	(306.33)
	(Increase)/decrease in other non-financial assets	(116.70)	(33.60)
	(Increase)/decrease in derivative financial instruments (net)	56.54	(24.86)
	Increase/(decrease) in trade payables	(186.00)	611.91
	Increase/(decrease) in other payables	166.33	125.26
	Increase/(decrease) in other financial liabilities	(7.48)	131.95
	Increase/(decrease) in provisions	67.31	89.81
	Increase/(decrease) in other non-financial liabilities	38.08	142.16
		(94,170.02)	(89,531.62)
	Income tax paid (net of refunds)	(5,947.90)	(5,097.99)
	Net cash used in operating activities (I)	**(68,154.47)**	**(69,843.31)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(584.06)	(603.62)
	Purchase of other intangible assets and intangible assets under development	(497.76)	(434.16)
	Sale of property, plant and equipment and other intangible assets	36.39	38.89
	Purchase of investments measured at amortised cost	(16,270.26)	(6,429.43)
	Proceeds from liquidation of investments measured at amortised cost	16,432.61	6,201.62
	Purchase of investments classified as FVOCI	(31,594.18)	(23,310.68)
	Proceeds from liquidation of investments classified as FVOCI	29,745.96	15,231.80
	Purchase of equity investments designated under FVOCI	(35.00)	(514.96)
	Dividend income (Previous year ₹ 30,225)	1.28	
	Investment in associates	-	(267.47)
	Net cash used in investing activities (II)	**(2,765.02)**	**(10,088.01)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
(III) Financing activities		
Issue of equity share capital (including securities premium)	1,251.44	9,067.17
Proceeds from dilution of stake in subsidiary (net of IPO expenses)	6,460.50	-
Issue of share warrants	-	297.21
Share issue expenses	(0.12)	(34.55)
Dividends paid	(2,225.24)	(1,814.58)
Payment of lease liability	(214.57)	(174.00)
Deposits received (net)	10,527.22	14,759.93
Short term borrowing availed (net)	8,787.63	22,023.50
Long term borrowing availed	84,967.14	72,666.31
Long term borrowing repaid	(39,026.56)	(34,375.91)
Net cash generated from financing activities (III)	**70,527.44**	**82,415.08**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(392.05)**	**2,483.76**
Cash and cash equivalents at the beginning of the year	**4,034.51**	**1,550.75**
Cash and cash equivalents at the end of the year	**3,642.46**	**4,034.51**

*Certain categories of investments are considered by the Group as held for trading purposes. The Group has accordingly presented the related cash flows under operating activities including interest income from all investments. Pursuant to change and to make it comparable, the cash flow from operating activities increased by ₹ 2,916.83 crore, for the comparative year ended 31 March 2024 with corresponding decrease in investing activities.

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short- term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2025	2024
Cash and cash equivalents comprises of		
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,635.07	3,975.67
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,642.46	**4,034.51**

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

1 Corporate information

Bajaj Finance Limited ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company and its subsidiary Bajaj Housing Finance Limited (BHFL) are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company and its subsidiary, BHFL, are also listed on the Stock Exchanges. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provider of broking and depository participant services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a Deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its subsidiary company Bajaj Housing Finance Limited has been classified as NBFC-UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefit plans that are measured at fair value as required or allowed by relevant accounting standard.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2025, the Board of Directors of the Company approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

2 Basis of preparation (Contd.)

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Group intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Group offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.4 Material accounting estimates, judgements and assumptions

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below.:

- Business model assessment [Refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [Refer note no. 3.3(i), 9 and 48(c)]
- Provisions and contingent liabilities (Refer note no. 3.7 and 42)
- Fair value of financial instrument (Refer note no. 3.9 and 47)

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net asset of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Limited (BHFL)	India	88.75%**	Subsidiary
Bajaj Financial Securities Limited (Bfinsec)	India	100.00%	Subsidiary
Snapwork Technologies Private Limited#	India	41.50%#	Associate
Pennant Technologies Private Limited*	India	26.53%*	Associate

#On 25 November 2022, the Parent Company has acquired 41.50% stake on fully diluted basis in Snapwork Technologies Private Limited.

*On 19 January 2024, the Parent Company has acquired 26.53% stake on fully diluted basis in Pennant Technologies Private Limited.

**On 13 September 2024, the Parent Company has diluted 11.25% of its stake in Bajaj Housing Finance Limited (BHFL) thereby decreasing its ownership interest from 100% to 88.75%

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of the entities in the Group	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Limited	77.84%	77,014.60	86.37%	14,492.29	116.72%	(78.27)	86.25%	14,414.02
Subsidiaries								
Bajaj Housing Finance Limited	18.03%	17,838.00	11.83%	1,985.83	(15.43%)	10.35	11.94%	1,996.18
Bajaj Financial Securities Limited	1.83%	1,813.68	0.85%	141.89	(0.81%)	0.54	0.85%	142.43
Non-controlling interest in all subsidiaries	2.27%	2,244.02	0.84%	141.66	(1.10%)	0.74	0.85%	142.40
Associates								
Snapwork Technologies Private Limited	0.01%	13.22	0.03%	5.62	0.33%	(0.22)	0.03%	5.40
Pennant Technologies Private Limited	0.01%	13.38	0.07%	12.19	0.30%	(0.20)	0.07%	11.99
	100.00%	98,936.90	100.00%	16,779.48	100.00%	(67.06)	100.00%	16,712.42

3 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

3.1 Income

(i) Interest income

The Group recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

3 Summary of material accounting policies (Contd.)

(a) Fees and commission income

The Group recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment when it is probable to happen and the amount can be reasonably estimated

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Group recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Group records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

The Group recognises recoveries against written off financial assets on realisation.

Dividend income on equity shares is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Any other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Group is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3 Summary of material accounting policies (Contd.)

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognised initially at fair value adjusted for transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to the Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

The classification depends on the contractual terms of the cash flows of the financial assets (SPPI), the Group's business model for managing financial assets and, in case of equity instruments, the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payments of principal and interest (SPPI) assessment

The Group assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Group considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

Business model assessment

The Group has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Group determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

3 Summary of material accounting policies (Contd.)

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group may enter into following transactions without affecting business model of the Group:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non-NPA assets and sale of credit impaired assets which are infrequent and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Group recognises interest income on these assets in the Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

The Group operates a trading portfolio as a part of its treasury strategy and classifies its equity and debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Group enters into derivative contracts and classifies such contracts under FVTPL.

Interest and dividend incomes are recorded in the Statement of Profit and Loss. Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Parent Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to profit or loss subsequently, even on sale of those investments.

3 Summary of material accounting policies (Contd.)

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same. A write-off of a financial asset constitutes a derecognition event.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Group adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Group on looking at economic viability of certain portfolios measured at amortised cost may enter into transactions which are below the threshold provided by Management for assignment and sale of non-NPA portfolios which doesn't affect the business model of the Group.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Group may apply enforcement activities to certain qualifying financial assets written off.

3 Summary of material accounting policies (Contd.)

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of principal and/or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of that customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructuring would normally involve modification of terms of the loans, which generally includes where repayment terms renegotiation as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. The renegotiation or modification does not result in derecognition of financial asset. Such loans are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
- Other loans of such customer are not in default during this period.

Loans accounts where one time compromise settlement is offered to the customer to close their loan accounts with certain relaxation and waiver of charges/interest/principal are classified as stage 3.

(b) Significant increase in credit risk (stage 2)

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioural trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

3 Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 48.

(e) Classification of ECL

ECL for financial assets measured at amortised cost is recognised in the Statement of Profit and Loss. For financial assets measured at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet. Impairment loss pertaining to credit risk on such assets is reclassified immediately to the Statement of Profit and Loss.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3 Summary of material accounting policies (Contd.)

3.4 Taxes

Income tax comprises current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment and depreciation thereof

The Group measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.7 Provisions and contingent liabilities

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible

3 Summary of material accounting policies (Contd.)

obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Leases

As a Lessee

The Group follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right-of-use assets is provided on straight-line basis over the lease period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Group has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance leases are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under interest income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Group's net investment in the lease.

3.9 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 47.

3 Summary of material accounting policies (Contd.)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure to interest rate risk and foreign exchange rate risk. Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Parent Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability and one of its subsidiary viz BHFL designates it IRS as fair value hedge of recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

3 Summary of material accounting policies (Contd.)

Fair value hedge

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Group discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,635.07	3,975.67
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,642.46	4,034.51

Cash and cash equivalents include cash on hand, bank balance in current account and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Fixed deposits (with original maturity more than 3 months)*		
Encumbered	2,808.84	3,339.89
Unencumbered	6,948.88	3,167.20
Earmarked balance with banks		
Against unclaimed dividend	4.29	3.07
Escrow account balance	139.07	79.34
	9,901.08	6,589.50

*Includes:

i. ₹ 1,969.01 crore (Previous year ₹ 2,319.19 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;
ii. ₹ 328.19 crore (Previous year ₹ 384.43 crore) fixed deposit under lien with stock exchanges for margin requirement;
iii. ₹ 1.57 crore (Previous year ₹ 1.74 crore) deposits with exchange for trade;
iv. ₹ 489.88 crore (Previous year ₹ 540.72 crore) deposits with bank for bank guarantee;
v. ₹ 0.25 crore (Previous year ₹ 0.24 crore) deposits with the Pension Fund Regulatory & Development Authority; and
vi. ₹ 19.88 crore (Previous year ₹ Nil) pledged as lien on securtisation borrowing.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract	643.74	3.06	-
Fair value hedge			
Interest rate swaps	2,350.00	41.22	-
Futures	262.40	0.02	0.45
Option purchased	588.71	7.35	-
Options sold (written)	270.03	-	11.15
	19,205.91	250.56	37.13

7 Derivative financial instruments (at FVTPL) (Contd.)

(₹ in crore)

Particulars	As at 31 March 2024		
	Notional amounts	**Fair value asset**	**Fair value liability**
Cash flow hedge			
Cross currency interest rate swaps	6,015.79	15.69	0.85
Fair value hedge			
Interest rate swaps	1,850.00	11.66	0.83
Futures	208.23	0.09	0.44
Option purchased	107.17	0.40	-
	8,181.19	27.84	2.12

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, interest rate swaps and forwards. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer note no. 48(b)(iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March	
	2025	**2024**
Considered good - unsecured		
Interest subsidy	922.70	750.01
Fees, commission and others	873.33	840.41
Service asset	123.02	148.22
	1,919.05	1,738.64
Less : Impairment loss allowance	5.94	5.15
	1,913.11	1,733.49

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (gross) ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	961.63	113.86	843.56	-	-	-	-	1,919.05
As at 31 March 2024								
(i) Undisputed Trade receivables – considered good	799.22	115.18	822.99	0.02	1.09	0.14	-	1,738.64

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	**2024**
Impairment loss allowance as at beginning of the year	5.15	4.28
Net increase/(decrease) during the year	0.79	0.87
Impairment loss allowance at the end of the year	5.94	5.15

9 Loans

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised cost	At fair value through OCI*	Total	At amortised cost	At fair value through OCI*	Total
(A) Loans						
Term loans	345,415.84	68,936.10	414,351.94	272,820.72	58,037.30	330,858.02
Finance lease receivable	54.53	-	54.53	-	-	-
Credit substitutes#	420.03	-	420.03	476.33	-	476.33
	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
Total - Net (A)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	180,170.64	68,936.10	249,106.74	143,667.00	58,037.30	201,704.30
Less: Impairment loss allowance	1,954.48	356.83	2,311.31	1,420.82	327.38	1,748.20
Total (I)	178,216.16	68,579.27	246,795.43	142,246.18	57,709.92	199,956.10
(II) Unsecured	165,719.76	-	165,719.76	129,630.05	-	129,630.05
Less: Impairment loss allowance	4,671.05	-	4,671.05	3,292.83	-	3,292.83
Total (II)	161,048.71	-	161,048.71	126,337.22	-	126,337.22
Total (B) = (I + II)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
Sub-total (ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
Total (I) = (i+ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32

-The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

*The net value is the fair value of these loans

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

9 Loans (Contd.)

Loan details

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Total gross loan	417,459.54	333,778.31
Less: EIR impact	2,633.04	2,443.96
Total for gross term loan net of EIR impact	414,826.50	331,334.35

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	405,457.84	5,403.92	3,964.74	414,826.50	324,507.43	4,010.94	2,815.98	331,334.35
Less: Impairment loss allowance	3,103.43	1,748.67	2,130.26	6,982.36	2,245.48	1,189.83	1,605.72	5,041.03
Net carrying amount	402,354.41	3,655.25	1,834.48	407,844.14	322,261.95	2,821.11	1,210.26	326,293.32
Impairment loss allowance as a percentage of gross carrying amount	0.77%	32.36%	53.73%	1.68%	0.69%	29.66%	57.02%	1.52%

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the year								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk on account of stage movements	-	(87.29)	-	1,374.85	-	8,048.46	-	9,336.02
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(456.63)	(1,785.40)	(464.01)	(2,895.45)	(2,380.14)	(125,054.46)	(3,300.78)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36

9 Loans (Contd.)

(₹ in crore)

	For the year ended 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
Particulars	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75
Transfers during the period								
transfers to stage 1	473.93	138.09	(332.97)	(64.30)	(140.96)	(73.79)	-	-
transfers to stage 2	(3,074.81)	(50.96)	3,104.84	65.86	(30.03)	(14.90)	-	-
transfers to stage 3	(4,461.85)	(82.28)	(1,566.01)	(571.80)	6,027.86	654.08	-	-
	(7,062.73)	4.85	1,205.86	(570.24)	5,856.87	565.39	-	-
Impact of changes in credit risk on account of stage movements	-	(125.63)	-	885.54	-	4,999.13	-	5,759.04
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(95,298.59)	(621.95)	(1,326.66)	(401.83)	(2,217.35)	(1,970.66)	(98,842.60)	(2,994.44)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	185,578.79	1,030.95	1,098.83	343.07	1,045.19	717.20	187,722.81	2,091.22
Amounts written off during the year	-	-	-	-	(4,181.54)	(4,181.54)	(4,181.54)	(4,181.54)
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03

Finance lease disclosure

The Company has entered into a lease arrangments for vehicles as a lessor. As material risks and rewards are transferred to the lessee, these are accounted as finance lease. The lease term of these leases ranges from 1 year to 5 years. The contracted interest rate ranges from 10.25% to 11.50% p.a.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

	As at 31 March	
Particulars	2025	2024
Undiscounted lease payments due		
Within 12 months	16.66	-
After 12 months	51.40	-
Total undiscounted lease payments receivable	68.06	-
Less: Unearned finance income	13.53	-
Gross finance lease receivable	54.53	-
Less: Impairment loss allowance	0.35	-
Net finance lease receivable	54.18	-

10 Investments

(₹ in crore)

Particulars			As at 31 March 2025	As at 31 March 2024
(A)	**At amortised cost**			
	In pass through certificates (PTC) representing securitisation of loan receivables		194.63	356.89
			194.63	356.89
	Less: Impairment loss allowance		0.78	1.43
	Total (A)		193.85	355.46
(B)	**At fair value through other comprehensive income**			
	(i)	In Government securities	22,297.91	22,458.94
		Add: Fair value gain/(losses)	150.34	11.98
		Sub-total (i)	22,448.25	22,470.92
		Includes carrying value of (i) ₹ 4,651.84 crore (Previous year ₹ 4,628.28 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934, (ii) ₹ 3,930.77 crore (Previous year ₹ Nil) utilised for Repurchase Agreement borrowing (Repo) transaction, (iii) ₹ 12,305.43 crore (Previous year ₹ 17,245.47 crore) pledged for triparty repo dealing and settlement (TREPs), and (iv) ₹ 199.31 crore (Previous Year ₹ Nil) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
	(ii)	In equity instruments		
		Equity shares (Quoted)	446.89	150.00
		Add: Fair value gain/(losses)	(129.90)	(47.11)
			316.99	102.89
		Equity shares (Unquoted)*	318.16	299.58
		Add: Fair value gain/(losses)	106.46	76.96
			424.62	376.54
		Compulsorily convertible term loan*	-	280.47
		Add: Fair value gain/(losses)	-	42.21
			-	322.68
		Sub-total (ii)	741.61	802.11
		*On 26 March 2025, Bajaj Finserv Direct Limited has converted compulsorily convertible term loans into 65,534,670 equity shares at a pre-agreed price of ₹ 43.46 per share.		
	(iii)	In certificate of deposits	2,740.25	1,450.71
		Add: Fair value gain/(losses)	4.18	2.53
		Sub-total (iii)	2,744.43	1,453.24
	(iv)	In commercial papers	925.96	247.13
		Add: Fair value gain/(losses)	0.42	0.13
		Sub-total (iv)	926.38	247.26
	(v)	In non-convertible debentures	212.83	212.88
		Add: Fair value gain/(losses) (Current year ₹ 40,836)		(0.49)
		Sub-total (v)	212.83	212.39
	Total (B) = (i+ii+iii+iv+v)		27,073.50	25,185.92

10 Investments (Contd.)

(₹ in crore)

Particulars			As at 31 March 2025	As at 31 March 2024
(C)	**At fair value through profit or loss**			
	(i)	In mutual funds*	5,246.86	2,525.61
		Add: Fair value gains/(losses)	17.45	7.12
		Sub-total (i)	5,264.31	2,532.73
		*Includes carrying value of (i) ₹ Nil (Previous year ₹ 8.78 crore) under lien with Indian Clearing Corporation Limited for margin requirement (ii) ₹ 5.57 crore (Previous year ₹ 5.19 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
	(ii)	In Government securities	1,245.43	2,269.71
		Add: Fair value gains/(losses)	0.06	0.89
		Sub-total (ii)	1,245.49	2,270.60
		Includes carrying value of ₹ 25.22 crore (Previous year ₹ 522.27 crore) pledged in favour of CCIL for TREPs.		
	(iii)	In equity shares	280.07	141.55
		Add: Fair value gains/(losses)	(23.19)	24.97
		Sub-total (iii)	256.88	166.52
		Includes carrying value of ₹ 0.01 crore (Previous year ₹ 164.83 crore) pledged in favour of ICCL for margin requirement.		
	(iv)	In Infrastructure investment trust (Invit) units	20.00	-
		Add: Fair value gains/(losses)	-	-
		Sub-total (iv)	20.00	-
	Total (C) = (i+ii+iii+iv)		6,786.68	4,969.85
(D)	**At cost**			
		Investment in associates	386.81	369.42
	Total (D)		386.81	369.42
Total (A+B+C+D)			34,440.84	30,880.65

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Out of above		
In India	34,440.84	30,880.65
Outside India	-	-
	34,440.84	30,880.65

-Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except where specified.

Reconciliation of impairment loss allowance on investments

(₹ in crore)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Impairment loss allowance as at beginning of the year	1.43	0.52
Net increase/(decrease) during the year	(0.65)	0.91
Impairment loss allowance at the end of the year	0.78	1.43

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2025	2024
Security deposits	136.23	127.71
Margin with exchanges	164.26	430.17
Advances to dealers	52.63	275.43
Credit cover under Government guarantee schemes	1,108.74	321.93
Receivable from debt management agencies	216.72	160.32
Receivable from online payment aggregator and gateways	92.51	43.39
Interest only strips	474.58	27.42
Receivable from assignment servicing partners	136.65	1.58
Others	69.01	47.52
	2,451.33	1,435.47
Less : Impairment loss allowance	6.34	3.59
	2,444.99	1,431.88

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Impairment loss allowance as at beginning of the year	3.59	2.33
Net increase/(decrease) during the year	2.75	1.26
Impairment loss allowance at the end of the year	6.34	3.59

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by average corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Profit before tax	22,079.63	19,309.57
At average corporate tax rate of 25.17% (Previous year: 25.17%)	5,555.40	4,858.30
Current tax adjustment with respect to earlier years*	(275.12)	-
Impact of income taxed at different rates	1.06	-
Tax on expenditure not considered for tax provision (net of allowance)**	96.78	141.16
Reversal of deferred tax on opening special reserve u/s 36(1)(viii)	-	(75.42)
Deduction under section 36(1)(viii) of the Income tax Act, 1961#	(75.51)	(59.15)
Tax benefit on additional deductions	(2.46)	(6.49)
Tax expense (Effective tax rate of 24.005%, Previous year 25.161%)	5,300.15	4,858.40

*During the year, the Group has re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group has reversed tax expense for earlier years and reduced the current year's tax provision.

#The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss

12 Income taxes (Contd.)

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2024-25

(₹ in crore)

Particulars		Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in Other equity	Balance as at 31 March 2025
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	1.46	0.92	-	-	2.38
	Remeasurements of employee benefits	102.50	16.66	6.25	-	125.41
	Expected credit loss	984.73	171.13	-	-	1,155.86
	Fair value on instruments designated under FVTPL	0.10	3.47	-	-	3.57
	Cash flow hedge reserve	3.00	-	29.48	-	32.48
	Mark to market impact on fair value hedge	0.57	(0.05)	-	-	0.52
	Fair value on equity instruments designated under FVOCI	-	-	3.36	-	3.36
	Right of use assets and lease liability (net)	181.10	66.78	-	-	247.88
	Fair value of security deposit	-	0.47	-	-	0.47
	Share issue expenses	-	-	-	10.11	10.11
	Other temporary differences	9.67	3.46	-	-	13.13
Gross deferred tax assets (a)		1,283.13	262.84	39.09	10.11	1,595.18
(b)	Deferred tax liabilities					
	Property, plant and equipment and intangible assets	(29.85)	(9.64)	-	-	(39.49)
	Service asset	(44.20)	(106.21)	-	-	(150.41)
	Fair value on instruments designated under FVTPL	(5.07)	0.84	-	-	(4.23)
	Fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-	-
	Fair value on debt instruments designated under FVOCI	(3.56)	-	(35.45)	-	(39.01)
	Cost of hedging reserve	-	-	(1.44)	-	(1.44)
	Lease liability	(161.16)	(58.16)	-	-	(219.32)
	Other temporary differences	-	(0.08)	-	-	(0.08)
Gross deferred tax liabilities (b)		(265.70)	(173.25)	(15.03)	-	(453.98)
Deferred tax assets/ (liabilities), net (a+b)		1,017.43	89.59	24.06	10.11	1,141.20

12 Income taxes (Contd.)

Movement in Deferred tax asset/(liability)

For the financial year 2023-24

(₹ in crore)

Particulars		Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Recognised in Other equity	Balance as at 31 March 2024
(a)	Deferred tax asset					
	Property, plant and equipment and intangible assets	0.99	0.47	-	-	1.46
	Remeasurements of employee benefits	65.33	21.65	15.52	-	102.50
	Expected credit loss	985.06	(0.33)	-	-	984.73
	Fair value on instruments designated under FVTPL	0.72	(0.62)	-	-	0.10
	Cash flow hedge reserve	-	-	3.00	-	3.00
	Mark to market impact on fair value hedge	0.01	0.56	-	-	0.57
	Fair value on equity instruments designated under FVOCI	7.96	-	(7.96)	-	-
	Right of use assets and lease liability (net)	126.45	54.65	-	-	181.10
	Fair value on debt instruments designated under FVOCI	6.37	-	(6.37)	-	-
	Other temporary differences	5.18	4.49	-	-	9.67
Gross deferred tax assets (a)		1,198.07	80.87	4.19	-	1,283.13
(b)	Deferred tax liabilities					
	Property, plant and equipment and intangible assets	(13.05)	(16.80)	-	-	(29.85)
	Service asset	(48.82)	4.62	-	-	(44.20)
	Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(73.08)	73.08	-	-	-
	Fair value on instruments designated under FVTPL	(2.45)	(2.62)	-	-	(5.07)
	Fair value on equity instruments designated under FVOCI	-	-	(21.86)	-	(21.86)
	Fair value on debt instruments designated under FVOCI	-	-	(3.56)	-	(3.56)
	Lease liability	(112.46)	(48.70)	-	-	(161.16)
	Cash flow hedge reserve	(2.24)	-	2.24	-	-
	Other temporary differences	(8.88)	8.88	-	-	-
Gross deferred tax liabilities (b)		(260.98)	18.46	(23.18)	-	(265.70)
Deferred tax assets/ (liabilities), net (a+b)		937.09	99.33	(18.99)	-	1,017.43

13 (A) Property, plant and equipment and other intangible assets

For the financial year 2024-25

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2024	Additions	Deductions/ Adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ Adjustments	For the year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Building (c) (e)	263.60	-	-	263.60	73.59	-	3.67	77.26	186.34
Computers and data processing units	562.93	199.23	87.33	674.83	248.10	63.36	124.65	309.39	365.44
Office equipment	342.65	109.33	20.04	431.94	213.96	18.04	61.68	257.60	174.34
Furniture and fixtures	299.58	56.98	16.75	339.81	130.32	13.33	37.34	154.33	185.48
Vehicles	373.16	193.03	43.90	522.29	96.11	22.44	78.21	151.88	370.41
Leasehold improvements	312.25	42.52	13.99	340.78	229.02	13.85	29.95	245.12	95.66
Sub-total (i)	2,427.48	601.09	182.01	2,846.56	991.10	131.02	335.50	1,195.58	1,650.98
Right-of-use (f)									
Right-of-use - Premises (e)	1,336.22	391.82	118.96	1,609.08	432.29	114.79	263.49	580.99	1,028.09
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,373.70	393.71	128.74	1,638.67	451.76	118.58	267.58	600.76	1,037.91
Sub-total (iii=i+ii)	**3,801.18**	**994.80**	**310.75**	**4,485.23**	**1,442.86**	**249.60**	**603.08**	**1,796.34**	**2,688.89**
Other intangible assets (d)									
Computer softwares	911.19	258.94	144.25	1,025.88	424.98	120.58	168.19	472.59	553.29
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	**1,429.08**	**501.28**	**144.25**	**1,786.11**	**540.77**	**120.58**	**277.91**	**698.10**	**1,088.01**
Total (v=iii+iv)	**5,230.26**	**1,496.08**	**455.00**	**6,271.34**	**1,983.63**	**370.18**	**880.99**	**2,494.44**	**3,776.90**

For the financial year 2023-24

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ Adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment (a)									
Freehold land (b) (e)	271.91	5.42	4.02	273.31	-	-	-	-	273.31
Buildings (c) (e)	261.44	2.16	-	263.60	69.92	-	3.67	73.59	190.01
Computers and data processing units	429.21	199.35	65.63	562.93	194.41	46.42	100.11	248.10	314.83
Office equipment	268.33	86.66	12.34	342.65	179.13	11.88	46.71	213.96	128.69
Furniture and fixtures	227.17	82.29	9.88	299.58	98.62	8.36	40.06	130.32	169.26
Vehicles	241.62	165.23	33.69	373.16	54.38	15.65	57.38	96.11	277.05
Leasehold improvements	249.15	66.67	3.57	312.25	207.60	3.43	24.85	229.02	83.23
Sub-total (i)	1,948.83	607.78	129.13	2,427.48	804.06	85.74	272.78	991.10	1,436.38
Right-of-use (f)									
Right-of-use - Premises (e)	821.72	602.33	87.83	1,336.22	311.09	74.28	195.48	432.29	903.93
Right-of-use - Server	35.51	1.97	-	37.48	14.34	-	5.13	19.47	18.01
Sub-total (ii)	857.23	604.30	87.83	1,373.70	325.43	74.28	200.61	451.76	921.94
Sub-total (iii=i+ii)	**2,806.06**	**1,212.08**	**216.96**	**3,801.18**	**1,129.49**	**160.02**	**473.39**	**1,442.86**	**2,358.32**
Other intangible assets (d)									
Computer softwares	699.62	249.89	38.32	911.19	316.60	28.99	137.37	424.98	486.21
Internally generated software	288.41	231.54	2.06	517.89	43.65	0.42	72.56	115.79	402.10
Sub-total (iv)	**988.03**	**481.43**	**40.38**	**1,429.08**	**360.25**	**29.41**	**209.93**	**540.77**	**888.31**
Total (v=iii+iv)	**3,794.09**	**1,693.51**	**257.34**	**5,230.26**	**1,489.74**	**189.43**	**683.32**	**1,983.63**	**3,246.63**

(a) See note no. 3.5
(b) Represents share in undivided portion of land on purchase/construction of office premises
(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500)
(d) See note no. 3.6
(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.
(f) See note no. 3.8

13 (A) Property, plant and equipment and other intangible assets (Contd.)

Depreciation and amortisation

Depreciation and amortisation is provided using straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Other office equipments	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements	Lease tenure or 5 years, whichever is less
Intangible assets including those internally generated	5 years

*Evaluated useful lives is different from Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13 (B) Capital work-in-progress and intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

	For the year ended 31 March	
Particulars	**2025**	**2024**
Opening balance	25.35	14.60
Additions	74.01	22.35
Deductions/Adjustments	72.62	11.60
Closing balance	26.74	25.35

13 (B) Capital work-in-progress and intangible assets under development (Contd.)

Ageing for capital work-in-progress

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74
Projects in progress	31 March 2024	10.75	1.33	6.20	7.07	25.35

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Opening balance	18.11	65.24
Additions	496.04	431.15
Deductions/Adjustments	499.60	478.28
Closing balance	14.55	18.11

Ageing for intangible assets under development

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	14.55	-	-	-	14.55
Projects in progress	31 March 2024	18.11	-	-	-	18.11

-The Group does not have any project temporarily suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Capital advances	5.84	24.26
Deposits against appeals	40.50	38.95
Advances to suppliers and others*	199.88	85.51
	246.22	148.72

*Impairment loss allowance recognised on other non-financial assets is ₹ Nil (Previous year ₹ Nil).

15 Payables

(₹ in crore)

Particulars		As at 31 March 2025	As at 31 March 2024
(I)	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises[#]	1.80	0.73
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,876.24	2,063.31
		1,878.04	2,064.04
(II)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises[#]	0.42	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	930.49	764.58
		930.91	764.58

[#]Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	2.22	0.73
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	36.65	50.60
Interest paid to suppliers under MSMED Act (section 16)	0.42	0.64
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

Trade payables ageing

(₹ in crore)

Particulars		Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025								
(i)	MSME	1.27	-	0.53	-	-	-	1.80
(ii)	Others	267.45	925.74	632.99	49.90	-	0.16	1,876.24
		268.72	925.74	633.52	49.90	-	0.16	1,878.04
As at 31 March 2024								
(i)	MSME	0.42	-	0.31	-	-	-	0.73
(ii)	Others	473.27	780.04	809.73	0.11	-	0.16	2,063.31
		473.69	780.04	810.04	0.11	-	0.16	2,064.04

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	118,284.62	84,896.28
Unsecured and partly paid	2,641.49	2,014.82
Unsecured and fully paid	6,253.19	6,258.92
	127,179.30	93,170.02
Commercial papers - Unsecured	27,460.43	24,829.52
	154,639.73	117,999.54
(B) Out of above		
In India	154,639.73	117,999.54
Outside India	-	-
	154,639.73	117,999.54

*All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2025 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 500 crore (Previous year ₹ 1,750 crore). The total outstanding as on 31 March 2025 is ₹ 2,350 crore (Previous year ₹ 1,850 crore).

(C) Terms of repayment of non-convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 2024
Redeemable at par					
INE296A07FV8	9.05%	7-Apr-15	7-Apr-24	-	165.00
INE296A07RR1	5.95%	30-Mar-21	12-Apr-24	-	1,500.00
INE296A07RU5	5.65%	10-May-21	10-May-24	-	3,150.00
INE296A07PY1	8.05%	1-Jun-17	31-May-24	-	1,000.00
INE296A07QV5	8.55%	15-May-19	6-Jun-24	-	75.00
INE377Y07227	5.70%	28-May-21	10-Jun-24	-	1,450.00
INE377Y07235	5.60%	21-Jun-21	21-Jun-24	-	985.00
INE296A07SA5	7.20%	13-Jul-22	12-Jul-24	-	750.00
INE377Y07318	7.42%	12-Jul-22	12-Jul-24	-	1,000.00
INE377Y07342	7.28%	29-Aug-22	29-Aug-24	-	250.00
INE296A07RK6	6.00%	27-Aug-20	10-Sep-24	-	585.00
INE296A07RV3	5.55%	27-Aug-21	10-Oct-24	-	1,230.00
INE296A07EG2	9.36%	17-Nov-14	18-Nov-24	-	100.00
INE296A07QD3	7.46%	10-Oct-17	18-Nov-24	-	1,000.00
INE377Y07250	5.69%	6-Sep-21	6-Dec-24	-	565.00
INE296A07QY9	7.66%	14-Nov-19	9-Dec-24	-	235.00
INE296A07QZ6	7.65%	28-Jan-20	7-Feb-25	-	850.00
INE296A07RC3	7.30%	20-Feb-20	10-Mar-25	-	1,035.00
INE296A07FV8	9.05%	7-Apr-15	7-Apr-25	170.00	170.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	330.00	330.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	2024
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	1,317.00	1,317.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	1,050.00	1,050.00
INE296A07SB3	7.38%	8-Aug-22	8-Aug-25	1,575.00	1,575.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	2,100.00	2,100.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	90.00	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	5.00	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	5,100.00	5,100.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	725.00	725.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	681.00	681.00
INE296A07QS1	8.95%	9-Jan-19	8-Jan-26	1,495.00	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	300.00	300.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	1,000.00	1,000.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	1,795.00	1,795.00
INE377Y07375	7.92%	9-Nov-22	16-Mar-26	2,865.00	2,865.00
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	28.00	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	135.00	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	5.00	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	3.00	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	-
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	1,500.00
INE296A07LG7	8.65%	4-Jul-16	3-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	-
INE377Y07490	7.98%	9-Jul-24	9-Sep-26	1,520.00	-
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	8-Jan-27	1,625.00	1,625.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	-
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	395.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE296A07RZ4	7.70%	7-Jun-22	7-Jun-27	1,581.00	1,581.00
INE377Y07482	8.10%	8-May-24	8-Jul-27	3,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	-
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE296A07TF2	7.80%	9-Oct-24	10-Dec-27	1,750.00	-
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	-
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE296A07SN8	7.73%	7-Jun-23	7-Jun-28	500.00	500.00
INE377Y07433	7.85%	1-Sep-23	1-Sep-28	1,350.00	1,350.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 2024
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE377Y07474	8.05%	8-May-24	8-May-29	1,500.00	-
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	-
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	-
INE296A08870	8.06%	4-Oct-16	4-Oct-29	365.00	365.00
INE377Y07524	8.11%	17-Oct-24	17-Oct-29	1,500.00	-
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	430.00
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,483.00	2,483.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE296A07RW1	7.15%	2-Dec-21	2-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	6-Jun-17	7-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	8-Sep-22	8-Sep-32	327.00	327.00
INE377Y07359	7.89%	8-Sep-22	8-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07409	8.04%	9-Feb-23	9-Feb-33	750.00	750.00
INE296A07SW9	7.92%	20-Feb-24	19-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	6-Nov-18	2-Nov-33	4,575.00	4,575.00
INE296A07SV1	7.82%	8-Feb-24	31-Jan-34	7,995.00	400.00
INE296A07SU3	7.87%	8-Feb-24	8-Feb-34	1,887.30	1,887.30
INE377Y07458	7.80%	9-Feb-24	9-Feb-34	1,500.00	1,000.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	2-May-24	2-May-34	2,360.50	-
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	-
INE296A07TE5	7.70%	4-Oct-24	4-Oct-34	750.00	-
INE377Y07516	7.56%	4-Oct-24	4-Oct-34	1,750.00	-
INE377Y08118	8.00%	31-Jan-20	7-Feb-35	630.00	525.00
INE377Y08126	7.70%	13-Mar-20	9-Mar-35	882.00	735.00
INE296A08979/ INE296A08987	7.99%	1-Jun-22	1-Jun-35	1,050.00	700.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 2024
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	906.00	906.00
INE377Y07219	5.80%	5-May-21	10-May-24	-	135.00
				122,460.50	89,960.40
Interest accrued				4,822.82	3,294.36
Impact of EIR (including premium and discount on NCD)				(147.31)	(97.83)
Fair value gain/(loss) on NCD hedged through interest rate swap				43.29	13.09
				127,179.30	93,170.02

-Includes partly paid NCD on which amount to be called and paid is ₹ 350 crore each in May 2025 and June 2026

-Includes partly paid NCD on which amount to be called and paid is ₹ 120 crore in Jan 2026

-Includes partly paid NCD on which amount to be called and paid is ₹ 168 crore in Mar 2026

Out of above NCD having put option are as under:

(₹ in crore)

ISIN	Coupon rate	Put option date	As at 31 March 2025	As at 31 March 2024
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	7-Feb-27	7,995.00	400.00
			10,070.00	2,475.00

(D) Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	27,426.99	24,750.39
Impact of EIR	33.44	79.13
	27,460.43	24,829.52

-Interest rate ranges from 7.45% to 8.05% p.a as at 31 March 2025 (Previous year 7.48% to 8.85% p.a)

-As at 31 March 2025, face value of commercial paper is ₹ 27,925 crore (Previous year ₹ 25,340 crore)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars		As at 31 March 2025	As at 31 March 2024
(A)	**In India**		
	At amortised cost:		
	Term loans from banks	84,844.61	79,258.27
	Term loan from National Housing Bank (NHB)#	8,372.40	6,837.59
	Cash credit/Overdraft facility	3,783.79	681.31
	Working capital demand loans	2,367.58	3,062.89
	Triparty repo dealing and settlement (TREPs) against Government securities	11,676.78	15,758.96
	Repurchase agreement borrowings (Repo)	3,929.78	-
	Securitisation liabilities*	1,753.68	-
		116,728.62	105,599.02
	Outside India		
	External commercial borrowing (ECB)**	15,373.63	6,018.45
		15,373.63	6,018.45
(B)	**Out of above**		
	Secured (Against loans, book debts and other receivables)	130,652.72	111,117.37
	Unsecured	1,449.53	500.10
		132,102.25	111,617.47

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 2,893.75 crore during the year ended 31 March 2025 (Previous Year ₹ 5,499.38 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

*Represents associated liabilities in respect of securitisation transactions, the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Group from Trust. The Group has provided additional external credit enhancement to the Trust by way of cash collateral.

**External commercial borrowing is denominated in foreign currency and secured against book debts.

-The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

(C) Terms of repayment of term loans from bank as at 31 March 2025

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	121	2,281.13	111	2,368.97	81	1,759.38	127	1,926.53	440	8,336.01
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	147	9,285.56	191	13,304.02	166	11,454.56	258	13,596.12	762	47,640.26

17 Borrowings (other than debt securities) (Contd.)

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Yearly										
Upto 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 3 to 4 years	-	-	-	-	-	-	-	-	-	-
Over 4 years	12	1,130.00	12	1,580.00	13	1,413.22	20	1,805.00	57	5,928.22
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	3	650.00	-	-	13	7,500.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Over 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued	-	16.62	-	-	-	-	-	-		16.62
Impact of EIR										(0.23)
										84,844.61

-Interest rate ranges from 6.61 % p.a. to 8.80 % p.a. as at 31 March 2025

Terms of repayment of term loans from bank as at 31 March 2024

	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,015.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,071.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
Half yearly										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	15	1,151.18	14	1,133.32	14	1,133.36	3	212.50	46	3,630.36
Over 4 years	117	5,907.82	136	8,519.68	149	10,750.99	251	15,596.36	653	40,774.85
Yearly										
Over 3 to 4 years	4	800.00	-	-	-	-	-	-	4	800.00
Over 4 years	20	1,697.91	14	1,481.66	15	1,971.66	36	3,141.57	85	8,292.80
On maturity (Bullet)										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	3	2,400.00	1	499.74	-	-	-	-	4	2,899.74
Over 4 years	-	-	-	-	1	500.00	2	2,200.01	3	2,700.01
Interest accrued	-	11.19	-	-	-	-	-	-		11.19
Impact of EIR										(3.35)
										79,258.27

-Interest rate ranges from 5.05% p.a. to 9.20% p.a. as at 31 March 2024

17 Borrowings (other than debt securities) (Contd.)

(D) Terms of repayment of working capital demand loans from bank

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	5	2,366.27	6	3,062.24
Interest accrued		1.31		0.65
	5.00	2,367.58	6	3,062.89

-Interest rate ranges from 7.11% p.a to 9.30% p.a as at 31 March 2025 (Previous year 7.10% p.a to 8.75% p.a)

(E) Terms of repayment of TREPs

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	28	11,676.78	35	15,758.96
	28	11,676.78	35	15,758.96

-Interest rate ranges from 6.00% p.a to 6.99% p.a as at 31 March 2025 (Previous year 6.26% p.a to 7.25% p.a)

(F) Terms of repayment of term loan from NHB as at 31 March 2025

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058.00	8,372.40
										8,372.40

Interest rate ranges from 5.25% p.a. to 8.45% p.a. as at 31 March 2025.

Terms of repayment of term loan from NHB as at 31 March 2024

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
										6,837.59

-Interest rate ranges from 5.25% p.a. to 8.25% p.a. as at 31 March 2024

17 Borrowings (other than debt securities) (Contd.)

(G) Terms of repayment of external commercial borrowing

	As at 31 March 2025		As at 31 March 2024	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Due within 1 to 2 years				
Original maturity over 2 to 3 years	5	3,637.21	-	-
Original maturity over 3 years	4	2,567.44	-	-
Due within 2 to 3 years				
Original maturity over 2 to 3 years	11	8,558.14	5	3,543.39
Original maturity over 3 years	1	641.06	4	2,501.22
Interest accrued		34.80		10.01
Impact of EIR		(65.02)		(36.17)
	21	15,373.63	9	6,018.45

-Contracted interest rate ranges from 5.30% p.a to 5.61% p.a as at 31 March 2025 (Previous year 5.96% p.a to 6.61% p.a)

-Interest rate ranges from 7.47% p.a to 8.11% p.a post effective hedge as at 31 March 2025 (Previous year 7.40% to 8.11% p.a)

(H) Terms of repayment of repo borrowing

	As at 31 March 2025		As at 31 March 2024	
Particulars	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	10	3,929.78	-	-
	10	3,929.78	-	-

-Contracted interest rate is 7.40% p.a as at 31 March 2025 (Previous year Nil)

(I) Terms of repayment of securitisation liabilities

	As at 31 March 2025		As at 31 March 2024	
Particulars	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Original maturity over 3 years				
Due Within 1 year	12	396.97	-	-
Due in 1 to 2 years	12	413.91	-	-
Due in 2 to 3 years	12	381.74	-	-
Due in over 3 years	24	556.29	-	-
Interest accrued		4.89		
Impact of EIR		(0.12)		
	60	1,753.68	-	-

-Contracted interest rate is 7.75% p.a as at 31 March 2025 (Previous year Nil)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2025	2024
(A) At amortised cost		
Public deposits*	41,792.22	38,012.62
From others	29,610.91	22,138.30
	71,403.13	60,150.92

*As defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

(B) Terms of repayment of deposits as at 31 March 2025

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Up to 1 year	12,233.43	-	-	-	12,233.43
Over 1 to 2 years	8,707.42	6,294.21	-	-	15,001.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,704.81	8,945.86	13,246.01	5,710.50	30,607.18
Interest accrued	1,396.03	876.34	623.13	77.01	2,972.51
Impact of EIR					(191.28)
					71,403.13

Terms of repayment of deposits as at 31 March 2024

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Up to 1 year	11,645.18	-	-	-	11,645.18
Over 1 to 2 years	9,012.39	3,409.77	-	-	12,422.16
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,782.64	9,265.73	8,865.68	22,265.04
Interest accrued	1,269.13	451.67	378.50	141.75	2,241.05
Impact of EIR					(184.80)
					60,150.92

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2025	2024
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,103.54	3,577.90
	3,103.54	3,577.90
(B) Outside India	-	-

19 Subordinated liabilities (Unsecured) (Contd.)

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 2024
Redeemable at par					
INE296A08714	10.15%	19-Sep-14	19-Sep-24	-	452.50
INE296A08755	8.94%	21-Oct-15	21-Oct-25	40.00	40.00
INE296A08763	8.94%	9-Nov-15	7-Nov-25	250.00	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	2-Dec-16	2-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,950.00	3,402.50
Interest accrued				158.92	183.48
Impact of EIR				(5.38)	(8.08)
				3,103.54	3,577.90

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Unclaimed dividends*	4.29	3.07
Book overdraft	26.48	98.00
Security deposits	190.00	175.13
Lease liability+	1,121.19	1,001.16
Unclaimed matured deposits*	0.35	0.44
Payable to assignment partners	93.95	50.58
Outstanding liability for prepaid instrument	120.11	59.38
Unspent CSR liability	6.24	6.19
Others**	385.59	450.44
	1,948.20	1,844.39

*There are no undisputed amounts which were due and remained unpaid to Investor Education and Protection Fund as at the close of the year.

**Others include payable to customer against security invoked, unclaimed cheques, advance and invocation liability towards FLDG arrangement etc.

20 Other financial liabilities (Contd.)

+Disclosures as required by Ind AS 116 'Leases':

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 12 to 180 months. The discount rate ranges from 5.70% to 9.15%.

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Opening Balance	1,001.16	587.37
Add : Addition during the year	347.55	604.28
Interest on Lease liability	85.57	64.85
Less : Deletion during the year	12.94	16.48
Lease rental payments	300.15	238.86
Balance at the end of the year	1,121.19	1,001.16

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2025	2024
Not later than one year	306.80	262.94
Later than one year but not later than five years	803.89	746.25
Later than five years	280.74	238.50
	1,391.43	1,247.69

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2025	2024
Within 12 months	228.69	193.24
After 12 months	892.50	807.92

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Interest on lease liabilities	85.57	64.85
Depreciation charge for the year	267.10	200.60
Expense related to short-term leases	4.92	6.92
(Gain)/loss on pre-mature lease closure	(2.79)	(2.93)
	354.80	269.44

(E) Total cash outflow for leases for the year

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Cash outflow for leases	300.15	238.86
Cash outflow for short-term leases	4.92	6.92
	305.07	245.78

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Provision for employee benefits		
Gratuity	404.62	288.34
Compensated absences*	23.94	31.23
Other long-term service benefits	54.90	75.08
Impairment allowance on undrawn loan commitments#	30.82	27.24
	514.28	421.89

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 22.29 crore (Previous year ₹ 17.94 crore).

#ECL on undrawn loan commitments is the the present value of the difference between :

-contractual cash flow that are due, if the holder of the loan commitments draw down the loan and

-the cash flow that the entity expects to receive if the loan is drawn down.

ECL on loan commitments are consistent with its expectations of drawdowns on that loan commitments i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month ECL.

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues	498.37	470.13
Others	33.73	24.65
	532.10	494.78

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
621,428,652 (618,996,320) equity shares of ₹ 2 each	124.29	123.80
Subscribed and paid up		
621,428,652 (618,996,320) equity shares of ₹ 2 each fully called up and paid up	124.29	123.80
Less: 616,288 (988,329) equity shares of ₹ 2 each held in a Trust for employees under		
ESOP Scheme [See footnote (f) below]	0.12	0.20
	124.17	123.60

23 Equity share capital (Contd.)

(A) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2023	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	1,462,548	0.29
Add: Issued during the year to eligible Qualified Institutional Buyers#	12,104,539	2.42
	618,996,320	123.80
Less: Equity shares held in Trust for employees under ESOP scheme	988,329	0.20
As at 31 March 2024	618,007,991	123.60
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited#	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	0.00
	621,428,652	124.29
Less: Equity shares held in Trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17

*The Allotment Committee allotted 882,182 equity shares on 5 February 2025, having face value of ₹ 2 each at applicable grant price to the BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

#On 26 March 2025, Bajaj Finserv Limited, the promoter and holding company, remitted the remaining 75% of the considerations amounting to ₹ 891.64 crore towards conversion of 1,550,000 warrants issued on 2 November 2023. Consequently, the Preferential Issue Allotment Committee has allotted 1,550,000 equity shares amounting to ₹ 1,188.85 crore having face value of ₹ 2 each pursuant to the conversion.

(B) Terms/rights/restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Shares held by Holding Company (Face value ₹ 2 per share)

	As at 31 March 2025		As at 31 March 2024	
Particulars	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	319,366,130	63.87	317,816,130	63.56

*An associate of Bajaj Holdings and Investments Limited

(D) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

	As at 31 March 2025		As at 31 March 2024	
Particulars	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	319,366,130	51.39%	317,816,130	51.34%

*An associate of Bajaj Holdings and Investments Limited

23 Equity share capital (Contd.)

(E) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2025		As at 31 March 2024		% Changes during the year	% Changes during the previous year
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	319,366,130	51.39%	317,816,130	51.34%	0.49%	0.00%
Promoter Group :						
Aryaman Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Bachhraj Factories Private Limited	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj Allianz General Insurance Company Limited*	48,000	0.01%	-	0.00%	Nil	Nil
Bajaj Allianz Life Insurance Company Limited	247,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	308,500	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Estate of Rahulkumar Bajaj	-	0.00%	-	0.00%	Nil	(100.00%)
Jamnalal Sons Private Limited	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	18,974,660	3.05%	18,974,660	3.07%	0.00%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Madhur Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Rajivnayan Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	2,000	0.00%	2,000	0.00%	0.00%	Nil
Sanjali Bajaj	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Sanjivnayan Bajaj	467,688	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Suman Jain	7,015	0.00%	7,015	0.00%	0.00%	(1.10%)

*Where shares have been issued for the first time during the reporting period, such percentage change have been computed from date of such issuance

23 Equity share capital (Contd.)

(F) Shares reserved for issue under employee stock option plan

Particulars		No. of Stock options/ Equity shares as at 31 March 2025	31 March 2024
a.	Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	35,071,160	35,071,160
b.	Options granted under the scheme	33,044,110	31,503,611
c.	Options cancelled and added back to pool for future grants	4,247,656	4,083,318
d.	Options granted net of cancellation under the scheme (d = b-c)	28,796,454	27,420,293
e.	Balance available under the scheme for future grants (e=a-d)	6,274,706	7,650,867
f.	Equity shares allotted to BFL Employee Welfare Trust	23,799,704	22,917,522
g.	Stock options exercised	23,183,416	21,929,193
h.	Balance stock options available with BFL Employee Welfare Trust (h = f-g)	616,288	988,329

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the Trust at the close of the year have been reduced against the share capital as if the Trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the Trust at the close of the year aggregating to ₹ 304.96 crore (as at 31 March 2024 ₹ 307.06 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

Dividends declared by the Parent Company do not accrete to the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Parent Company and adjusted against the source from which dividend has been paid.

24(A) Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2025	2024
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	28,281.33	26,582.00
(ii)	Retained earnings	Retained earnings represents the surplus in Profit and Loss Account post appropriations made from retained earnings.	51,782.66	37,080.41
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act, 1987 as a statutory reserve.	556.03	438.36
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	13,567.75	10,232.75
(v)	General reserve	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	792.29	790.02

24(A) Other equity (Contd.)

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2025	As at 31 March 2024
(vi)	Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	800.90	534.65
(vii)	Share options outstanding account	Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for employees of the Group.	950.69	711.50
(viii)	Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a) actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(165.84)	(147.06)
(ix)	Other comprehensive income			
	(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	115.06	10.60
	(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(20.19)	50.18
	(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(96.53)	(8.87)
	(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
	(e) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	4.55	-
(x)	Money received against share warrants	It represents application money received from subscriber of warrants, against which shares are yet to be allotted.	-	297.21
			96,568.70	76,571.75

24(A) Other equity (Contd.)

*The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Balance as at the beginning of the year	-	-
Fair value changes during the year	29.45	(41.40)
Impairment loss allowances transferred to profit or loss	(29.45)	41.40
Balance as at the end of the year	-	-

24(B) Non-controlling interest (NCI)

On 13 September 2024, the Parent Company has diluted 11.25% of its stake in Bajaj Housing Finance Limited (BHFL) thereby decreasing its ownership interest from 100% to 88.75% (hereunder referred to as Dilution) and has opted to measure the non-controlling interest at proportionate share of the value in net assets.

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Balance as at the beginning of the year	-	-
Change during the year		
Change in proportion held by non-controlling interest (on the date of dilution)	2,099.10	-
Adjustment for movement in reserves for non controlling interest (post dilution)	2.52	
Profit attributable to NCI	141.66	-
Other comprehensive income attributable to NCI	0.74	-
Balance as at the end of the year	2,244.02	-

Computation of gain on change in proportion held by NCI

(₹ in crore)

Particulars	As at 31 March 2025
Proceeds from IPO	6,560.00
Less: Tax on gain on sale of shares	(362.83)
Less: IPO expenses	(86.88)
Less: NCI as on the date of dilution	(2,099.10)
Other reserves (gain on change in proportion held by NCI)	4,011.19

25 Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2025				For the year ended 31 March 2024			
	On financial assets measured at				On financial assets measured at			
	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
On loans*	5,939.36	52,471.94	-	58,411.30	5,039.51	41,328.21	-	46,367.72
On investments	1,622.19	36.78	137.15	1,796.12	1,213.86	16.10	121.81	1,351.77
On deposits with bank	-	592.71	-	592.71	-	323.95	-	323.95
On others	-	363.42	-	363.42	-	263.16	-	263.16
	7,561.55	53,464.85	137.15	61,163.55	6,253.37	41,931.42	121.81	48,306.60

*Includes ₹ 1.34 crore (Previous year ₹ Nil) on account of interest income from finance lease

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Service and administration charges	2,134.84	1,772.75
Fees on value added services and products	882.04	653.24
Foreclosure income	510.57	439.59
Distribution income	2,333.06	2,299.12
Brokerage income	122.33	102.47
	5,982.84	5,267.17

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on equity/debt instruments at FVTPL	433.47	308.17
Unrealised gain/(loss) on equity/debt instruments at FVTPL	(39.21)	22.06
Realised derivative gain/(loss) on financial instruments at FVTPL	52.70	(24.52)
Unrealised derivative gain/(loss) on financial instruments at FVTPL	(0.44)	3.20
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	92.51	(0.62)
	539.03	308.29

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Service fees for management of assigned portfolio of loans	27.13	49.97
	27.13	49.97

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Income on derecognised (assigned) loans	552.04	13.33
	552.04	13.33

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Recoveries against written off financial assets	714.90	854.28
Net realisation on sale of written off loans	162.90	0.59
Marketing, branding and allied services	490.97	118.80
Dividend income	10.89	2.06
Grant towards QR deployment operating expenditure*	1.21	7.14
Others	38.05	45.66
	1,418.92	1,028.53

*The Parent Company has received a Government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 1.21 crore in current year (Previous year ₹ 7.14 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 'Accounting for Government grants and disclosure of Government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Interest on income tax refund	25.93	0.01
Miscellaneous income	15.34	8.61
	41.27	8.62

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
On financial liabilities measured at amortised cost:		
On debt securities	10,495.09	7,625.56
On borrowings other than debt securities	8,727.26	6,667.25
On deposits	5,147.48	4,040.50
On subordinated liabilities	277.69	302.60
On lease liability	85.57	64.85
On others	12.78	8.97
Other interest expenses*	24.92	14.96
	24,770.79	18,724.69

*Includes net interest on net defined benefit liability of gratuity of ₹ 19.68 crore (Previous year ₹ 12.46 crore)

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Commission and incentives	107.44	111.42
Recovery costs	1,973.59	1,624.54
Credit guarantee fees	508.76	189.06
Loan portfolio management service charges	7.87	6.48
	2,597.66	1,931.50

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2025			For the year ended 31 March 2024		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans	7,863.94	44.62	7,908.56	4,548.12	0.55	4,548.67
On others	57.47	-	57.47	82.03	-	82.03
	7,921.41	44.62	7,966.03	4,630.15	0.55	4,630.70

35 Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Employees emoluments	6,704.24	5,697.43
Contribution to provident fund and other funds	236.17	196.37
Gratuity expense	91.62	65.97
Share based payment to employees	399.07	272.22
Staff welfare expenses	77.24	164.02
	7,508.34	6,396.01

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Communication expenses	186.82	175.99
Outsourcing/back office expenses	564.06	554.78
Travelling expenses	504.81	447.26
Information technology expenses	771.97	714.52
Bank charges	221.39	161.33
Net loss on disposal of property, plant and equipment and intangible assets	35.50	12.54
Auditor's fees and expenses	2.85	2.16
Insurance charges	11.69	8.19
Rent, taxes and energy cost	117.88	74.92
Directors' fees, commission and expenses	17.91	13.05
Advertisement, branding and promotion expenses	477.23	349.18
Expenditure towards Corporate Social Responsibility activities	295.64	206.64
Repairs, maintenance and office expenses	283.08	162.72
Employee training, recruitment and management expenses	93.81	92.60
Printing and stationery expenses	11.05	11.47
Legal and professional charges	59.11	51.43
Customer experience cost	120.95	144.24
Miscellaneous expenses[+]	163.40	131.34
	3,939.15	3,314.36

[+]Includes donation of ₹ 25 crore (Previous year ₹ Nil) made to political parties.

37 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

		For the year ended 31 March	
Particulars		**2025**	**2024**
(A)	Net profit attributable to equity shareholders (₹ in crore)	16,637.82	14,451.17
(B)	Weighted average number of equity shares for basic earnings per share	618,635,684	610,032,743
	Effect of dilution:		
	Employee stock options	1,713,616	2,350,306
(C)	Weighted average number of equity shares for diluted earnings per share	620,349,299	612,383,049
	Earning per share (basic) (₹) (A/B)	268.94	236.89
	Earning per share (diluted) (₹) (A/C)	268.20	235.98

38 Segment Information

The Parent company and one of its subsidiary viz BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with 'Operating Segments'.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

39(A) Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

39(B) Transfer of financial assets that are not derecognised in their entirety

(₹ in crore)

	As at 31 March	
Particulars	**2025**	**2024**
Securitisations		
Carrying amount of transferred assets (measured at amortised cost)	1,976.92	-
Carrying amount of associated liabilities (measured at amortised cost)	1,753.80	-
Fair value of assets (A)	1,975.04	-
Fair value of associated liabilities (B)	1,742.93	-
Net position at Fair Value (A-B)	232.11	-

40 Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Type of services		
Service and administration charges	2,134.84	1,772.75
Fees on value added services and products	882.04	653.24
Foreclosure charges	510.57	439.59
Distribution income	2,333.06	2,299.12
Brokerage Income	122.33	102.47
Marketing, branding and allied services	490.97	118.80
	6,473.81	5,385.97
Geographical markets		
India	6,473.81	5,385.97
Outside India	-	-
	6,473.81	5,385.97
Timing of revenue recognition		
Services transferred at a point in time	6,449.19	5,367.47
Services transferred over time	24.62	18.50
	6,473.81	5,385.97

Contract balances

(₹ in crore)

Particulars	As at 31 March 2025	2024
Fees, commission and other receivables	466.86	452.40
	466.86	452.40

-Impairment allowance recognised on contract balances is ₹ 1.88 crore (Previous year ₹ 1.97 crore)

-Contract asset as on 31 March 2025 is ₹ Nil (Previous year ₹ Nil)

41 Employees benefit plans

(I) Defined benefit plans

(A) Gratuity

The Group has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The level of benefits provided depends on the employee's length of service, managerial grade and salary at retirement age.

Gratuity plan is funded by the Group. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with an actuary and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in the Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan assets.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Defined benefit obligation as at the beginning of the year	510.51	375.74
Current service cost	91.62	66.19
Past service cost	7.57	-
Interest on defined benefit obligation	35.69	26.95
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	24.49	13.38
Actuarial loss/(gain) arising from change in demographic assumptions	11.70	13.08
Actuarial loss/(gain) arising on account of experience changes	(12.61)	35.28
Benefits paid	(15.21)	(14.02)
Liabilities assumed/(settled)*	(0.97)	(6.09)
Defined benefit obligation as at the end of the year	652.79	510.51

*Towards continuity of service offered to employees on movement

41 Employees benefit plans (Contd.)

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Fair value of plan asset as at the beginning of the year	222.17	194.74
Employer contributions	27.50	32.75
Interest on plan assets	15.96	14.70
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(1.27)	0.09
Benefits paid	(15.21)	(14.02)
Assets acquired/(settled)*	(0.97)	(6.09)
Fair value of plan asset as at the end of the year	248.18	222.17

*Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	288.34	181.01
Expense charged to the Statement of Profit and Loss	118.91	78.44
Amount recognised in other comprehensive income	24.86	61.64
Employers contributions	(27.50)	(32.75)
Net defined benefit liability/(asset) as at the end of the year	404.61	288.34

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Current service cost	91.62	66.19
Past service cost	7.56	-
Interest cost	19.73	12.25
	118.91	78.44

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Opening amount recognised in other comprehensive income	194.94	133.29
Changes in financial assumptions	24.49	13.38
Changes in demographic assumptions	11.70	13.08
Experience adjustments	(12.61)	35.28
Actual return on plan assets less interest on plan assets	1.27	(0.09)
Closing amount recognised outside profit or loss in other comprehensive income	219.79	194.94

41 Employees benefit plans (Contd.)

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Present value of funded defined benefit obligation	652.79	510.51
Fair value of plan assets	248.17	222.17
Net funded defined benefit obligation	404.62	288.34
Net defined benefit liability recognised in Balance Sheet	404.62	288.34

Key actuarial assumptions

Particulars	As at 31 March 2025	As at 31 March 2024
Discount rate	6.85%	7.20%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Sensitivity analysis for significant assumptions

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(34.64)	36.36	(26.26)	27.31
Impact of decrease in 50 bps on defined benefit obligation	38.00	(33.55)	28.45	(25.50)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Maturity Profile		
Expected benefits for year 1	29.55	29.73
Expected benefits for year 2	32.37	29.75
Expected benefits for year 3	36.08	32.20
Expected benefits for year 4	38.27	33.88
Expected benefits for year 5	49.91	36.98
Expected benefits for year 6	45.66	44.18
Expected benefits for year 7	48.88	38.35
Expected benefits for year 8	52.62	40.32
Expected benefits for year 9	56.79	42.99
Expected benefits for year 10 and above	1,239.77	992.31

41 Employees benefit plans (Contd.)

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2025	2024
Expected contribution to fund in the next year	28.00	28.50

(B) Retirement award

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Defined benefit obligation as at the beginning of the year	-	-
Past service cost	3.07	-
Defined benefit obligation as at the end of the year	3.07	-

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	-	-
Expense charged to the Statement of Profit and Loss	3.07	-
Net defined benefit liability/(asset) as at the end of the year	3.07	-

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Past service cost	3.07	-
	3.07	-

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2025	2024
Present value of funded defined benefit obligation	3.07	-
Net defined benefit liability recognised in Balance Sheet	3.07	-

Key actuarial assumptions

Particulars	As at 31 March 2025	2024
Discount rate (p.a.)	6.85%	NA

41 Employees benefit plans (Contd.)

Sensitivity analysis for significant assumptions

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(0.21)	0.24	-	-
Impact of decrease in 50 bps on defined benefit obligation	0.23	(0.22)	-	-

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	0.13	-
Expected benefits for year 2	0.08	-
Expected benefits for year 3	0.18	-
Expected benefits for year 4	0.14	-
Expected benefits for year 5	0.18	-
Expected benefits for year 6	0.24	-
Expected benefits for year 7	0.18	-
Expected benefits for year 8	0.38	-
Expected benefits for year 9	0.56	-
Expected benefits for year 10 and above	55.01	-

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss Account is as below:

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Provident fund and pension scheme of Employees' Provident Fund Organisation	194.96	165.13
National pension scheme	12.18	8.89
Superannuation fund	0.30	0.39

41 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2025	2024
Maturity Profile		
Present value of unfunded obligations	-	11.40
Expense recognised in the Statement of Profit and Loss	-	4.02
Discount rate (p.a.)	-	7.20%
Salary escalation rate (p.a)	-	11.00%

(B) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2025	2024
Present value of unfunded obligations	51.83	75.08
Expense recognised in the Statement of Profit and Loss	(14.66)	34.79
Discount rate (p.a.)	6.85%	7.20%

42 Contingent liabilities and commitments

(A) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2025	2024
Disputed claims against the Group not acknowledged as debts	147.17	126.89
PF matters under appeal	110.76	-
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank guarantees	0.75	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,422.92	2,293.64
On interest collected upfront [Refer footnote (iii) below]	874.79	-
On additional reversal of credit on investment activity [Refer footnote (iv) below]	630.32	602.06
On reversal of input tax credit on credit note by the customer	14.13	12.90
On excess claim ITC and difference in GSTR-1 Vs GSTR 3B	33.29	28.56
On others	15.82	14.90
Income tax matters:		
Appeals by the Group	87.56	1.61
Appeals by the Income tax department	-	0.28

(i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/ defense.

(ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and

42 Contingent liabilities and commitments (Contd.)

dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 1,077.62 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 262.76 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

(iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Parent Company in relation to interest collected upfront by the Parent Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Parent Company pays the GST liability demanded, which as at 31 March 2025 amounted to ₹ 192.21 crore. In accordance with legal advice, the Parent Company is in the process of filing an appeal before the office of the Commissioner (Appeals), Pune disputing demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

(iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Parent Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 253.58 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

(v) It is not practicable for the Group to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(B) Capital and other commitments

(₹ in crore)

Particulars		As at 31 March 2025	As at 31 March 2024
(i)	Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
	Tangible	30.84	63.74
	Intangible	20.39	4.91
(ii)	Other commitments		
	Towards partially disbursed/un-encashed loans	5,388.57	5,281.28
	Towards investment	-	35.00
	Towards future corporate social responsibility spend	178.05	218.85
		5,617.85	5,603.78

43 Changes in liability arising from financing activities

(A) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows during the year(net)	Foreign exchange fluctuations	Other	As at 31 March 2025
Debt securities	117,999.54	34,998.68	43.29	1,598.22	154,639.73
Borrowings (other than debt securities)	111,617.47	20,190.63	284.01	10.14	132,102.25
Deposits	60,150.92	10,527.22	-	724.99	71,403.13
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liability	1,001.16	(214.57)	-	334.60	1,121.19
	294,346.99	65,049.46	327.30	2,646.09	362,369.84

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows during the year (net)	Foreign exchange fluctuations	Other	As at 31 March 2024
Debt securities	86,845.24	30,123.42	13.09	1,017.79	117,999.54
Borrowings (other than debt securities)	81,549.40	30,207.28	(110.49)	(28.72)	111,617.47
Deposits	44,665.56	14,759.93	-	725.43	60,150.92
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
Lease liability	587.37	(174.00)		587.79	1,001.16
	217,277.86	74,866.64	(97.40)	2,299.89	294,346.99

44 (A) Disclosure of transactions with related parties as required by Ind AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Limited	Contribution to equity (319,366,130 shares of ₹ 2 each, previous year 317,816,130 shares of ₹ 2 each)	-	(63.87)	-	(63.56)
	Proceeds from conversion of preferential warrants	891.64	-	-	-
	Preferential warrants application money received	-	-	297.21	(297.21)
	Secured non-convertible debentures issued	-	(200.00)	-	(1,095.00)
	Secured non-convertible debentures redemption	395.00	(800.00)	225.00	-
	Interest paid on non-convertible debentures	75.16	-	88.22	-
	Inter-corporate deposits accepted	-	(550.00)	550.00	(550.00)
	Interest accrued on Inter-corporate deposits	45.82	(69.78)	31.72	(28.54)
	Dividend paid	1,144.14	-	953.45	-
	Asset sales	-	-	0.07	-
	Business support charges received	0.46	-	1.42	-
	Business support charges paid	17.76	-	18.72	-
	Fair value of ESOP charged	4.72	-	3.54	-
(B) Fellow subsidiaries					
1. Bajaj Allianz Life Insurance Company Limited	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)
	Secured non-convertible debentures issued	-	(500.00)	-	(50.00)
	Unsecured non-convertible debentures issued	287.00	(3,707.00)	287.00	(3,420.00)
	Secured non-convertible debentures redemption	-	-	200.00	-
	Interest paid on non-convertible debentures	311.34	-	291.50	-
	Dividend paid	0.89	-	0.74	-
	Asset sales	0.19	-	-	-
	Security deposit for leased premises	-	1.82	-	1.82
	Advance towards insurance	-	5.96	-	4.75
	Commission income	382.31	29.21	103.38	25.77
	Business support charges received	0.27	-	-	-
	Business support charges paid	1.70	(0.27)	-	-
	Marketing, branding and allied service charges received	146.89	19.58	8.50	3.00
	Insurance expenses	66.02	0.12	100.99	-
	Rent and maintenance expenses	2.79	-	2.55	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Allianz General Insurance Company Limited	Contribution to equity (48,000 shares of ₹ 2 each)	-	(0.01)	-	-
	Secured non-convertible debentures issued	-	(743.50)	-	(393.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Secured non-convertible debentures redemption	-	-	100.00	-
	Interest paid on non-convertible debentures	33.90	-	31.84	-
	Dividend paid	0.17	-	-	-
	Asset purchases	-	-	0.06	-
	Asset sales	0.06	0.06	0.13	0.13
	Advance towards insurance	-	9.82	-	6.31
	Commission income	80.68	9.14	61.95	11.17
	Interest subsidy received (transaction value reversal of ₹ 35,162)	-	-		-
	Business support charges received	0.90	0.30	-	-
	Business support charges paid	0.44	-	-	-
	Insurance expenses	88.96	1.39	71.44	-
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	2.69	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	280.47	280.47	-	-
	Compulsorily Convertible Term Loan (Deemed equity) at cost	-	-	-	280.47
	Information technology design and development charges paid	74.45	(14.66)	69.94	-
	Asset purchases	7.18	(6.65)	0.82	(0.29)
	Asset sales	1.02	-	0.22	0.06
	Business support charges received	5.09	0.11	10.17	-
	Business support charges paid	80.28	(5.25)	62.82	(4.96)
	Sourcing commission paid	159.04	(17.01)	135.15	(16.60)
	Information technology support and usage charges paid	24.73	(1.51)	41.85	(5.35)
	Annual maintenance charges on loan	6.32	(0.01)	6.74	-
	Guarantee/Service fees paid for FLDG	18.79	-	2.28	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	12.04	(21.11)	22.66	(22.40)
	Invocation of deposit towards FLDG	13.33	-	0.26	-
	Interest accrued on cash deposit received towards FLDG	2.03	(0.36)	0.25	(0.21)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
4. Bajaj Finserv Health Limited	Asset purchases	0.07	-	-	-
	Asset sales	-	-	0.25	-
	Commission income	165.76	8.17	93.52	14.96
	Interest subsidy received (transaction value ₹ 1,710)		-	0.13	-
	Business support charges received	0.58	-	0.06	0.07
	Services received	1.70	(0.02)	0.50	-
	Product distribution fee	0.03	-	0.58	-
	Business support charges paid	0.42	(0.46)	-	-
	Settlement of security deposit on leased premises on behalf of lessor	1.79	-	-	-
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.24	-	0.02	-
	Asset sales	-	-	0.04	-
6. Bajaj Finserv Ventures Limited	Asset sales (previous year outstanding ₹ 263)	0.08	-	5.63	
	Business support charges received	11.00	6.22	18.46	21.78
	Business support charges paid	1.10	(1.18)	-	-
	Manpower support service charges	-	-	59.81	-
	Reimbursements of employee cost	-	-	1.41	-
	Asset purchases	7.17	(0.02)	-	-
(C) Associates					
1. Snapwork Technologies Private Limited (Associate w.e.f. 25 Nov 2022)	Investment in equity shares	-	28.49	-	28.49
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges	20.02	-	20.86	(0.83)
	Information technology support and usage charges paid	0.24	-	0.48	-
2. Pennant Technologies Private Limited (Associate w.e.f. 19 Jan 2024)	Investment in equity shares	-	113.75	-	113.75
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	153.72	153.72
	Information technology design and development charges	35.79	(11.84)	6.80	(12.33)
	Annual maintenance charges paid	5.82	-	0.82	(0.43)
	Inter-corporate deposits accepted	40.00	(40.00)	-	-
	Interest accrued on Inter-corporate deposits	1.80	(1.62)	-	-
	Finance lease given	0.26	0.26	-	-
	Interest income on finance lease		-	-	-
	Advance given towards lease related transactions	0.06	0.06	-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet
(D) Key management personnel (KMP) of the entity or its parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.53	-	0.39	-
	Commission	5.44	(4.90)	4.30	(4.17)
	Contribution to equity (467,688 shares of ₹ 2 each)	-	(0.09)	-	(0.09)
	Dividend paid	1.68	-	1.40	-
2. Rajeev Jain (Managing Director till 31 Mar 2025)	Short-term employee benefits:				
	Remuneration	21.41	(7.08)	20.02	(2.87)
	Sitting fees	0.33	-	0.21	-
	Commission	0.66	(0.59)	0.42	(0.38)
	Share-based payment	39.06	-	29.18	-
	Equity shares issued pursuant to stock option scheme	40.52	-	52.22	-
	Asset purchase	0.50	-	-	-
	Contribution to equity (169,950 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
	Dividend paid	0.61	-	0.51	-
	Cashback given (transaction value ₹ 666, previous year ₹ 20)		-		-
	Fastag fee received (transaction value ₹ 200)		-	-	-
3. Rakesh Bhatt (Executive Director from 1 Apr 2023 till 31 Jan 2024)	Short-term employee benefits:				
	Remuneration	-	-	9.20	(0.19)
	Share-based payment	-	-	6.92	-
	Equity shares issued pursuant to stock option scheme	-	-	25.27	-
	Contribution to equity (previous year 130,520 shares of ₹ 2 each)	-	-	-	(0.03)
	Dividend paid	-	-	0.26	-
4. Anup Saha (Deputy Managing Director w.e.f. 1 Apr 2024 to 31 Mar 2025)	Short-term employee benefits:				
	Remuneration	13.97	(9.19)	14.36	(7.38)
	Share-based payment	13.33	-	9.40	-
	Fixed deposit accepted (transaction value ₹ 25,000)		(0.01)	-	(0.01)
	Interest accrued on fixed deposit (transaction value ₹ 8,716, previous year ₹ 5,966 outstanding ₹ 12,817, previous year ₹ 6,499)				
	Asset sales	0.02	-	-	-
	Loan repayment received (previous year transaction value ₹ 14,468)	-	-		-
	Cashback given (transaction value ₹ 175, previous year ₹ 821)		-		-
	Fastag fee received (transaction value 200)		-	-	-
5. Rajiv Bajaj (Director and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.07	-	0.07	-
	Commission	0.28	(0.25)	0.28	(0.25)
	Contribution to equity (1,000 shares of ₹ 2 each) (outstanding ₹ 2,000, previous year ₹ 2,000)	-		-	
	Dividend paid (transaction value ₹ 36,000, previous year ₹ 30,000)		-		-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet
6. D J Balaji Rao (Director till 28 Nov 2023)	Short-term employee benefits:				
	Sitting fees	-	-	0.06	-
	Commission	-	-	0.28	(0.25)
7. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.58	(0.01)	0.42	-
	Commission	1.74	(1.57)	1.32	(1.19)
8. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.24	-	0.17	-
	Commission	0.96	(0.86)	0.68	(0.61)
9. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.32	-	0.23	-
	Commission	1.28	(1.15)	0.92	(0.83)
10. Radhika Haribhakti	Short-term employee benefits:				
	Sitting fees	0.20	(0.01)	0.16	-
	Commission	0.76	(0.68)	0.64	(0.58)
	Contribution to equity shares of BHFL (214 shares of ₹ 10 each) (transaction value ₹ 14,980, outstanding ₹ 2,140)			-	-
11. Dr. Arindam Bhattacharya (Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Sitting fees	0.45	-	0.32	-
	Commission	1.18	(1.06)	0.84	(0.76)
	Contribution to equity (724 shares of ₹ 2 each) (outstanding ₹ 1,448, previous year ₹ 1,448)	-		-	
	Dividend paid (transaction value ₹ 26,064, previous year ₹ 21,720)		-		-
12. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.05	-	-	-
	Commission	0.20	(0.18)	-	-
13. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.01	-	-	-
	Commission	0.04	(0.04)	-	-
14. Sanjiv Sahai (Director of parent w.e.f. 1 Mar 2025)	Contribution to equity shares of BHFL (2,000 shares of ₹ 10 each) (transaction value ₹ 14,980, outstanding ₹ 20,000)			-	-
(E) Close members of key management personnel of the entity or its parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.05	-	0.13	-
2. Archana Jain (Spouse of Rajeev Jain, Managing Director of the Company till 31 Mar 2025)	Assets Purchases	0.31	-	-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
3. Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.24	(1.59)
	Fixed deposit Repaid	-	-	0.04	-
	Interest accrued on fixed deposit	-	-	0.10	-
4. Hina Bhatt (Spouse of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.60	(3.80)
	Interest accrued on fixed deposit	-	-	0.23	(0.19)
5. Tapati Saha (Spouse of Anup Saha, Deputy Managing Director w.e.f. 1 Apr 2024 till 31 Mar 2025)	Fixed deposit accepted	-	(1.66)	0.45	(1.66)
	Interest accrued on fixed deposit	0.14	(0.31)	0.11	(0.19)
6. Mrinalini Jain (Daughter of Rajeev Jain, Managing Director of the Company till 31 Mar 2025)	Stipend paid (transaction value ₹ 10,000)	-	-		-
(F) Entities in which key management personnel or their relatives have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Secured non-convertible debentures redemption	-	-	500.00	-
	Interest paid on non-convertible debentures	-	-	25.25	-
	Inter-corporate deposits accepted	480.00	(280.00)	500.00	(500.00)
	Inter-corporate deposits repaid	700.00	-	500.00	-
	Interest accrued on Inter-corporate deposits	29.77	(13.84)	37.82	(17.91)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 12,000, previous year ₹ 21,000)		-		-
	Business support charges received	-	-	3.07	-
	Interest subsidy received	-	-	1.35	-
	Business support charges paid	31.23	-	38.80	-
	Rent and maintenance expenses	1.76	-	1.65	-
	Finance lease given	8.76	8.29	-	-
	Finance lease repayment received	0.78	-	-	-
	Interest income on finance lease	0.31	-	-	-
	Advance given towards lease related transactions	1.95	1.77	-	-
	Receipt of repayment towards advance given	0.18	-	-	-
	Lease management charges received	0.04	-	-	-
	Advance given (previous year outstanding ₹ 7,615)	-	-	-	

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	243.50	(223.50)	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Interest accrued on Inter-corporate deposits	8.06	(6.80)	-	-
	Finance lease given	0.40	0.39	-	-
	Finance lease repayment received	0.03	-	-	-
	Interest income on finance lease	0.01	-	-	-
	Advance given towards lease related transactions	0.10	0.09	-	-
	Receipt of repayment towards advance given	0.01	-	-	-
	Lease management charges received (transaction value ₹ 14,157)		-	-	-
3. Bajaj Auto Credit Limited	Asset sales	2.55	(0.11)	0.94	-
	Finance lease given	0.34	0.34	-	-
	Finance lease repayment received (transaction value ₹ 19,048)		-	-	-
	Interest income on finance lease (transaction value ₹ 31,232)		-	-	-
	Advance given towards lease related transactions	0.08	0.08	-	-
	Receipt of repayment towards advance given (transaction value ₹ 3,869)		-	-	-
	Lease management charges received (transaction value ₹ 1,363)		-	-	-
4. Bajaj Holdings & Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
	Security deposit for leased premises	-	0.70	0.70	0.70
	Dividend received (transaction value ₹ 6,450, previous year ₹ 9,225)		-		-
	Business support charges received	-	-	0.58	-
	Business support charges paid	23.69	-	23.38	-
	Rent and maintenance expenses	1.99	-	1.17	-
5. Hind Musafir Agency Limited	Services received	49.13	(0.04)	46.39	(0.98)
6. Bajaj Electricals Limited	Inter-corporate deposits accepted	198.00	(183.00)	95.00	(60.00)
	Inter-corporate deposits repaid	75.00	-	105.00	-
	Interest accrued on inter-corporate deposits	13.06	(10.22)	4.19	(1.46)
	Interest subsidy received	2.31	0.62	0.54	0.06
	Asset purchases	-	-	0.23	(0.19)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	20.00	-	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Interest accrued on Inter-corporate deposits	0.61	-	-	-
	Loan given	203.00	21.00	-	-
	Loan repayment received	182.00	-	-	-
	Interest income on loan given	6.45	0.66	-	-
	Processing fees received	0.22	-	-	-
8. Jamnalal Sons Private Limited	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
	Dividend paid	0.46	-	0.38	-
	Security deposit repayment received	-	-	0.13	-
	Rent and maintenance expenses	-	-	0.10	-
9. Maharashtra Scooters Limited	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Secured non-convertible debentures issued	-	(200.00)	-	(225.00)
	Secured non-convertible debentures redemption	75.00	-	100.00	-
	Interest paid on non-convertible debentures	4.90	-	9.94	-
	Dividend paid	68.31	-	56.92	-
	Business support charges received	-	-	0.18	-
10. Bachhraj Factories Private Limited	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.26	-	0.22	-
11. Baroda Industries Private Limited	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.42	-	0.35	-
12. Bajaj Sevashram Private Limited	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
	Dividend paid	1.11	-	0.93	-
13. Bajaj Allianz Staffing Solutions Limited	Manpower supply services (previous year outstanding ₹ 26)	104.16	-	76.54	
(G) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-
3. Madhur Bajaj (Promoter group)	Nil	-	-	-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(H) Post employment benefit plans					
1. Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(25.00)	-	(36.00)
	Unsecured non-convertible debentures redemption	11.00	-	-	-
	Interest paid on non-convertible debentures	3.32	-	3.35	-
2. Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.15	-	0.27	-
3. Bajaj Auto Employees Group Gratuity Fund	Premium paid for life cover of employees	-	-	1.80	-
	Gratuity contribution	16.00	-	12.67	-
4. Bajaj Auto Senior Staff Group Gratuity Fund	Premium paid for life cover of employees	-	-	0.10	-
	Gratuity contribution	11.50	-	20.00	-

Notes

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Group. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash and are unsecured except secured non-convertible debentures issued to related parties which are disclosed appropriately.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- During the year, the Group has received broking and other charges amounting to ₹ 0.36 crore from 75 related parties with respect to purchase and sale of securities (Previous year ₹ 2.34 crore from 73 related parties). Net amount receivable towards such transaction amounts to ₹ 0.03 crore from 24 related parties is outstanding as on 31 March 2025. (Previous year payable amounts to ₹ 0.09 crore to 59 related parties)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Ind AS 24 'Related Party Disclosures'.

44 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note 44(A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in BalanceSheet
1	Close members of the families of key management personnel of the entity or its parent	Contribution to equity (203,005 share of ₹ 2 each, previous year 203,300 shares of ₹ 2 each)	-	(0.04)	-	(0.04)
		Contribution to equity shares of BHFL (7,278 share of ₹ 10 each)	0.05	(0.01)	-	-
		Dividend Paid	0.73	-	0.61	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (186,000 share of ₹ 2 each, previous year 186,000 shares of ₹ 2 each)	-	(0.04)	-	(0.04)
		Dividend Paid	0.67	-	0.56	-

44 (C) Details of commitment given to related parties

(₹ in crore)

S. No	Name of the related party and nature of relationship	Nature of commitment	As at 31 March 2025	As at 31 March 2024
A	**Fellow Subsidiaries**			
1	Bajaj Finserv Direct Limited	Information technology development and customisation charges	1.22	-
		Asset purchases	-	0.06
2	Bajaj Allianz General Insurance Company Limited	Insurance expenses on assets purchases	0.02	-
B	**Associates**			
	Snapwork Technologies Private Limited	Information technology development and customisation charges	0.04	-
C	**Entities in which key management personnel or their relatives have significant influence**			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (having tenor of 12 months and floating interest rate at arm's length pricing)	89.00	-

44 (D) Summary of total compensation to key management personnel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2025	For the year ended 31 March 2024
1	Short-term employee benefits	50.70	55.29
2	Share-based payment	52.39	45.51
3	Equity shares issued pursuant to stock option scheme	40.52	77.49
		143.61	178.29

45 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Parent Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Parent Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

(ii) Regulatory capital

Bajaj Finance Limited

(₹ in crore)

	As at 31 March	
Particulars	**2025**	**2024**
Tier I capital	82,233.86	67,796.11
Tier II capital	3,284.64	3,166.61
Total capital (Tier I + Tier II)	85,518.50	70,962.72
Risk weighted assets	389,981.09	315,149.85
Tier I CRAR	21.09%	21.51%
Tier II CRAR	0.84%	1.01%
CRAR (Tier I + Tier II)	21.93%	22.52%

45 Capital (Contd.)

Bajaj Housing Finance Limited

(₹ in crore)

Particulars	As at 31 March 2025	2024
Tier I capital	19,456.12	11,857.24
Tier II capital	367.09	348.45
Total capital (Tier I+Tier II)	19,823.21	12,205.69
Risk weighted assets	70,188.39	57,351.83
Tier I CRAR	27.72%	20.67%
Tier II CRAR	0.52%	0.61%
CRAR (Tier I + Tier II)	28.24%	21.28%

(iii) Dividend distribution made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Bajaj Finance Limited

Dividends on equity shares paid and proposed by Bajaj Finance Limited during the year

(₹ in crore)

Particulars	FY2024-25	FY2023-24
Dividend paid out of profits of previous year*	2,228.39	1,817.76
Profit for the relevant year	12,644.11	10,289.74
Dividend as a percentage of profit for the relevant year	17.62%	17.67%

*Includes amount paid ₹ 1.93 crore (Previous year ₹ 2.36 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as at 31 March 2025)

(₹ in crore)

Particulars	FY2024-25
Final dividend on equity share at ₹ 44 per share (a)	2,734.29
Profit after tax for the year ended 31 March 2025 (b)	16,661.50
Final dividend proposed as a percentage of profit after tax (a/b)	16.41%

Special interim dividend proposed for approval at Board meeting (not recognised as a liability as at 31 March 2025)

(₹ in crore)

Particulars	FY2024-25
Special interim dividend on equity share at ₹ 12 per share (a)	745.71
Profit after tax for the year ended 31 March 2025 (b)	16,661.50
Special interim dividend proposed as a percentage of profit after tax (a/b)	4.48%

45 Capital (Contd.)

Bajaj Financial Securities Limited

Interim dividend on equity shares declared and paid during the year ended 31 March 2025

(₹ in crore)

Particulars	FY2024-25
Interim dividend on equity share at ₹ 0.01 per share (a)	9.68
Profit after tax for the year ended 31 March 2025 (b)	138.66
Interim dividend declared and paid as a percentage of profit after tax (a/b)	6.98%

Bajaj Housing Finance Limited

Bajaj Housing Finance Limited has not paid nor recommended any dividend for financial year ended 31 March 2025.

46 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

47 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

47 Fair values (Contd.)

Valuation methodologies adopted

Fair value of financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans have been determined under level 3.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date. The Group hedged the principal foreign currency exposure for external commercial borrowings through currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair value of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case of cash and cash equivalents, bank balances, trade receivables, short-term loans, floating rate loans, trade payables, short-term debts, borrowings, bank overdrafts and other current liabilities, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

		Fair value measurement using			
Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	31 March 2025	6,786.68	-	-	6,786.68
Equity instruments designated under FVOCI (Unquoted)	31 March 2025	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	31 March 2025	316.99	-	-	316.99
Other investments designated under FVOCI	31 March 2025	22,448.25	3,883.64	-	26,331.89
Loans designated under FVOCI	31 March 2025	-	68,579.27	-	68,579.27
Derivative financial instruments (net)	31 March 2025	(4.23)	217.66	-	213.43
		29,547.69	72,680.57	424.62	102,652.88

47 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2024

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2024	4,969.85	-	-	4,969.85
Equity instruments designated under FVOCI (Unquoted)	31 March 2024	-	-	699.22	699.22
Equity instruments designated under FVOCI (Quoted)	31 March 2024	102.89	-	-	102.89
Other investments designated under FVOCI	31 March 2024	22,470.92	1,912.89	-	24,383.81
Loans designated under FVOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instruments (net)	31 March 2024	0.05	25.67	-	25.72
		27,543.71	59,648.48	699.22	87,891.41

-The Group does not carry any financial asset and liability which it fair values on a non-recurring basis

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Opening balance	699.22	590.09
Acquisitions during the year	35.00	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from level 3	(296.89)	-
Gains/(losses) recognised in other comprehensive income	(12.71)	109.13
Closing balance	424.62	699.22

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments classified under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2025		Sensitivity to fair value as at 31 March 2024	
	1% increase	1% decrease	1% increase	1% decrease
Discounting rate	(28.51)	33.06	(49.87)	57.87
Cash flows	15.02	(13.10)	35.85	(31.03)

47 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Loans	339,264.87	-	-	339,609.13	339,609.13
Investments	193.85	-	-	194.64	194.64
	339,458.72	-	-	339,803.77	339,803.77
Financial liabilities					
Debt securities	154,639.73	-	156,579.65	-	156,579.65
Borrowings (other than debt securities)	132,102.25	-	-	132,091.38	132,091.38
Deposits	71,403.13	-	-	71,718.46	71,718.46
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	361,248.65	-	159,720.57	203,809.84	363,530.41

Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
	268,938.86	-	-	268,090.74	268,090.74
Financial liabilities					
Debt securities	117,999.54	-	118,395.03	-	118,395.03
Borrowings (other than debt securities)	111,617.47	-	-	111,617.47	111,617.47
Deposits	60,150.92	-	-	60,199.94	60,199.94
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
	293,345.83	-	122,016.90	171,817.41	293,834.31

48 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations • when long-term assets cannot be funded at the expected term resulting in cashflow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by - identification of gaps in the structural and dynamic liquidity. - assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. - liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. • monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. - a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. - periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

48 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating rate assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	Board constituted RMC and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity /pandemic. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

48 Financial risk management (Contd.)

(a) Liquidity risk

The Group's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Group maintains a judicious mix of borrowings from banks, money markets, external commercial borrowings (ECBs), public and other deposits and and focuses on diversification of its its sources of borrowings with an emphasis on longer tenor borrowings. The Parent Company for the first time raised funds by way of securitisation of loan receivables in FY2025. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Group maintain a healthy asset liability position and interest rate during the financial year 2024-25 (FY2025). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 361,248.65 crore as of 31 March 2025 (previous year ₹ 293,345.83 crore). The weighted average cost of borrowing was 7.97% for FY2025 (previous year 7.73%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings under various market scenario.

RBI vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Group has a Board approved Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2025, the Parent Company and BHFL maintained a LCR of 124.93% and 192.81% respectively. Both are well above the RBI's stipulated norms.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Group constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

48 Financial risk management (Contd.)

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Group's financial liabilities:

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,657.21	5,281.91	24,551.85	48,171.54	-	80,662.51
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
	33,530.74	32,366.18	84,369.09	225,784.96	65,987.93	442,038.90

As at 31 March 2024

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities*	7,866.02	22,048.13	18,257.02	59,375.67	43,007.48	150,554.32
Borrowings (other than debt securities)*	18,347.19	5,098.24	21,096.02	82,407.29	3,046.90	129,995.64
Deposits	2,925.35	5,467.84	21,895.48	37,797.72	-	68,086.39
Subordinated liabilities	-	48.90	703.15	3,479.89	-	4,231.94
Trade payables	1,407.21	532.42	124.41	-	-	2,064.04
Other payables	624.73	-	139.85	-	-	764.58
Other financial liabilities	499.60	124.42	482.13	746.17	238.58	2,090.90
	31,670.10	33,319.95	62,698.06	183,806.74	46,292.96	357,787.81

*Net of adjustment on account of rectification related to one subsidiary

48 Financial risk management (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities:

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,642.46	-	3,642.46	4,034.51	-	4,034.51
Bank balances other than cash and cash equivalents	9,805.65	95.43	9,901.08	4,262.41	2,327.09	6,589.50
Derivative financial instruments	209.34	41.22	250.56	16.18	11.66	27.84
Trade receivables	1,826.78	86.33	1,913.11	1,623.92	109.57	1,733.49
Loans	126,435.77	281,408.37	407,844.14	101,324.01	224,969.31	326,293.32
Investments	27,237.35	7,203.49	34,440.84	24,419.99	6,460.66	30,880.65
Other financial assets	2,174.01	270.98	2,444.99	1,222.81	209.07	1,431.88
Non-financial assets						
Current tax assets (net)	-	480.77	480.77	-	290.92	290.92
Deferred tax assets (net)	-	1,141.20	1,141.20	-	1,017.43	1,017.43
Property, plant and equipment	-	2,688.89	2,688.89	-	2,358.32	2,358.32
Capital work-in-progress	-	26.74	26.74	-	25.35	25.35
Intangible assets under development	-	14.55	14.55	-	18.11	18.11
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,088.01	1,088.01	-	888.31	888.31
Other non-financial assets	205.72	40.50	246.22	109.77	38.95	148.72
Non-current assets held for sale	-	-	-	-	-	-
	171,537.08	294,589.75	466,126.83	137,013.60	238,728.02	375,741.62
LIABILITIES						
Financial liabilities						
Derivative financial instruments	37.13	-	37.13	2.12	-	2.12
Trade payables	1,878.04	-	1,878.04	2,064.04	-	2,064.04
Other payables	930.91	-	930.91	764.58	-	764.58
Debt securities	53,916.54	100,723.19	154,639.73	44,015.15	73,984.39	117,999.54
Borrowings (other than debt securities)	46,900.60	85,201.65	132,102.25	38,282.90	73,334.57	111,617.47
Deposits	29,606.41	41,796.72	71,403.13	27,831.73	32,319.19	60,150.92
Subordinate liabilities	448.44	2,655.10	3,103.54	635.10	2,942.80	3,577.90
Other financial liabilities						
Lease liability	228.69	892.50	1,121.19	193.24	807.92	1,001.16
Others	827.01	-	827.01	843.23	-	843.23
Non-financial liabilities						
Current tax liabilities (net)	100.63	-	100.63	108.64	-	108.64
Provisions	30.53	483.75	514.28	28.47	393.42	421.89
Other non-financial liabilities	501.40	30.70	532.10	471.09	23.69	494.78
	135,406.33	231,783.61	367,189.94	115,240.29	183,805.98	299,046.27

48 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate asset and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate financial asset and liabilities, as follows:

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	167,427.56	1,674.28	(1,674.28)
Debt Securities	1,500.00	(15.00)	15.00
Borrowings (other than debt securities)	92,090.97	(920.91)	920.91

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	123,498.99	1,234.99	(1,234.99)
Debt Securities	-	-	-
Borrowings (other than debt securities)	85,148.80	(851.49)	851.49

(ii) Price risk

The Group's quoted equity instruments and derivative instruments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Group periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses.

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	573.87	573.87	57.39	(57.39)

48 Financial risk management (Contd.)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	269.41	269.41	26.94	(26.94)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,470.92	22,470.92	224.71	(224.71)
Investment at FVTPL - Other than equity shares	4,803.33	4,803.33	48.03	(48.03)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk largely for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). As a matter of prudence, the Group hedges the entire ECB exposure for the full tenure as per its Board approved 'Interest rate and Currency risk hedging policy'.

The Group evaluates its fully hedged costs for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and Currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

The Group's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows:

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Hedged		
ECB (USD 1,800 million, previous year USD 725 million)	(15,091.03)	(6,015.79)
Derivative financial instrument*	(15,091.03)	6,015.79
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

48 Financial risk management (Contd.)

Foreign currency sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the exchange rates arises mainly from foreign currency denominated financial instrument and from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. The Parent Company has considered a sensitivity of +/-5% for increase and decrease against the relavant foreign currencies to calculate the impact on OCI.

(₹ in crore)

	Impact on profit after tax		Impact on OCI	
Particulars	**31 March 2025**	**31 March 2024**	**31 March 2025**	**31 March 2024**
USD sensitivity				
INR/USD - increase by 5%	-	-	789.13	311.96
INR/USD - decrease by 5%	-	-	(789.13)	(311.96)

Interest rate sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the interest rates from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. The Parent Company has considered a sensitivity of +/-1% for related interest rate changes to calculate the impact of OCI.

(₹ in crore)

	Impact on profit after tax		Impact on OCI	
Particulars	**31 March 2025**	**31 March 2024**	**31 March 2025**	**31 March 2024**
Interest rate - increase by 1%	-	-	282.01	142.15
Interest rate - decrease by 1%	-	-	(290.77)	(147.30)

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

Impact of hedge on the Balance Sheet

As at 31 March 2025

(₹ in crore)

Particulars	**Notional amount**	**Carrying amount of derivative asset**	**Carrying amount of derivative liability**
CCIRS	14,447.29	201.97	25.53
Coupon only swaps	643.74	-	2.95
Forward contract	643.74	3.06	-
Interest rate swap	2,350.00	41.22	-
Future and options	1,121.14	7.37	11.60

48 Financial risk management (Contd.)

As at 31 March 2024

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	6,015.79	15.69	0.85
Interest rate swap	1,850.00	11.66	0.83
Future and options	315.40	0.49	0.44

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

- Stage 1: which are not credit impaired as on date and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial Instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to significant accounting policies note no 3.3 (i).

The Group recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information does not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has redeveloped its ECL model and implemented the same with the approval of the Board.

48 Financial risk management (Contd.)

The table below summarises the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="9">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.</td><td rowspan="9">emperical performance across different DPD (Days Past Due) ranges</td><td rowspan="12">100%</td><td rowspan="12">Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="4">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>SME lending (excluding car loan)</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="4">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Rural B2C (excluding gold loan)</td><td>Personal loans to salaried, self employed customers, professionals</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td>Based on Management judgement</td></tr>
<tr><td>Car loans</td><td>New and used car financing</td><td>Proxy from Two wheeler finance portfolio</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates and management evaluation/ judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Loans against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

48 Financial risk management (Contd.)

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2025

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	244,817.82	2,344.08	1,944.84	160,640.02	3,059.84	2,019.90
Allowance for ECL	865.45	495.06	950.80	2,237.98	1,253.61	1,179.46
ECL coverage ratio	0.35%	21.12%	48.89%	1.39%	40.97%	58.39%

As at 31 March 2024

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	198,420.15	1,904.89	1,379.26	126,087.28	2,106.05	1,436.72
Allowance for ECL	657.10	335.61	755.49	1,588.38	854.22	850.23
ECL coverage ratio	0.33%	17.62%	54.78%	1.26%	40.56%	59.18%

Collateral valuation

The Group offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Rural B2C - Gold loans	Pledge of gold jewellery.
SME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loans against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

48 Financial risk management (Contd.)

Guarantee cover taken on loans

The Parent Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Parent Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD, EAD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Group has adopted the use of three scenarios, representative of its view of forecasted economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the upside and downside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

The Group uses multiple economic factors and test their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates. etc.

Based on past correlation results real GDP and unemployment rate reflected acceptable correlation with past observed default rates and basis their linkage with Company's business were considered appropriate by the Management . Unemployment has a direct relation with the income levels and thus the growth of the economy from the expenditure side. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For unemployment, the Parent Company has considered data published by a leading business information (BI) company engaged in monitoring of Indian economic indicators.

48 Financial risk management (Contd.)

In FY2025, unemployment rate over the quarters has been oscillating around 7-9%.

- While formulating the central scenario for the year end, the Parent Company has considered current unemployment rate as a quarterly average of 8.4% which may move towards an average of 7.6% over the next few years.
- For the downside scenario, the Parent Company believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.7%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.6% within next two years.
- For the upside scenario, the Parent Company acknowledges various surveys and studies indicating improving employment situation as also industrial recovery. Therefore, while forecasting, a positive stance has been adopted with the expectation that the unemployment levels may not drop significantly. The unemployment rate may improve to a best case of 3.4% by the end of June 2026 but may come back to a historical average of 7.6%.
- For real GDP growth, the Group has chosen to follow the RBI predictions. The real GDP growth for Q3 2025 was at 6.2% y-o-y.
- The Parent Company has considered the RBI projected real GDP growth forecast of 6.5% y-o-y in the central scenario. The real GDP rate is expected to moderate to 6.1% over a 3-year period.
- For the downside scenario, the Group considers that the risk may continue due to various uncertainties such as geopolitical and tariff tension and therefore assumes the GDP growth to reduce to 3.3% in Q1FY2027, which is aligned to the lowest pre COVID GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.1% within next two years.
- For the upside scenario, an optimistic GDP estimate of 10.3% has been considered for Q1FY2027, which is aligned to the highest pre COVID GDP growth levels, before averaging back to 6.1% over two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

	As at 31 March	
Particulars	**2025**	**2024**
Gross carrying amount of loans	414,826.50	331,334.35
Reported ECL on loans	6,982.36	5,041.03
Reported ECL coverage	1.68%	1.52%
Base ECL without macro overlay	6,915.36	4,741.03
Add : Management overlay	-	144.00
ECL before adjustment for macro economic factors	6,915.36	4,885.03
ECL amounts for alternate scenario		
Central Scenario (80%)	6,993.11	5,043.66
Downside Scenario (10%)	7,550.98	5,543.48
Upside scenario (10%)	6,327.88	4,517.55
Reported ECL	6,982.36	5,041.03
Management and macro economic overlay	67.00	300.00
-Management overlay	-	144.00
-Overlay for macro economic factors	67.00	156.00
ECL coverage ratios by scenario		
Central scenario (80%)	1.69%	1.52%
Downside scenario (10%)	1.82%	1.67%
Upside scenario (10%)	1.53%	1.36%

49 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

The Board of Directors at its meeting held on 14 October 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Parent Company aggregating to 1,829,803 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of the Parent Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Parent Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the stock options scheme of the Company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity shares in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Plan, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares of face value of ₹ 2 each.

Further, vide the Special Resolution passed by the members of the Parent Company through postal ballot on 19 April 2021, the aforesaid limit of options was enhanced by 10,000,000 options. The maximum limit under the scheme now stand revised from 25,071,160 options to 35,071,160 options.

The options issued under the ESOP Scheme vest over a period not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Parent Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Parent Company has approved the following grants to select senior level executives of the Parent Company in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under :

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	-	-	1,565,500	369,500	-	-
24-May-16	765.37	1,430,000	24,250	-	1,180,375	225,375	-	24,250
17-May-17	1,347.75	1,120,750	47,435	-	929,328	141,363	2,624	47,435
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	1,000	-	70,036	48,964	-	1,000
17-May-18	1,919.95	1,273,416	140,590	-	925,701	206,214	911	140,590
16-May-19	3,002.75	1,123,900	399,218	-	638,589	86,093	-	399,218
19-May-20	1,938.60	2,054,250	699,865	-	1,173,040	181,345	-	699,865
27-Apr-21	4,736.55	936,643	360,207	205,842	301,773	68,821	-	566,049
26-Apr-22	7,005.50	1,003,756	382,453	473,729	65,406	82,168	-	856,182
25-Jul-22	6,258.25	19,349	-	3,772	15,577	-	-	3,772
26-Apr-23	6,075.25	1,563,397	286,524	1,086,111	99,561	91,201	-	1,372,635
25-Apr-24	7,329.15	1,536,609	-	1,494,617	-	41,992	-	1,494,617
12-Sep-24	7,345.55	3,890	-	3,890	-	-	-	3,890
		33,044,110	2,341,542	3,267,961	23,183,416	4,247,656	3,535	5,609,503

49 Employee stock option plan (Contd.)

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2024-25		FY2023-24
Grant date	25-Apr-24	12-Sep-24	26-Apr-23
No. of options granted	1,536,609	3,890	1,563,397
Weighted average fair value (₹)	3,120.47	3,025.59	2,756.16

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Granted during the year	1,540,499	7,329.15-7,345.55	7,329.19	
Cancelled during the year	164,338	4,736.55-7,329.15	6,583.90	
Lapsed during the year	2,224	1,347.75-1,919.95	1,582.14	
Exercised during the year	1,254,223	448.16-7,005.50	2,868.61	
Outstanding at the end of the year	5,609,503	765.37-7,345.55	5,514.62	4.82
Exercisable at the end of the year	2,341,542	765.37-7,005.50	3,858.88	2.91

49 Employee stock option plan (Contd.)

As on 31 March 2024

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1,347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

The weighted average market price of equity shares for options exercised during the year is ₹ 7,542.71 (Previous year ₹ 6,920.42).

Method used for accounting for share based payment plan

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black–Scholes Model. The key assumptions used in Black–Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*	Options granted	Vesting period
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55	936,643	4 years on SLM basis
26-Apr-22	6.52%	3.5 - 6.5 years	42.12%	0.29%	7,005.50	946,983	4 years on SLM basis
26-Apr-22	6.95%	7.5 years	39.54%	0.29%	7,005.50	56,773	5 year bullet
25-Jul-22	7.09%	3.5 - 6.5 years	42.20%	0.32%	6,258.25	7,544	4 years on SLM basis
25-Jul-22	6.91%	3.5 years	44.71%	0.32%	6,258.25	8,202	1 year bullet
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	18 month bullet
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis
25-Apr-24	7.10%	5 years	36.87%	0.41%	7,329.15	1,536,609	4 years on SLM basis
12-Sep-24	6.68%	5 years	36.29%	0.49%	7,345.55	3,890	4 years on SLM basis

*Adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2025, the Group has accounted expense of ₹ 377.00 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 268.23 crore). The balance in employee stock option outstanding account is ₹ 934.86 crore as of 31 March 2025 (Previous year ₹ 711.50 crore).

49 Employee stock option plan (Contd.)

(B) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the Holding Company has approved grant of 230,390 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Group in accordance with the Stock Option Scheme of the Holding Company. Of the options granted, no option has vested, cancelled or is exercised during the year. The weighted average fair value of the option granted is ₹ 689.20.

The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black–Scholes Model. The key assumptions used in Black–Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2025, the Group has accounted expense of ₹ 5.09 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 3.99 crore)

(C) Employee stock option plan of Bajaj Housing Finance Limited

The Board of Directors at its meeting held on 24 April 2024, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Company aggregating to 39,09,78,763 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death or permanent incapacity of an Option Grantee where the minimum vesting period of 1 (one) year from the date of Grant shall not apply and settled by issue of shares at exercise price.

The Nomination and Remuneration Committee of the Company has approved the following grants to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour in accordance with the stock option scheme. Details of grants given up to the reporting date under the scheme are given as under:

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,751,673	-	682,978	-	16,068,695
4-Jan-25	126.38	486,445	-	486,445	-	-	-	486,445
		17,238,118	-	17,238,118	-	682,978	-	16,555,140

Weighted average fair value of stock options granted during the year is as follows:

Particulars	FY2024-25	
Grant date	24-Apr-24	4-Jan-25
No. of options granted	16,751,673	486,445
Weighted average fair value (₹)	24.54	51.43

49 Employee stock option plan (Contd.)

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,238,118	54.50 - 126.38	56.53	
Cancelled during the year	682,978	54.50	54.50	
Lapsed during the year	-	-	-	
Exercised during the year	-	-	-	
Outstanding at the end of the year	16,555,140	54.50 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

Method used for accounting for share based payment plan

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black–Scholes Model. The key assumptions used in Black–Scholes Model for calculating fair value as on the date of grant are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Options granted	Vesting period
28-Apr-24	7.05%	3.5 - 6.5 years	38.46%	Nil	54.50	16,751,673	1- 4 years on SLM basis
4-Jan-25	6.63%	3.5 - 5.5 years	36.57%	Nil	126.08	486,445	1- 3 years on SLM basis

Determination of expected volatility

Expected volatility has been calculated based on the daily closing market price of the comparable entities.

For the period ended 31 March 2025, the Company has accounted expense of ₹ 16.97 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ Nil). The balance in employee stock option outstanding account is ₹ 16.97 crore as of 31 March 2025 (Previous year ₹ Nil).

50 Ultimate beneficiary

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds have been received by the Parent Company and its subsidiaries viz BFinsec and BHFL from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company and BFinsec shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

In case of BHFL

Details of transaction in FY 2023-24

(₹ in crore)

Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
Chayadeep Properties Private Limited Address: Second floor, Plot No. 30, Galaxy, 1 st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078	22-Sep-22	8.33	Karuna Business Solutions LLP Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036LLP IN: AAD-0057	31-Aug-23	5.00
				22-Sep-23	3.00
CIN: U45203KA2003PTC094179	23-Sep-23	10.83		27-Sep-23	1.76

BHFL does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiaries companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

51 Relationship with struck off companies

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck off company	Relationship with the struck off company	Balance outstanding as at 31 March	
				2025	2024
1	Abhilash Global Corporation Private Limited	Loan receivable	No	0.02	0.05
2	Adwave Publicity & Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	0.02	0.04
4	Asquare Events And Production Private Limited	Loan receivable	No	0.13	0.13
5	Astor Metal Industries Private Limited	Loan receivable	No	-	0.18
6	Attract Force Management Service Private Limited	Loan receivable	No	-	0.03
7	Balsam Publishing House Private Limited	Loan receivable	No	-	-
8	Bhandari Hotels Private Limited	Loan receivable	No	0.08	0.08
9	Colimetrics Software Private Limited	Loan receivable	No	-	-
10	Criper Garments (India) Private Limited	Loan receivable	No	-	-
11	CSE Computer Solutions East Private Limited	Loan receivable	No	0.38	0.44
12	Daffodils Daily (OPC) Private Limited	Loan receivable	No	0.10	0.11
13	First Office Solutions India Private Limited	Loan receivable	No	0.01	0.04
14	First Paper Idea India Private Limited	Loan receivable	No	0.11	0.11
15	Grabstance Technologies Private Limited	Loan receivable	No	-	0.01
16	Green Way Super Market Private Limited	Loan receivable	No	0.11	0.11
17	Hunting Hawks Security & Facility Services Private Limited	Loan receivable	No	-	-
18	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
19	Indira Smart Systems Private Limited	Loan receivable	No	0.07	0.08
20	Indochin Electrotech Private Limited	Loan receivable	No	0.13	0.13
21	Invision Entertainment Private Limited	Loan receivable	No	-	0.13
22	Janhavi Exim Private Limited	Loan receivable	No	-	-
23	Jey Pee Nets Private Limited	Loan receivable	No	-	-
24	Kool Gourmet Private Limited	Loan receivable	No	0.10	0.10
25	Koolair Systems Private Limited	Loan receivable	No	-	-
26	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
27	M N S Logistics Private Limited	Loan receivable	No	-	-
28	M.Y. Transport Company Private Limited	Loan receivable	No	3.05	-
29	Mazda Agencies Private Limited	Loan receivable	No	-	-

51 Relationship with struck off companies (Contd.)

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck off company	Relationship with the struck off company	Balance outstanding as at 31 March	
				2025	2024
30	Mechwing Engineering & Services Private Limited	Loan receivable	No	-	0.08
31	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
32	Nur Automation Private Limited	Loan receivable	No	-	0.06
33	PMK Vastra Overseas Private Limited	Loan receivable	No	-	-
34	Priyanka Management Solutions (India) Private Limited	Loan receivable	No	-	-
35	R. R. Movers & Logistics Private Limited	Loan receivable	No	-	0.13
36	Relied Staffing Solution Private Limited	Loan receivable	No	-	0.12
37	S K S Bio - Analytical Systems Private Limited	Loan receivable	No	-	-
38	Satidham Industries Private Limited (₹ 40,000 at face value of ₹ 10/-, Previous year Nil)	Equity Shares	No		-
39	Shrine Infrastructure Private Limited	Loan receivable	No	0.61	0.52
40	Singh Hindustan Marine Private Limited	Loan receivable	No	-	-
41	Solaris People Solutions Private Limited	Loan receivable	No	-	-
42	Spice Flora (India) Private Limited	Loan receivable	No	-	-
43	Sri Beera Barji Trading Company Private Limited	Loan receivable	No	-	0.05
44	Sun-Moon Couriers Private Limited	Loan receivable	No	-	-
45	Tejas India Buildtech Private Limited	Loan receivable	No	0.14	0.14
46	Thanvee Sree Foods Private Limited	Loan receivable	No	-	-
47	Times Partner Services Private Limited	Loan receivable	No	-	-
48	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
49	Underground Pipeline And Non-Destructive Testing Services Private Limited	Loan receivable	No	-	-
50	Valueaid Hr Services (OPC) Private Limited	Loan receivable	No	-	-
51	Keen Financial Services Private Limited	Payables	No	-	-
52	Keynote Management Accountancy And Consulting Private Limited	Payables	No	-	-
53	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
54	Akshda Well Wisher Advisory (OPC) Private Limited	Payables	No	-	-
55	Aleem Autos Private Limited	Payables	No	-	-
56	Visakam Motors Private Limited	Payables	No	-	-

The above disclosure has been prepared basis the relevant information compiled by the Group on best effort basis.

52 Disclosure pertaining to stock statement filed with banks or financial institutions

The Group has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Group shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For the financial year ended 31 March 2025 and previous year ended 31 March 2024, the quarterly statements or returns of current assets filed by the Group with banks are in agreement with books of accounts.

53 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number: 301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number: 105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

BAJAJ FINANCE LIMITED 2023-24

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Ltd.**

Opinion

We have audited the accompanying consolidated financial statements of Bajaj Finance Ltd. (the 'Parent Company') and its subsidiaries, (the Parent Company and its subsidiaries together referred to as the 'Group'), and the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31 March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and of its associates as at 31 March 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditors' responsibility for the audit of the consolidated financial statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key audit matter	Auditors' response
1.	Allowances for expected credit losses ('ECL'): As of 31 March 2024, the carrying value of loan assets carried at amortised cost and fair value through other comprehensive income ('FVOCI'), aggregated ₹ 326,293.32 crore (net of allowance for expected credit loss ₹ 5,041.03 crore) constituting approximately 87% of the Group's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of Management judgement.	Auditors of one subsidiary and we have examined the policies approved by the Boards of Directors of the Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. Auditors of the subsidiary and we have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures, and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost and FVOCI. Additionally, Auditors of the subsidiary and we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:

S.N.	Key audit matter	Auditors' response
	As part of our risk assessment, we determined that ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets carried at amortised cost and fair value through other comprehensive income ('FVOCI'). • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends. • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer note no. 3.3, 9 and 48(c) to the consolidated financial statements).	Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. • Completeness, accuracy, and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio. • Accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model; and • Validity of changes made to the structured query language ('SQL') queries used for the ECL calculations including approval thereof by the designated officials. Test of details on a sample basis in respect of the following: • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD. • The mathematical accuracy of the ECL computation by using the same input data as used by the Group. • Use of the appropriate SQL queries for calibration of ECL rates and its application to the corresponding loan asset portfolio of the Group or part thereof. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Group.
2.	The Group is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.	With the assistance of IT specialists, the Auditors of a subsidiary and we obtained an understanding of the Group's IT applications, databases, and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • Auditors of one subsidiary and we tested the design, implementation, and operating effectiveness of the Group's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Group's controls over segregation of duties and access rights being provisioned/ modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • Auditors of a subsidiary and we also tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to consolidated financial statements. Our tests including testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the consolidated financial statements.

Information other than the financial statements and Auditors' Report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility and Sustainability Report ('BRSR') and Management Discussion and Analysis ('MD&A') (collectively referred to as 'other information'), but does not include the consolidated financial statements, standalone financial statements and our Auditors' Report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and of its associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and of its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditors' responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

(a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 81,827.09 crore as at 31 March 2024, total revenues of ₹ 7,617.71 crore and net cash outflows amounting to ₹ 30.02 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit after tax of ₹ 1.41 crore and total comprehensive income of ₹ 1.39 crore for the period ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. The aforesaid financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) The consolidated financial statements also include the Group's share of net profit after tax of ₹ 6.23 crore and total comprehensive income of ₹ 6.15 crore for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditors.

(d) Further the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 6,017.62 crore as at 31 March 2024, total revenues of ₹ 486.07 crore and net cash outflow amounting to ₹ 160.02 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by M/s G.M. Kapadia & Co., one of the joint auditors of the Group whose report have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the M/s G.M. Kapadia & Co. and the procedures performed by us as stated under Auditors' Responsibilities section above.

Our opinion on the consolidated financial statements above and our report on 'other legal and regulatory requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law have been kept by the Group and its associate companies including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent Company as on 31 March 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and of its associates, none of the directors of the Group and of its associates companies is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditors' Reports of the Parent Company, subsidiaries and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer note no. 42(a) to the consolidated financial statements.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company, its subsidiary companies and its associates.

iv) (a) The respective Managements of the Parent Company, its subsidiaries and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates, respectively, that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries or associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries or associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note no. 50 to the consolidated financial statements;

(b) The respective Managements of the Parent Company and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries and associates and from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note no. 50 to the consolidated financial statements; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed with respect to previous year, declared, and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note no. 45(iii) to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other Auditors' Reports of its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary companies and associate companies incorporated in India have used accounting software systems for maintaining their respective books of account for the year ended 31 march 2024 which have feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' Report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 24039826BKC0EA3139)

Date: 25 April 2024
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 24048243BKFFSJ6792)

Date: 25 April 2024
Place: Pune

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Ltd. (hereinafter referred to as the 'Parent Company'), its subsidiaries and its associate, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Boards of Directors of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and associate, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India.

Meaning of internal financial controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial controls with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary and an associate company which are companies incorporated in India, is based solely on the corresponding report of the auditors of those company incorporated in India and our opinion on the internal financial controls with reference to consolidated financial statements, insofar as it relates to the internal financial controls with reference to the consolidated financial statements in respect of this subsidiary and an associate company is based solely on the corresponding report of the other auditors.

Further with respect to a subsidiary company included in the consolidated financial statements, which is a company incorporated in India, have been audited by M/s G.M. Kapadia & Co., one of the joint auditors of the Group, whose reports have been furnished to us by the Management and our opinion on the internal financial controls with reference to consolidated financial statements, in so far as it relates to the internal financial controls with reference to consolidated financial statements in respect of this subsidiary, is based solely on the corresponding report of M/s G.M. Kapadia & Co.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN : 24039826BKCOEA3139)

Date: 25 April 2024
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN : 24048243BKFFSJ6792)

Date: 25 April 2024
Place: Pune

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2024	2023
ASSETS			
Financial Assets			
Cash and cash equivalents	5	4,034.51	1,550.75
Bank balances other than cash and cash equivalents	6	6,589.50	2,753.77
Derivative financial instruments	7	27.84	148.88
Trade receivables	8	1,733.49	1,299.72
Loans	9	326,293.32	242,268.93
Investments	10	30,880.65	22,751.84
Other financial assets	11	1,431.88	817.28
		370,991.19	**271,591.17**
Non-financial assets			
Current tax assets (net)		290.92	181.43
Deferred tax assets (net)	12	1,017.43	937.09
Property, plant and equipment	13	2,358.32	1,676.57
Capital work-in-progress	13	25.35	14.60
Intangible assets under development	13	18.11	65.24
Goodwill		3.27	3.27
Other intangible assets	13	888.31	627.78
Other non-financial assets	14	148.72	129.16
		4,750.43	**3,635.14**
Total assets		**375,741.62**	**275,226.31**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	2.12	4.01
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.73	1.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,063.31	1,450.26
Other payables			
Total outstanding dues of micro enterprises and small enterprises		-	0.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		764.58	638.67
Debt securities	16	117,999.54	86,845.24
Borrowings (other than debt securities)	17	111,617.47	81,549.40
Deposits	18	60,150.92	44,665.56
Subordinated liabilities	19	3,577.90	3,630.29
Other financial liabilities	20	1,844.39	1,309.29
		298,020.96	**220,095.23**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Non-financial liabilities			
Current tax liabilities (net)		108.64	139.21
Provisions	21	421.89	268.08
Other non-financial liabilities	22	494.78	351.81
		1,025.31	**759.10**
Equity			
Equity share capital	23	123.60	120.89
Other equity	24	76,571.75	54,251.09
		76,695.35	**54,371.98**
Total liabilities and equity		**375,741.62**	**275,226.31**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells Chartered Accountants Firm's registration number: 302009E	For G.M. Kapadia & Co. Chartered Accountants Firm's registration number: 104767W	Rajeev Jain Managing Director DIN - 01550158	Sanjiv Bajaj Chairman DIN - 00014615
Sanjiv V. Pilgaonkar Partner Membership number: 039826	Rajen Ashar Partner Membership number: 048243	Sandeep Jain Chief Financial Officer	Anami N Roy Chairman - Audit Committee DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2024	2023
Revenue from operations			
Interest income	25	48,306.60	35,548.57
Fees and commission income	26	5,267.17	4,355.63
Net gain on fair value changes	27	308.29	334.32
Sale of services	28	49.97	38.18
Income on derecognised (assigned) loans	29	13.33	23.17
Other operating income	30	1,024.13	1,110.29
Total revenue from operations		**54,969.49**	**41,410.16**
Other income	31	13.02	8.10
Total income		**54,982.51**	**41,418.26**
Expenses			
Finance costs	32	18,724.69	12,559.89
Fees and commission expense	33	1,931.50	1,891.47
Impairment on financial instruments	34	4,630.70	3,189.65
Employee benefits expense	35	6,396.01	5,100.19
Depreciation and amortisation expenses	13	683.32	485.38
Other expenses	36	3,314.36	2,665.49
Total expenses		**35,680.58**	**25,892.07**
Share of profit/(loss) from associates		7.64	1.67
Profit before tax		**19,309.57**	**15,527.86**
Tax expense			
Current tax		4,957.72	3,998.18
Deferred tax (credit)/charge		(99.32)	21.99
Total tax expense	12	**4,858.40**	**4,020.17**
Profit after tax		**14,451.17**	**11,507.69**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(61.65)	(27.71)
Tax impact on above		15.52	6.98
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.10)	(0.01)
Net other adjustments - Share of associates		0.01	-
Changes in fair value of fair value through OCI (FVOCI) equity instruments		151.62	(13.99)
Tax impact on above		(29.82)	3.73
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		39.45	(11.27)
Tax impact on above		(9.93)	2.84
Cash flow hedge reserve		(20.80)	22.17
Tax impact on above		5.24	(5.58)
Total other comprehensive income for the year (net of tax)		**89.54**	**(22.84)**
Total comprehensive income for the year		**14,540.71**	**11,484.85**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2024	2023
Earnings per equity share:	37		
(Nominal value per share ₹ 2)			
Basic (₹)		236.89	190.53
Diluted (₹)		235.98	189.57
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells Chartered Accountants Firm's registration number: 302009E	For G.M. Kapadia & Co. Chartered Accountants Firm's registration number: 104767W	Rajeev Jain Managing Director DIN - 01550158	Sanjiv Bajaj Chairman DIN - 00014615
Sanjiv V. Pilgaonkar Partner Membership number: 039826	Rajen Ashar Partner Membership number: 048243	Sandeep Jain Chief Financial Officer	Anami N Roy Chairman - Audit Committee DIN - 01361110
			R Vijay Company Secretary

Pune: 25 April 2024

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Balance at the beginning of the year	120.89	120.66
Changes in equity share capital during the year	2.71	0.23
Balance at the end of the year	**123.60**	**120.89**

Other equity

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on			Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve		
Balance as at 31 March 2023	24	**17,440.98**	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,251.09**
Profit after tax		-	14,451.17	-	-	-	-	-	-	-	-	-	-	14,451.17
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(46.23)	29.52	121.80	(15.56)	-	89.53
		17,440.98	**41,772.06**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**68,791.79**
Issue of equity share capital		8,797.58	-	-	-	-	-	-	-	-	-	-	-	8,797.58
Share issue expenses		(34.55)	-	-	-	-	-	-	-	-	-	-	-	(34.55)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(2,530.00)	-	2,530.00	-	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 29C of the National Housing Bank Act, 1987		-	(111.25)	111.25	-	-	-	-	-	-	-	-	-	-
Transfer to infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	(235.00)	-	-	-	235.00	-	-	-	-	-	-	-
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	297.21	297.21
Dividend paid		-	(1,815.40)	-	-	-	-	-	-	-	-	-	-	(1,815.40)
Share based payment to employees		-	-	-	-	-	-	268.24	-	-	-	-	-	268.24
Allotment of shares to ESOP Trust		448.00	-	-	-	-	-	-	-	-	-	-	-	448.00
Transfer on exercise of stock options by employees		111.11	-	-	-	-	-	(111.11)	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	1.09	-	(1.09)	-	-	-	-	-	-
		26,763.12	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**297.21**	**76,752.87**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	-	-	-	125.94
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	307.06
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**297.21**	**76,571.75**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2023

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on			Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve		
Balance as at 31 March 2022	24	17,21 7.77	19,332.08	231.55	5,642.75	788.51	143.65	397.56	(80.09)	(10.49)	(61.36)	(9.90)	-	43,592.03
Profit after tax		-	11,507.69	-	-	-	-	-		-	-	-	-	11,507.69
Other comprehensive income for the year (net of tax)		-		-	-	-	-	-	(20.74)	(8.43)	(10.26)	16.59	-	(22.84)
		17,217.77	**30,839.77**	**231.55**	**5,642.75**	**788.51**	**143.65**	**397.56**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**55,076.88**
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	(0.12)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(2,060.00)	-	2,060.00	-	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 29C of the National Housing Bank Act, 1987		-	(95.56)	95.56	-	-	-	-	-	-	-	-	-	-
Transfer to infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	(156.00)	-	-	-	156.00	-	-	-	-	-	-	-
Dividend paid		-	(1,207.32)	-	-	-	-	-	-	-	-	-	-	(1,207.32)
Share based payment to employees		-	-	-	-	-	-	223.76	-	-	-	-	-	223.76
Transfer on exercise of stock options by employees		65.44	-	-	-	-	-	(65.44)	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	0.42	-	(0.42)	-	-	-	-	-	-
		17,283.09	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,093.20**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2022		283.83	-	-	-	-	-	-		-	-	-	-	283.83
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-		-	-	-	-	125.94
Balance as at 31 March 2023	24	**17,440.98**	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,251.09**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

Pune: 25 April 2024

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2024	2023
(I)	**Operating activities**		
	Profit before tax	19,309.57	15,527.86
	Adjustments for:		
	Interest income	(48,306.60)	(35,548.57)
	Depreciation and amortisation expenses	683.32	485.38
	Impairment on financial instruments	4,630.70	3,189.65
	Net loss on disposal of property, plant and equipment and other intangible assets	12.54	13.33
	Finance costs	18,724.69	12,559.89
	Share based payment expenses	268.23	224.41
	Net gain on fair value changes	(308.29)	(334.32)
	Service fees for management of assigned portfolio of loans	(49.97)	(38.18)
	Income on derecognised (assigned) loans	(13.33)	(23.17)
	Dividend income (₹ 30,225, Previous year ₹ 31,125)		
	Share of (profit)/loss from associate	(7.64)	(1.67)
		(5,056.78)	(3,945.39)
	Cash inflow from interest on loans	45,853.53	35,032.84
	Cash inflow from service asset	89.61	106.59
	Cash outflow towards finance cost	(17,044.04)	(13,107.38)
	Cash generated from operation before working capital changes	**23,842.32**	**18,086.66**
	Working capital changes		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(3,589.13)	(2,413.16)
	(Increase)/decrease in trade receivables	(457.54)	(93.43)
	(Increase)/decrease in loans	(88,187.48)	(54,412.09)
	(Increase)/decrease in other financial assets	(306.33)	87.83
	(Increase)/decrease in other non-financial assets	(33.60)	47.17
	(Increase)/decrease in derivative financial instruments (net)	(24.86)	8.75
	Increase/(decrease) in trade payables	611.91	292.93
	Increase/(decrease) in other payables	125.26	285.69
	Increase/(decrease) in other financial liabilities	125.33	75.30
	Increase/(decrease) in provisions	89.81	75.83
	Increase/(decrease) in other non-financial liabilities	142.16	(181.09)
		(91,504.47)	(56,226.27)
	Income tax paid (net of refunds)	(5,097.99)	(3,972.18)
	Net cash used in operating activities (I)	**(72,760.14)**	**(42,111.79)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(603.62)	(485.88)
	Purchase of other intangible assets and intangible assets under development	(434.16)	(392.44)
	Sale of property, plant and equipment and other intangible assets	38.89	19.81
	Purchase of investments measured at amortised cost	(6,429.43)	(148.72)
	Proceeds from liquidation of investments measured at amortised cost	6,201.62	5,107.14
	Purchase of investments classified as FVOCI	(23,310.68)	(21,272.49)
	Proceeds from liquidation of investments classified as FVOCI	15,231.80	10,900.36
	Purchase of investments classified as FVTPL	(111,040.08)	(296,988.97)
	Proceeds from liquidation of investments classified as FVTPL	113,012.92	292,353.31
	Purchase of equity investments designated under FVOCI	(514.96)	-
	Dividend income (₹ 30,225, Previous year ₹ 31,125)		
	Interest received on investments	943.99	606.71
	Investment in associates	(267.47)	(92.74)
	Net cash used in investing activities (II)	**(7,171.18)**	**(10,393.91)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(III) Financing activities		
Issue of equity share capital (including securities premium)	9,067.17	158.12
Issue of share warrants	297.21	-
Share issue expenses	(34.55)	(0.12)
Dividends paid	(1,814.58)	(1,206.86)
Payment of lease liability	(174.00)	(143.45)
Deposits received (net)	14,759.93	13,556.92
Short term borrowing availed (net)	22,023.50	7,923.66
Long term borrowing availed	72,666.31	66,860.38
Long term borrowing repaid	(34,375.91)	(36,473.64)
Net cash generated from financing activities (III)	**82,415.08**	**50,675.01**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**2,483.76**	**(1,830.69)**
Cash and cash equivalents at the beginning of the year	**1,550.75**	**3,381.44**
Cash and cash equivalents at the end of the year	**4,034.51**	**1,550.75**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are considered as long term borrowings.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	2023
Cash and cash equivalents comprises of		
Cash on hand	58.84	59.07
Balance with banks in current accounts	3,975.67	1,491.68
	4,034.51	**1,550.75**

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

Pune: 25 April 2024

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

1 Corporate information

Bajaj Finance Ltd. ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Ltd., is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provides broking and depository services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its susidiary company Bajaj Housing Finance Ltd. has been classified as NBFC-UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 25 April 2024, the Board of Directors approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of consolidated financial statements (other than Statement of Cash Flows) except in case of significant uncertainties [Refer note no. 3.1(i) and 3.1(ii)].

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

2 Basis of preparation (Contd.)

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Group intends to either settle on a net basis or to realise the asset and settle the liabilitiy simultaneously as permitted by Ind AS. Similarly, the Group offsets incomes and expenses and reports the same on net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.4 Material accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [Refer note no. 3.3(i), 9 and 48]
- Provisions and contingent liabilities [Refer note no. 3.7 and 42]
- Fair value of financial instrument [Refer note no. 3.9 and 47]

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net asset of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Ltd. (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net assets of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Ltd.	India	100%	Subsidiary
Bajaj Financial Securities Ltd.	India	100%	Subsidiary
Snapwork Technologies Pvt. Ltd.#	India	41.50%#	Associate
Pennant Technologies Pvt. Ltd.*	India	26.53%*	Associate

#On 25 November 2022, the Parent Company has acquired 41.50% stake on fully diluted basis in Snapwork Technologies Pvt. Ltd.

*On 19 January 2024, the Parent Company has acquired 26.53% stake on fully diluted basis in Pennant Technologies Pvt. Ltd.

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of the entities in the Group	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Ltd.	82.66%	63,396.74	87.68%	12,670.88	101.19%	90.60	87.77%	12,761.48
Subsidiaries								
Bajaj Housing Finance Ltd. (BHFL)	15.88%	12,174.85	11.77%	1,701.20	(1.02%)	(0.91)	11.69%	1,700.29
Bajaj Financial Securities Ltd. (Bfinsec)	1.45%	1,114.55	0.50%	71.46	(0.07%)	(0.06)	0.49%	71.40
Associate								
Snapwork Technologies Pvt. Ltd.	0.01%	7.82	0.04%	6.23	(0.08%)	(0.07)	0.04%	6.16
Pennant Technologies Pvt. Ltd.	0.00%	1.39	0.01%	1.41	(0.02%)	(0.02)	0.01%	1.39
	100.00%	76,695.35	100.00%	14,451.18	100.00%	89.54	100.00%	14,540.72

3 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

3.1 Income

(i) Interest income

The Group recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The Group recognises delayed payment interest (penal interest and the like) for delay in repayments or non-payment of contractual cashflows on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises:

- Service and administration charges on completion of contracted service;
- Bounce charges on realisation;
- Fees on value added services and products on delivery of services and products to the customer;
- Distribution income on completion of distribution of third-party products and services; and
- Income on loan foreclosure and prepayment on realisation.

3 Summary of material accounting policies (Contd.)

(b) Other operating income

The Group recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Parent Company is recognised as employee benefits expenses in Statement of Profit and Loss and that pertaining to employees of subsidiaries is recovered from subsidiaries.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognised initially at fair value adjusted for transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

3 Summary of material accounting policies (Contd.)

The classification depends on the contractual terms of the cash flows of the financial assets, the Group's business model for managing financial assets and, in case of equity instruments, the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Business model assessment

The Group has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Group determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Solely payments of principal and interest (SPPI) assessment

The Group assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Group considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Soley Payments of Principal and Interest (SPPI) on the principal amount outstanding.

The Group may enter into following transactions without affecting business model of the Group:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment and sale of non-NPA transactions which are infrequent and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The Group recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

The Group operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category.

3 Summary of material accounting policies (Contd.)

As a part of its hedging strategy, the Group enters into derivative contracts and classifies such contracts under FVTPL.

Interest and dividend incomes are recorded in Statement of Profit and Loss. Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Parent Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to profit or loss subsequently, even on sale of those investments.

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same. A write-off of a financial asset constitutes a derecognition event.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Group adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Group on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which doesn't affect the business model of the Group.

Write-Off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

3 Summary of material accounting policies (Contd.)

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Group may apply enforcement activities to certain qualifying financial assets written off.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of principal and/or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of that customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
- Other loans of such customer are not in default during this period;

(b) Significant increase in credit risk (stage 2)

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioral trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using behavioral analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

3 Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 48.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3.4 Taxes

Income tax comprises of current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

3 Summary of material accounting policies (Contd.)

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment and depreciation thereof

The Group measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any. The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

3.7 Provisions and contingent liabilities

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Leases

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

3 Summary of material accounting policies (Contd.)

Measurement of Right-of-use assets

At the time of initial recognition, the Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right-of-use assets is provided on straight-line basis over the lease period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

3.9 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 47.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Group are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Group designates its CCIRS derivatives as cash flow hedges of a recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

3 Summary of material accounting policies (Contd.)

Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Fair value hedge

Fair value hedges is a hedge of the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Group discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	58.84	59.07
Balance with banks in current accounts	3,975.67	1,491.68
	4,034.51	1,550.75

Cash and cash equivalents include cash on hand and other short term highly liquid investments with original maturities of upto three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits (with original maturity more than 3 months)		
Encumbered*	3,341.43	1,614.25
Unencumbered	3,165.66	1,045.19
Earmarked balance with banks:		
Against unclaimed dividend	3.07	2.25
Against unspent CSR	-	14.46
Escrow account balance	79.34	77.62
	6,589.50	2,753.77

*includes:

i. ₹ 2,200 crore (Previous year ₹ 1,000 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934,
ii. Fixed deposit under lien with stock exchanges for margin requirement of ₹ 384.43 crore (Previous year ₹ 162.54 crore),
iii. Deposits with exchange for trade of ₹ 1.74 crore (Previous year ₹ 1.70 crore),
iv. Deposits with bank for bank guarantee of ₹ 540.72 crore (Previous year ₹ 442.41 crore) and ₹ 93.57 crore (Previous year ₹ 0.01 crore) for overdraft facility.
v. Deposits with the Pension Fund Regulatory & Development Authority of ₹ 0.24 crore (Previous year ₹ 0.23 crore).

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2024		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge:			
Cross currency interest rate swaps	6,015.79	15.69	1.68
Fair value hedge:			
Interest rate swaps	1,850.00	11.66	-
Futures	23.25	0.09	0.44
Options purchased	107.17	0.40	-
	7,996.21	27.84	2.12

(₹ in crore)

7 Derivative financial instruments (Contd.)

Particulars	As at 31 March 2023		
	Notional amounts	**Fair value asset**	**Fair value liability**
Cash flow hedge:			
Cross currency interest rate swaps	1,299.50	146.98	-
Fair value hedge:			
Interest rate swaps	100.00	1.37	-
Futures	172.25	0.07	3.62
Options purchased	108.95	0.46	-
Options sold (written)	57.17	-	0.39
	1,737.87	148.88	4.01

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency and interest rate swaps. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer note no. 48(b)(iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March	
	2024	**2023**
Considered good - unsecured		
Interest subsidy	750.01	671.45
Fees, commission and others	840.41	459.28
Service asset	148.22	173.27
	1,738.64	1,304.00
Less : Impairment loss allowance	5.15	4.28
	1,733.49	1,299.72

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (Gross) aging

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024								
(i) Undisputed trade receivables – considered good	799.22	115.18	822.99	0.02	1.09	0.14	-	1,738.64
As at 31 March 2023								
(i) Undisputed trade receivables – considered good	850.80	49.76	403.17	0.12	0.15	-	-	1,304.00

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	**2023**
Impairment loss allowance as at beginning of the year	4.28	-
Net increase/(decrease) during the year	0.87	4.28
Impairment loss allowance at the end of the year	5.15	4.28

9 Loans

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
(A) Loans						
Term loans	272,820.72	58,037.30	330,858.02	198,899.93	47,482.45	246,382.38
Credit substitutes#	476.33	-	476.33	253.30	-	253.30
	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Total (A)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	143,667.00	58,037.30	201,704.30	95,355.04	47,482.45	142,837.49
Less: Impairment loss allowance	1,420.82	327.38	1,748.20	1,347.47	368.78	1,716.25
Total (I)	142,246.18	57,709.92	199,956.10	94,007.57	47,113.67	141,121.24
(II) Unsecured	129,630.05	-	129,630.05	103,798.19	-	103,798.19
Less: Impairment loss allowance	3,292.83	-	3,292.83	2,650.50	-	2,650.50
Total (II)	126,337.22	-	126,337.22	101,147.69	-	101,147.69
Total (B) = (I + II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Sub-total (ii)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
Total (I) = (i+ii)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93

-The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

9 Loans (Contd.)

Summary of EIR impact on loans

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Total gross loan	333,778.31	248,962.24
Less: EIR impact	2,443.96	2,326.56
Total for gross term loan net of EIR impact	331,334.35	246,635.68

Summary of loans by stage distribution

(₹ in crore)

	As at 31 March 2024				As at 31 March 2023			
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount	324,507.43	4,010.94	2,815.98	331,334.35	241,289.96	3,032.91	2,312.81	246,635.68
Less: Impairment loss allowance	2,245.48	1,189.83	1,605.72	5,041.03	1,957.26	933.29	1,476.20	4,366.75
Net carrying amount	322,261.95	2,821.11	1,210.26	326,293.32	239,332.70	2,099.62	836.61	242,268.93

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans

(₹ in crore)

	For the year ended 31 March 2024							
	Stage 1		**Stage 2**		**Stage 3**		**Total**	
Particulars	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**	**Term loans (Gross)**	**Impairment loss allowance**
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75
Transfers during the year								
transfers to stage 1	473.93	138.09	(332.97)	(64.30)	(140.96)	(73.79)	-	-
transfers to stage 2	(3,074.81)	(50.96)	3,104.84	65.86	(30.03)	(14.90)	-	-
transfers to stage 3	(4,461.85)	(82.28)	(1,566.01)	(571.80)	6,027.86	654.08	-	-
	(7,062.73)	4.85	1,205.86	(570.24)	5,856.87	565.39	-	-
Impact of changes in credit risk on account of stage movements	-	(125.63)	-	885.54	-	4,999.13	-	5,759.04
Changes in opening credit exposures (repayments net of additional disbursements)	(95,298.59)	(621.95)	(1,326.66)	(401.83)	(2,217.35)	(1,970.66)	(98,842.60)	(2,994.44)
New credit exposures during the year, net of repayments	185,578.79	1,030.95	1,098.83	343.07	1,045.19	717.20	187,722.81	2,091.22
Amounts written off during the year	-	-	-	-	(4,181.54)	(4,181.54)	(4,181.54)	(4,181.54)
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2022	188,833.91	1,506.76	3,860.64	1,079.41	3,133.49	1,818.62	195,828.04	4,404.79
Transfers during the period								
transfers to stage 1	783.51	133.62	(636.51)	(84.07)	(147.00)	(49.55)	-	-
transfers to stage 2	(1,913.29)	(57.68)	1,981.42	84.16	(68.13)	(26.48)	-	-
transfers to stage 3	(2,760.93)	(63.85)	(1,480.57)	(440.94)	4,241.50	504.79	-	-
	(3,890.71)	12.09	(135.66)	(440.85)	4,026.37	428.76	-	-
Impact of changes in credit risk on account of stage movements	-	(127.72)	-	546.48	-	3,774.97	-	4,193.73
Changes in opening credit exposures (repayments net of additional disbursements)	(78,987.33)	(125.10)	(1,277.20)	(456.86)	(2,104.85)	(1,633.04)	(82,369.38)	(2,215.00)
New credit exposures during the year, net of repayments	135,334.09	691.23	585.13	205.11	637.10	466.19	136,556.32	1,362.53
Amounts written off during the year	-	-	-	-	(3,379.30)	(3,379.30)	(3,379.30)	(3,379.30)
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(i) Net impairment loss allowance charge/(release) for the year	674.28	(38.04)
(ii) Amounts written off during the year	4,181.54	3,379.30
Impairment on loans	4,855.82	3,341.26
Less : Claimable/credit cover amount under Government guarantee schemes and other arrangements	307.15	200.74
Add: Impairment on other assets	82.03	49.13
Impairment on financial instruments	4,630.70	3,189.65

10 Investments

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	356.89	129.11
	356.89	129.11
Less: Impairment loss allowance	1.43	0.52
Total (A)	355.46	128.59
(B) At fair value through other comprehensive income		
(i) In Government securities[#]	22,458.94	14,166.57
Add: Fair value gain/(losses)	11.98	(27.49)
Sub-total (i)	22,470.92	14,139.08
[#]Includes ₹ 4,554.99 crore (Previous year ₹ 4,201.15 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934 and ₹ 16,786.58 crore (Previous year ₹ 9,348.47 crore) pledged in favour of Credit Corporation of India Ltd. for triparty repo dealing and settlement (TREPs).		
(ii) In equity instruments		
Equity shares (Quoted)	150.00	150.00
Add: Fair value gain/(losses)	(47.11)	(89.60)
	102.89	60.40
Equity shares (Unquoted)	299.58	299.58
Add: Fair value gain/(losses)	76.96	0.10
	376.54	299.68
Compulsorily convertible term loan	280.47	280.47
Add: Fair value gain/(losses)	42.21	9.94
	322.68	290.41
Sub-total (ii)	802.11	650.49
(iii) In certificate of deposits	1,450.71	565.10
Add: Fair value gain/(losses)	2.53	1.16
Sub-total (iii)	1,453.24	566.26
(iv) In commercial papers	247.13	596.19
Add: Fair value gain/(losses)	0.13	1.04
Sub-total (iv)	247.26	597.23
(v) In non-convertible debentures	212.88	-
Add: Fair value gain/(losses)	(0.49)	-
Sub-total (v)	212.39	-
Total (B) = (i+ii+iii+iv+v)	25,185.92	15,953.06

10 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(C) At fair value through profit or loss		
(i) In mutual funds*	2,525.61	4,987.47
Add: Fair value gains/(losses)	7.12	10.68
Sub-total (i)	2,532.73	4,998.15
*includes ₹ 8.78 crore (Previous year ₹ 52.16 crore) under lien with Indian Clearing Corporation for margin requirement and include ₹ 5.19 crore (Previous year ₹ Nil) pledged in favour of National Securities Depository Limited (NDSL) as money margin.		
(ii) In Government securities	2,269.71	1,422.62
Add: Fair value gains/(losses)	0.89	(0.20)
Sub-total (ii)	2,270.60	1,422.42
(iii) In equity shares	141.55	154.79
Add: Fair value gains/(losses)	24.97	0.43
Sub-total (iii)	166.52	155.22
Total (C) = (i+ii+iii)	4,969.85	6,575.79
(D) At cost		
Investment in associate	369.42	94.40
Total (D)	369.42	94.40
Total (A+B+C+D)	30,880.65	22,751.84

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Out of above		
In India	30,880.65	22,751.84
Outside India	-	-
	30,880.65	22,751.84

-Impairment loss allowance recognised on investments is ₹ Nil (Previous year ₹ Nil), except where specified.

Reconciliation of impairment loss allowance on investments

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment loss allowance as at beginning of the year	0.52	-
Net increase/(decrease) during the year	0.91	0.52
Impairment loss allowance at the end of the year	1.43	0.52

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2024	2023
Security deposits	127.71	97.20
Margin with exchanges	430.17	115.36
Advances to dealers	275.43	252.42
Credit cover under Government guarantee schemes	321.93	190.69
Receivable from debt management agencies	160.32	94.77
Receivable from online payment aggregator and gateways	43.39	6.67
Receivable from assignment servicing partners	28.98	22.26
Others	47.54	40.24
	1,435.47	819.61
Less : Impairment loss allowance	3.59	2.33
	1,431.88	817.28

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Impairment loss allowance as at beginning of the year	2.33	-
Net increase/(decrease) during the year	1.26	2.33
Impairment loss allowance at the end of the year	3.59	2.33

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by average corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Profit before tax	19,309.57	15,527.86
At average corporate tax rate of 25.17% (Previous year: 25.17%)	4,858.30	3,907.95
Tax on expenditure not considered for tax provision (net of allowance)	141.16	117.12
Reversal of deferred tax on opening special reserve u/s 36(1)(viii)*	(75.42)	-
Deduction under Section 36(1)(viii) of the Income tax Act, 1961	(59.15)	-
Tax benefit on additional deductions	(6.49)	(4.90)
Tax expense (Effective tax rate of 25.161%, Previous year 25.890%)	4,858.40	4,020.17

* The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss.

12 Income taxes (Contd.)

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2023-24

(₹ in crore)

Particulars		Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
(a)	Deferred tax asset				
	Property, plant and equipment and intangible assets	0.99	0.47	-	1.46
	Remeasurements of employee benefits	65.33	21.65	15.52	102.50
	Expected credit loss	985.06	(0.33)	-	984.73
	EIR impact on financial instruments measured at amortised cost	3.40	(0.73)	-	2.67
	Fair value on instruments designated under FVTPL	0.72	(0.62)	-	0.10
	Cash flow hedge reserve	-	-	3.00	3.00
	Mark to market impact on fair value hedge	0.01	0.56	-	0.57
	Fair value on equity instruments designated under FVOCI	7.96	-	(7.96)	-
	Right of use assets and lease liability (net)	13.99	5.95	-	19.94
	Fair value on debt instruments designated under FVOCI	6.37	-	(6.37)	-
	Other temporary differences	1.78	5.22	-	7.00
Gross deferred tax assets (a)		1,085.61	32.17	4.19	1,121.97
(b)	Deferred tax liabilities				
	Property, plant and equipment and intangible assets	(13.05)	(16.80)	-	(29.85)
	Service asset	(48.82)	4.62	-	(44.20)
	Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(73.08)	73.08	-	-
	Fair value on instruments designated under FVTPL	(2.45)	0.61	-	(1.84)
	Fair value on equity instruments designated under FVOCI	-	-	(21.86)	(21.86)
	Fair value on debt instruments designated under FVOCI	-	-	(3.56)	(3.56)
	Unrealised net gain on fair value changes	-	(3.23)	-	(3.23)
	Cash flow hedge reserve	(2.24)	-	2.24	-
	Other temporary differences	(8.88)	8.88	-	-
Gross deferred tax liabilities (b)		(148.52)	67.16	(23.18)	(104.54)
Deferred tax assets/(liabilities), net (a+b)		937.09	99.33	(18.99)	1,017.43

12 Income taxes (Contd.)

Movement in Deferred tax asset/(liability)

For the financial year 2022-23

(₹ in crore)

Particulars		Balance as at 31 March 2022	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2023
(a)	Deferred tax asset				
	Property, plant and equipment and intangible assets	4.19	(3.20)	-	0.99
	Remeasurements of employee benefits	42.99	15.36	6.98	65.33
	Expected credit loss	974.74	10.32	-	985.06
	EIR impact on financial instruments measured at amortised cost	4.13	(0.73)	-	3.40
	Fair value on instruments designated under FVTPL	-	0.72	-	0.72
	Cash flow hedge reserve	3.34	-	(3.34)	-
	Mark to market impact on fair value hedge	-	0.01	-	0.01
	Fair value on equity instruments designated under FVOCI	4.23	-	3.73	7.96
	Right of use assets and lease liability (net)	10.59	3.40	-	13.99
	Fair value on debt instruments designated under FVOCI	3.53	-	2.84	6.37
	Other temporary differences	2.46	(0.68)	-	1.78
Gross deferred tax assets (a)		1,050.20	25.20	10.21	1,085.61
(b)	Deferred tax liabilities				
	Property, plant and equipment and intangible assets	(0.18)	(12.87)	-	(13.05)
	Service asset	(57.80)	8.98	-	(48.82)
	Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(33.82)	(39.26)	-	(73.08)
	Fair value on instruments designated under FVTPL	(2.31)	(0.14)	-	(2.45)
	Cash flow hedge reserve	-	-	(2.24)	(2.24)
	Other temporary differences	(4.98)	(3.90)	-	(8.88)
Gross deferred tax liabilities (b)		(99.09)	(47.19)	(2.24)	(148.52)
Deferred tax assets/(liabilities), net (a+b)		951.11	(21.99)	7.97	937.09

13 (A) Property, plant and equipment and other intangible assets

For the financial year 2023-24

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2023	Addition	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ Adjustments	For the Year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment (a)									
Freehold land (b) (e)	271.91	5.42	4.02	273.31	-	-	-	-	273.31
Building (c) (e)	261.44	2.16	-	263.60	69.92	-	3.67	73.59	190.01
Computers and data processing units	429.21	199.35	65.63	562.93	194.41	46.42	100.11	248.10	314.83
Office equipment	268.33	86.66	12.34	342.65	179.13	11.88	46.71	213.96	128.69
Furniture and fixtures	227.17	82.29	9.88	299.58	98.62	8.36	40.06	130.32	169.26
Vehicles	241.62	165.23	33.69	373.16	54.38	15.65	57.38	96.11	277.05
Leasehold improvements	249.15	66.67	3.57	312.25	207.60	3.43	24.85	229.02	83.23
Sub-total (i)	1,948.83	607.78	129.13	2,427.48	804.06	85.74	272.78	991.10	1,436.38
Right-of-use (f)									
Right-of-use - Premises (e)	821.72	602.33	87.83	1,336.22	311.09	74.28	195.48	432.29	903.93
Right-of-use - Server	35.51	1.97	-	37.48	14.34	-	5.13	19.47	18.01
Sub-total (ii)	857.23	604.30	87.83	1,373.70	325.43	74.28	200.61	451.76	921.94
Sub-total (iii=i+ii)	**2,806.06**	**1,212.08**	**216.96**	**3,801.18**	**1,129.49**	**160.02**	**473.39**	**1,442.86**	**2,358.32**
Other intangible assets (d)									
Computer softwares	699.62	249.89	38.32	911.19	316.60	28.99	137.37	424.98	486.21
Internally generated software	288.41	231.54	2.06	517.89	43.65	0.42	72.56	115.79	402.10
Sub-total (iv)	**988.03**	**481.43**	**40.38**	**1,429.08**	**360.25**	**29.41**	**209.93**	**540.77**	**888.31**
Total (v=iii+iv)	**3,794.09**	**1,693.51**	**257.34**	**5,230.26**	**1,489.74**	**189.43**	**683.32**	**1,983.63**	**3,246.63**

For the financial year 2022-23

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2022	Addition	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	Deductions/ Adjustments	For the Year	As at 31 March 2023	As at 31 March 2023
Property, plant and equipment (a)									
Freehold land (b) (e)	196.59	75.32	-	271.91	-	-	-	-	271.91
Buildings (c) (e)	248.03	13.41	-	261.44	66.37	-	3.55	69.92	191.52
Computers and data processing units	316.87	165.37	53.03	429.21	163.33	39.29	70.37	194.41	234.80
Office equipment	222.63	50.44	4.74	268.33	146.16	4.63	37.60	179.13	89.20
Furniture and fixtures	196.56	39.96	9.35	227.17	85.73	6.83	19.72	98.62	128.55
Vehicles	143.20	114.86	16.44	241.62	38.84	8.14	23.68	54.38	187.24
Leasehold improvements	227.91	25.67	4.43	249.15	181.79	4.37	30.18	207.60	41.55
Sub-total (i)	1,551.79	485.03	87.99	1,948.83	682.22	63.26	185.10	804.06	1,144.77
Right-of-use (f)									
Right-of-use - Premises (e)	604.35	278.56	61.19	821.72	211.88	54.14	153.35	311.09	510.63
Right-of-use - Server	30.15	5.54	0.18	35.51	9.61	0.18	4.91	14.34	21.17
Sub-total (ii)	634.50	284.10	61.37	857.23	221.49	54.32	158.26	325.43	531.80
Sub-total (iii=i+ii)	**2,186.29**	**769.13**	**149.36**	**2,806.06**	**903.71**	**117.58**	**343.36**	**1,129.49**	**1,676.57**
Other intangible assets (d)									
Computer softwares	530.08	204.85	35.31	699.62	235.08	25.61	107.13	316.60	383.02
Internally generated software	144.21	144.20	-	288.41	8.76	-	34.89	43.65	244.76
Sub-total (iv)	**674.29**	**349.05**	**35.31**	**988.03**	**243.84**	**25.61**	**142.02**	**360.25**	**627.78**
Total (v=iii+iv)	**2,860.58**	**1,118.18**	**184.67**	**3,794.09**	**1,147.55**	**143.19**	**485.38**	**1,489.74**	**2,304.35**

(a) See note no. 3.5
(b) Represents share in undivided portion of land on purchase/construction of office premises.
(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500).
(d) See note no. 3.6
(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.
(f) See note no. 3.8

13 (A) Property, plant and equipment and other intangible assets (Contd.)

Depreciation and amortisation

Depreciation and amortisation is provided using straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Other office equipments	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements	Lease tenure or 5 years, whichever is less
Intangible assets including those internally generated	5 years

* Evaluated useful lives is different from Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

13 (B) Capital-work-in-progress and intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Opening balance	14.6	13.27
Additions	22.35	1.33
Deductions/Adjustments	11.60	-
Closing balance	25.35	14.60

Aging for capital work-in-progress

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Projects in progress	31 March 2024	10.75	1.33	6.20	7.07	25.35
Projects in progress	31 March 2023	1.33	6.20	7.07	-	14.60

Intangible assets under development

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Opening balance	65.24	20.87
Additions	431.15	406.11
Deductions/Adjustments	478.28	361.74
Closing balance	18.11	65.24

Aging for Intangible assets under development

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Projects in progress	31 March 2024	18.11	-	-	-	18.11
Projects in progress	31 March 2023	65.24	-	-	-	65.24

-The Group does not have any project temporary suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital advances	24.26	39.10
Deposits against appeals	38.95	40.11
Advances to suppliers and others	85.51	49.95
	148.72	129.16

- Impairment loss allowance recognised on other non-financial assets is ₹ Nil (Previous year: ₹ Nil).

15 Payables

(₹ in crore)

Particulars		As at 31 March 2024	As at 31 March 2023
(I)	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises[#]	0.73	1.86
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,063.31	1,450.26
		2,064.04	1,452.12
(II)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises[#]	-	0.65
	Total outstanding dues of creditors other than micro enterprises and small enterprises	764.58	638.67
		764.58	639.32

[#] Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	0.73	2.42
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	50.60	53.30
Interest paid to suppliers under MSMED Act (Section 16)	0.64	0.85
Interest due and payable to suppliers under MSMED Act, for payments already made	-	0.09
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	0.09

15 Payables (Contd.)

Trade payables aging

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2024							
(i) MSME	0.42	-	0.31	-	-	-	0.73
(ii) Others	473.27	780.04	809.73	0.11	-	0.16	2,063.31
	473.69	780.04	810.04	0.11	-	0.16	2,064.04
As at 31 March 2023							
(i) MSME	1.17	-	0.69	-	-	-	1.86
(ii) Others	492.31	896.74	60.16	0.63	0.26	0.16	1,450.26
	493.48	896.74	60.85	0.63	0.26	0.16	1,452.12

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) At amortised cost		
Redeemable non-convertible debenture		
Secured and fully paid*	84,896.28	67,288.26
Unsecured and partly paid	2,014.82	1,387.83
Unsecured and fully paid	6,258.92	6,262.16
	93,170.02	74,938.25
Commercial papers - unsecured	24,829.52	11,906.99
	117,999.54	86,845.24
(B) Out of above		
In India	117,999.54	86,845.24
Outside India	-	-
	117,999.54	86,845.24

*All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2024 are fully secured by first pari passu charge by mortgage of their immovable property at Chennai and/or by hypothecation of book debts/loan receivables to the extent as stated in their respective information memorandum. Further, the Company and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 1,750 crore (Previous year ₹ 100 crore). The total outstanding as on 31 March 2024 is ₹ 1,850 crore (Previous year ₹ 100 crore).

16 Debt securities (Contd.)

(C) Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2024

(₹ in crore)

	Residual maturity of loans				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Up to 2 years	2,000.00	1,300.00	-	-	3,300.00
Over 2 to 3 years	4,350.00	9,672.00	2,200.00	-	16,222.00
Over 3 to 4 years	5,485.00	7,495.00	1,925.00	395.00	15,300.00
Over 4 years	4,225.00	2,302.00	57.50	47,647.90	54,232.40
Redeemable at premium					
Over 3 to 4 years	-	906.00	-	-	906.00
Interest accrued	3,159.77	134.59	-	-	3,294.36
Impact of EIR (including premium and discount on NCD)					(71.65)
Fair value gain/loss on NCD hedged through interest rate swap					(13.09)
					93,170.02

-Interest rate ranges from 5.00% to 9.36% p.a as at 31 March 2024

-Amount to be called and paid is ₹ 350 crore each in May 2024, May 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore in Jan 2025 and ₹ 120 crore in Jan 2026

-Amount to be called and paid is ₹ 147 crore in Mar 2025 and ₹ 168 crore in Mar 2026

16 Debt securities (Contd.)

Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2023

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Up to 2 years	9,390.00	2,000.00	-	-	11,390.00
2-3 years	3,400.00	5,335.00	5,860.00	-	14,595.00
3-4 years	270.00	4,500.00	5,820.00	-	10,590.00
More than 4 years	1,981.00	4,225.00	2,302.00	25,437.50	33,945.50
Redeemable at premium					
2-3 years	950.00	-	-	-	950.00
3-4 years	75.00	-	906.00	-	981.00
Interest accrued	2,412.89	13.33	65.02	-	2,491.24
Impact of EIR (including premium and discount on NCD)					(5.88)
Fair value gain/loss on NCD hedged through interest rate swap					1.39
					74,938.25

-Interest rate ranges from 4.90% to 9.36% p.a as at 31 March 2023

-Amount to be called and paid is ₹ 350 crore each in June 2023, May 2024, May 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore each in Jan 2024, Jan 2025 and ₹ 120 crore in Jan 2026

-Amount to be called and paid is ₹ 147 crore each in Mar 2024, Mar 2025 and ₹ 168 crore in Mar 2026

(D) Terms of repayment of commercial papers

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	24,750.39	11,877.14
Impact of EIR	79.13	29.85
	24,829.52	11,906.99

-Interest rate ranges from 7.48% to 8.85% p.a as at 31 March 2024 (Previous year 5.00% to 8.02% p.a)

-As at 31 March 2024, face value of commercial paper is ₹ 25,340 crore (Previous year ₹ 12,145 crore)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) In India		
At amortised cost:		
Term loans from banks	79,258.27	67,726.06
Term loan from National Housing Bank (NHB)#	6,837.59	2,000.00
Cash credit/Overdraft facility	681.31	446.33
Working capital demand loans	3,062.89	1,770.20
Triparty repo dealing and settlement (TREPs) against Government securities	15,758.96	8,145.36
	105,599.02	80,087.95
Outside India		
External commercial borrowing (ECB)*	6,018.45	1,461.45
	6,018.45	1,461.45
(B) Out of above		
Secured (Against hypothecation of loans, book debts and other receivables)	111,117.37	81,049.35
Unsecured	500.10	500.05
	111,617.47	81,549.40

*External commercial borrowing is denominated in foreign currency and secured against book debts.

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 5,499.38 crore during the year ended 31 March 2024 (Previous Year: ₹ 2,000 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

-The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

(C) Terms of repayment of term loans from bank as at 31 March 2024

	Residual maturity of loans								Total	
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,015.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,071.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
Half yearly										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	15	1,151.18	14	1,133.32	14	1,133.36	3	212.50	46	3,630.36
Over 4 years	117	5,907.82	136	8,519.68	149	10,750.99	251	15,596.36	653	40,774.85
Yearly										
Over 3 to 4 years	4	800.00	-	-	-	-	-	-	4	800.00
Over 4 years	20	1,697.91	14	1,481.66	15	1,971.66	36	3,141.57	85	8,292.80
On maturity (Bullet)										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	3	2,400.00	1	499.74	-	-	-	-	4	2,899.74
Over 4 years	-	-	-	-	1	500.00	2	2,200.01	3	2,700.01
Interest accrued	-	11.19	-	-	-	-	-	-	-	11.19
Impact of EIR										(3.35)
										79,258.27

-Interest rate ranges from 5.05% to 9.20% p.a as at 31 March 2024.

17 Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loans from bank as at 31 March 2023

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	12	1,122.16	-	-	-	-	-	-	12	1,122.16
Over 3 to 4 years	25	940.00	30	1,440.00	16	550.00	8	271.88	79	3,201.88
Over 4 years	158	4,137.04	119	2,624.16	89	1,769.37	157	3,636.37	523	12,166.94
Half yearly										
Up to 3 years	2	200.00	2	200.00	1	100.00	-	-	5	500.00
Over 3 to 4 years	8	517.86	10	851.18	8	708.32	8	708.36	34	2,785.72
Over 4 years	74	3,777.50	85	4,338.21	88	5,907.21	186	13,115.13	433	27,138.05
Yearly										
Over 3 to 4 years	6	922.50	4	800.00	-	-	-	-	10	1,722.50
Over 4 years	24	1,879.58	18	1,542.92	12	1,326.67	29	4,223.33	83	8,972.50
On maturity (Bullet)										
Up to 3 years	3	1,250.00	5	1,120.00	2	1,500.00	-	-	10	3,870.00
Over 3 to 4 years	-	-	3	2,400.00	1	499.74	-	-	4	2,899.74
Over 4 years	3	650.00	-	-	-	-	3	2,700.00	6	3,350.00
Interest accrued		5.90		-		-		-		5.90
Impact of EIR										(9.33)
										67,726.06

-Interest rate ranges from 5.05% to 9.02% p.a as at 31 March 2023.

(D) Terms of repayment of working capital demand loans from bank

	As at 31 March 2024		As at 31 March 2023	
Particulars	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	6	3,062.24	7	1,770.06
Interest accrued		0.65		0.14
	6	3,062.89	7	1,770.20

-Interest rate ranges from 7.10% to 8.75% p.a as at 31 March 2024 (Previous year 7.00% to 8.35% p.a).

(E) Terms of repayment of TREPs

	As at 31 March 2024		As at 31 March 2023	
Particulars	Total no. of installments	₹ in crore	Total no. of installments	₹ in crore
On maturity (Bullet)				
Up to 1 year	35	15,758.96	20	8,145.36
	35	15,758.96	20	8,145.36

-Interest rate ranges from 6.26% to 7.25% p.a as at 31 March 2024 (Previous year 6.76% to 6.99% p.a).

17 Borrowings (other than debt securities) (Contd.)

(F) Terms of repayment of term loan from NHB as at 31 March 2024

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
										6,837.59

-Interest rate ranges from 5.25 % to 8.25 % p.a. as at 31 March 2024.

Terms of repayment of term loan from NHB as at 31 March 2023

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	21	180.98	28	241.31	28	241.31	172	1,336.40	249	2,000.00
										2,000.00

-Interest rate ranges from 5.52% to 7.55% p.a as at 31 March 2023.

(G) Terms of repayment of external commercial borrowing

	As at 31 March 2024		As at 31 March 2023	
Original maturity of loan	Total no. of installments	₹ in crore	Total no. of installments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	-	-	1	822.17
Original maturity over 3 years	-	-	1	616.63
Due within 2 to 3 year				
Original maturity over 2 to 3 years	5	3,543.39	-	-
Original maturity over 3 years	4	2,501.22	-	-
Interest accrued		10.01		24.14
Impact of EIR		(36.17)		(1.49)
	9	6,018.45	2	1461.45

-Contracted interest rate ranges from 5.96% to 6.61% p.a as at 31 March 2024 (Previous year 5.33% to 5.76% p.a).

-Interest rate ranges from 7.40% to 8.11% p.a under Cross currency interest rate swap (CCIRS) as at 31 March 2024 (Previous year 5.85% to 6.70% p.a).

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2024	2023
(A) At amortised cost		
Public deposits*	38,012.62	28,303.10
From others	22,138.30	16,362.46
	60,150.92	44,665.56

*As defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

(B) Terms of repayment of deposits as at 31 March 2024

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	11,645.18	-	-	-	11,645.18
Over 1 to 2 years	9,012.39	3,409.77	-	-	12,422.16
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,782.64	9,265.73	8,865.68	22,265.04
Interest accrued	1,269.13	451.67	378.50	141.75	2,241.05
Impact of EIR					(184.80)
					60,150.92

Terms of repayment of deposits as at 31 March 2023

(₹ in crore)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	11,139.95	-	-	-	11,139.95
Over 1 to 2 years	5,453.75	3,402.69	-	-	8,856.44
Over 2 to 3 years	2,886.33	4,872.30	4,514.22	-	12,272.85
Over 3 years	846.82	1,381.17	2,982.35	5,855.16	11,065.50
Interest accrued	839.95	382.66	171.95	82.59	1,477.15
Impact of EIR					(146.33)
					44,665.56

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,577.90	3,630.29
	3,577.90	3,630.29
(B) Outside India	-	-

(C) Terms of repayment of subordinated liabilities as at 31 March 2024

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	452.50	290.00	2,060.00	600.00	3,402.50
Interest accrued	183.48	-	-	-	183.48
Impact of EIR					(8.08)
					3,577.90

-Interest rate ranges from 8.05% to 10.15% p.a as at 31 March 2024

Terms of repayment of subordinated liabilities as at 31 March 2023

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	50.00	452.50	290.00	2,660.00	3,452.50
Interest accrued	188.08	-	-	-	188.08
Impact of EIR					(10.29)
					3,630.29

-Interest rate ranges from 8.05% to 10.15% p.a as at 31 March 2023

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Unclaimed dividends*	3.07	2.25
Book overdraft	98.00	-
Security deposits	175.13	168.07
Lease liability+	1,001.16	587.37
Unclaimed matured deposits*	0.44	0.84
Payable to assignment partners	12.24	7.56
Outstanding liability for prepaid instrument	59.38	49.43
Unspent CSR liability	6.19	35.27
Others	488.78	458.50
	1,844.39	1,309.29

*There are no undisputed amounts which were due and remained unpaid to Investor Education and Protection Fund as at the close of the year.

+Disclosures as required by Ind AS 116 'Leases' are stated below

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considerd for application of Ind AS 116 have lease period ranging from 12 to 180 months. The discount rate ranges from 5.26% to 9.15% p.a.

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	587.37	455.06
Add : Addition during the year	604.28	284.10
Interest on lease liability	64.85	42.88
Less : Deletion during the year	16.48	8.34
Lease rental payments	238.86	186.33
Balance at the end of the year	1,001.16	587.37

(B) Future lease cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	262.94	181.05
Later than one year but not later than five years	746.25	447.41
Later than five years	238.50	70.61
	1,247.69	699.07

20 Other financial liabilities (Contd.)

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Within 12 months	193.24	142.81
After 12 months	807.92	444.56

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	64.85	42.88
Depreciation charge for the year	200.60	158.26
Expense related to short term leases	5.82	2.26
(Gain)/loss on pre-mature lease closure	(2.93)	(1.23)
	268.34	202.17

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity	288.34	181.01
Compensated absences*	31.23	28.70
Other long term service benefits	75.08	46.05
Impairment allowance on undrawn loan commitments	27.24	12.32
	421.89	268.08

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 19.83 crore (Previous year ₹ 14.98 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	470.13	313.18
Income received in advance	0.01	0.03
Others	24.64	38.60
	494.78	351.81

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
618,996,320 (605,429,233) equity shares of ₹ 2 each	123.80	121.09
Subscribed and paid up		
618,996,320 (605,429,233) equity shares of ₹ 2 each fully called up and paid up	123.80	121.09
Less: 988,329 (1,008,401) equity shares of ₹ 2 each held in a Trust for employees under ESOP Scheme [See footnote (f) below]	0.20	0.20
	123.60	120.89

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2022	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	-	-
	605,429,233	121.09
Less: Equity shares held in Trust for employees under ESOP scheme	1,008,401	0.20
As at 31 March 2023	604,420,832	120.89
As at 1 April 2023	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	1,462,548	0.29
Add: Issued during the year to eligible Qualified Institutional Buyers#	12,104,539	2.42
	618,996,320	123.80
Less: Equity shares held in Trust for employees under ESOP scheme	988,329	0.20
As at 31 March 2024	618,007,991	123.60

*The Allotment Committee alloted 489,305 equity shares and 973,243 equity shares on 2 June 2023 and 1 March 2024, respectively, having face value of ₹ 2 each at applicable grant price to the BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

On 9 November 2023, the Group through Qualified Institutions Placement (QIP) allotted 12,104,539 equity shares to eligible Qualified Institutional Buyers (QIBs) at a price of ₹ 7,270 per equity share of ₹ 2 face value (inclusive of premium of ₹ 7,268 per share) aggregating to approximately ₹ 8,800 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Funds raised by way of QIP have been utilised for the purpose mentioned in the objects of the issue in the offer document.

(b) Terms/rights/restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Ltd.*	317,816,130	63.56	317,816,130	63.56

* An associate of Bajaj Holdings and Investments Ltd.

23 Equity share capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd. *	317,816,130	51.34%	317,816,130	52.49%

* An associate of Bajaj Holdings and Investments Ltd.

(e) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023		% Changes during the year	% Changes during previous year
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Ltd.	317,816,130	51.34%	317,816,130	52.49%	0.00%	0.00%
Promoter Group :						
Aryaman Kejriwal*	2,000	0.00%	-	0.00%	Nil	Nil
Bachhraj Factories Private Ltd.	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj Allianz Life Insurance Company Ltd.	247,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Ltd.*	308,500	0.05%	308,500	0.05%	0.00%	8.25%
Baroda Industries Private Ltd.	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Estate of Rahulkumar Bajaj	-	0.00%	10,000	0.00%	(100.00%)	0.00%
Jamnalal Sons Private Ltd.	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Ltd.	18,974,660	3.07%	18,974,660	3.13%	0.00%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Madhur Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal*	2,000	0.00%	-	0.00%	Nil	Nil
Rajivnayan Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj*	2,000	0.00%	-	0.00%	Nil	Nil
Sanjali Bajaj	65,104	0.01%	63,104	0.01%	3.17%	0.00%
Sanjivnayan Bajaj	467,688	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	65,104	0.01%	63,104	0.01%	3.17%	0.00%
Suman Jain	7,015	0.00%	7,093	0.00%	(1.10%)	(0.37%)

*Where shares have been issued for the first time during the reporting period, such percentage change have been computed from date of such issuance

23 Equity share capital (Contd.)

(f) Shares reserved for issue under employee stock option plan

Particulars	No. of Stock options/Equity shares as at 31 March 2024	31 March 2023
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	35,071,160	35,071,160
b. Options granted under the scheme	31,503,611	29,940,214
c. Options cancelled up to 31 March 2024 and added back to pool for future grants	4,083,318	4,012,171
d. Options granted net of cancellation under the scheme (d = b-c)	27,420,293	25,928,043
e. Balance available under the scheme for future grants (e = a-d)	7,650,867	9,143,117
f. Equity shares allotted to BFL Employee Welfare Trust	22,917,522	21,454,974
g. Stock options exercised	21,929,193	20,446,573
h. Balance stock options available with BFL Employee Welfare Trust (h = f-g)	988,329	1,008,401

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the Trust at the close of the year have been reduced against the share capital as if the Trust is administered by the Parent Company itself. The securities premium related to the unexercised equity shares held by the Trust at the close of the year aggregating to ₹ 307.06 crore (As at 31 March 2023 ₹ 125.94 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

Dividends declared by the Parent Company do not accrete to the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Parent Company and adjusted against the source from which dividend has been paid.

24 Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2024	2023
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	26,582.00	17,440.98
(ii)	Retained earnings	Retained earnings represents the surplus in profit and loss account after appropriations made to/from retained earnings.	37,080.41	27,320.89
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act,1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act,1987 as a statutory reserve.	438.36	327.11
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to Section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	10,232.75	7,702.75
(v)	General reserve	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	790.02	788.93
(vi)	Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of Section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	534.65	299.65

24 Other equity (Contd.)

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2024	As at 31 March 2023
(vii)	Share options outstanding account	Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for employees of the Group.	711.50	555.46
(viii)	Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(147.06)	(100.83)
(ix)	Other comprehensive income			
	(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	10.60	(18.92)
	(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investment are derecognised.	50.18	(71.62)
	(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(8.87)	6.69
	(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(x)	Money received against share warrants**	It represents application money received from subscriber of warrants, against which shares are yet to be alloted.	297.21	-
			76,571.75	54,251.09

* The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance as at the beginning of the year	-	-
Fair value changes during the year	(41.40)	28.87
Impairment loss allowances transferred to profit or loss	41.40	(28.87)
Balance as at the end of the year	-	-

**On 2 November 2023, Preferential Issue Allotment Committee duly constituted by the Board of Directors of the Group has approved the allotment of 1,550,000 warrants to the Bajaj Finserv Ltd., the promoter and holding company, at the issue price of ₹ 7,670 per warrant, of which an amount equivalent to 25% of the consideration was received at the time of subscription and allotment of warrants aggregating to ₹ 297.21 crore pursuant to the issue, in accordance with the relevant provisions of the SEBI ICDR Regulations. The remaining 75% of the consideration will be received at the time of conversion of warrants into equity shares, anytime within eighteen months from the date of allotment.

25 Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2024				For the year ended 31 March 2023			
	On financial assets measured at				On financial assets measured at			
	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
On loans	5,039.51	41,588.29	-	46,627.80	3,703.61	31,088.54	-	34,792.15
On investments	1,213.86	16.10	121.81	1,351.77	512.07	70.15	96.91	679.13
On others	-	3.08	-	3.08	-	2.76	-	2.76
On deposits with bank	-	323.95	-	323.95	-	74.53	-	74.53
	6,253.37	41,931.42	121.81	48,306.60	4,215.68	31,235.98	96.91	35,548.57

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Service and administration charges	1,772.75	1,484.79
Fees on value added services and products	653.24	607.41
Foreclosure income	439.59	319.11
Distribution income	2,299.12	1,893.75
Brokerage income	102.47	50.57
	5,267.17	4,355.63

27 Net gain on fair value changes

(₹ in crore)

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
(A)	**Net gain/(loss) on financial instruments at fair value through profit or loss**		
	On trading portfolio		
	Realised gain/(loss) on debt instruments at FVTPL	278.60	350.36
	Unrealised gain/(loss) on debt instruments at FVTPL	(2.49)	0.91
	Realised gain/(loss) on equity instruments at FVTPL	29.57	0.21
	Unrealised gain/(loss) on equity instruments at FVTPL	24.55	0.43
	Realised derivative gain/(loss) financial instruments at FVTPL	(24.52)	8.90
	Unrealised derivative gain/(loss) financial instruments at FVTPL	3.20	(3.64)
(B)	**Others**		
	Realised gain/(loss) on sale of FVOCI debt instruments	(0.62)	(22.85)
		308.29	334.32

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Service fees for management of assigned portfolio of loans	49.97	38.18
	49.97	38.18

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Income on derecognised (assigned) loans	13.33	23.17
	13.33	23.17

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Recoveries against written off financial assets	854.28	1,104.87
Net realisation on sale of written off loans	0.59	-
Marketing, branding and allied services	122.74	1.62
Grant towards QR deployment operating expenditure*	7.14	-
Others	39.38	3.80
	1,024.13	1,110.29

*The Parent Company has received Government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 7.14 crore in current year (Previous year ₹ Nil). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 'Accounting for Government grants and disclosure of Government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Interest on income tax refund	0.01	0.38
Dividend income	2.06	0.67
Miscellaneous income	10.95	7.05
	13.02	8.10

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
On financial liabilities measured at amortised cost:		
On debt securities	7,625.56	5,114.67
On borrowings other than debt securities	6,667.25	4,420.86
On deposits	4,040.50	2,647.18
On subordinated liabilities	302.60	316.83
On lease liability	64.85	42.88
On others	8.97	10.04
Other interest expenses*	14.96	7.43
	18,724.69	12,559.89

*Includes net interest on net defined benefit liability of gratuity of ₹ 12.46 crore (Previous year ₹ 7.43 crore)

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Commission and incentives	111.42	93.00
Recovery costs	1,624.54	1,686.82
Credit guarantee fees	189.06	104.72
Loan portfolio management service charges	6.48	6.93
	1,931.50	1,891.47

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans	4,548.12	0.55	4,548.67	3,072.41	68.11	3,140.52
On others	82.03	-	82.03	49.13	-	49.13
	4,630.15	0.55	4,630.70	3,121.54	68.11	3,189.65

35 Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Employees emoluments	5,697.43	4,533.02
Contribution to provident fund and other funds	202.01	158.01
Gratuity expense	60.33	56.79
Share based payment to employees	272.22	226.75
Staff welfare expenses	164.02	125.62
	6,396.01	5,100.19

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Communication expenses	175.99	165.97
Outsourcing/back office expenses	554.78	341.46
Travelling expenses	447.26	372.53
Information technology expenses	714.52	567.83
Bank charges	161.33	140.72
Net loss on disposal of property, plant and equipment and other intangible assets	12.54	13.33
Auditor's fees and expenses	2.16	2.19
Insurance charges	8.19	6.26
Rent, taxes and energy cost	74.92	56.83
Director's fees, commission and expenses	13.05	4.88
Advertisement, branding and promotion expenses	349.18	361.99
Expenditure towards Corporate Social Responsibility activities	206.64	151.19
Repairs, maintenance and office expenses	162.72	149.14
Employee training, recruitment and management expenses	92.60	70.09
Printing and stationery expenses	11.47	14.62
Legal and professional charges	51.43	27.18
Customer experience cost	144.24	126.27
Miscellaneous expenses	131.34	93.01
	3,314.36	2,665.49

37 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2024	2023
(A) Net profit attributable to equity shareholders (₹ in crore)	14,451.17	11,507.69
(B) Weighted average number of equity shares for basic earnings per share	610,032,743	603,976,750
Effect of dilution:		
Employee stock options	2,350,306	3,067,977
(C) Weighted average number of equity shares for diluted earnings per share	612,383,049	607,044,727
Earning per share (basic) (₹) (A/B)	236.89	190.53
Earning per share (diluted) (₹) (A/C)	235.98	189.57

38 Segment information

The Parent Company and one of its subsidiary viz BHFL is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 'Operating Segments'.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

39 Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

40 Revenue from contracts with customers

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Type of services		
Service and administration charges	1,772.75	1,484.79
Fees on value added services and products	653.24	607.41
Foreclosure charges	439.59	319.11
Distribution income	2,299.12	1,893.75
Brokerage income	102.47	50.57
Marketing, branding and allied services	122.74	1.62
	5,389.91	4,357.25
Geographical markets		
India	5,389.91	4,357.25
Outside India	-	-
	5,389.91	4,357.25
Timing of revenue recognition		
Services transferred at a point in time	5,389.91	4,357.25
Services transferred over time	-	-
	5,389.91	4,357.25

Contract balances

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Fees, commission and other receivable	840.41	459.28
	840.41	459.28

- Impairment allowance recognised on contract balances is ₹ 1.97 crore (Previous year ₹ 1.34 crore)

-Contract asset as on 31 March 2024 is ₹ Nil (Previous year ₹ Nil)

41 Employees benefit plans

(I) Defined benefit plans

A) Gratuity

The Group has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The level of benefits provided depends on the employee's length of service, managerial grade and salary at retirement age.

Gratuity plan is funded by the Group. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with an actuary and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan asset.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants will increase the plan's liability.

Movement in defined benefit obligations

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Defined benefit obligation as at the beginning of the year	375.74	283.98
Current service cost	66.19	51.78
Past service cost	-	9.00
Interest on defined benefit obligation	26.95	19.93
Remeasurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	13.38	(7.59)
Actuarial loss/(gain) arising from change in demographic assumptions	13.08	4.66
Actuarial loss/(gain) arising on account of experience changes	35.28	25.54
Benefits paid	(14.02)	(11.36)
Liabilities assumed/(settled)*	(6.09)	(0.20)
Defined benefit obligation as at the end of the year	510.51	375.74

* Towards continuity of service offered to employees on movement

41 Employees benefit plans (Contd.)

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Fair value of plan asset as at the beginning of the year	194.74	165.19
Employer contributions	32.75	33.78
Interest on plan assets	14.70	12.43
Remeasurements due to:		-
Actual return on plan assets less interest on plan assets	0.09	(5.10)
Benefits paid	(14.02)	(11.36)
Assets acquired/(settled)*	(6.09)	(0.20)
Fair value of plan asset as at the end of the year	222.17	194.74

* Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Net defined benefit liability/(asset) as at the beginning of the year	181.01	118.80
Expense charged to Statement of Profit and Loss	78.44	68.28
Amount recognised in other comprehensive income	61.64	27.71
Employers contributions	(32.75)	(33.78)
Net defined benefit liability/(asset) as at the end of the year	288.34	181.01

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Current service cost	66.19	51.79
Past service cost	-	9.00
Interest cost	12.25	7.49
	78.44	68.28

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening amount recognised in other comprehensive income	133.29	105.59
Changes in financial assumptions	13.38	(7.59)
Changes in demographic assumptions	13.08	4.66
Experience adjustments	35.28	25.54
Actual return on plan assets less interest on plan assets	(0.09)	5.09
Closing amount recognised outside profit or loss in other comprehensive income	194.94	133.29

41 Employees benefit plans (Contd.)

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of funded defined benefit obligation	510.51	375.74
Fair value of plan assets	222.17	194.73
Net funded defined benefit obligation	288.34	181.01
Net defined benefit liability recognised in Balance Sheet	288.34	181.01

Key actuarial assumptions

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Discount rate	7.20%	7.45%
Salary escalation rate (p.a.)	11.00%	11.00%
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Sensitivity analysis for significant assumptions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(5.14%)	5.35%	(4.78%)	4.96%
Impact of decrease in 50 bps on defined benefit obligation	5.57%	(4.99%)	5.15%	(4.65%)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Maturity profile		
Expected benefits for year 1	29.73	25.39
Expected benefits for year 2	29.75	27.05
Expected benefits for year 3	32.20	26.99
Expected benefits for year 4	33.88	29.49
Expected benefits for year 5	36.98	29.01
Expected benefits for year 6	44.18	30.12
Expected benefits for year 7	38.35	36.96
Expected benefits for year 8	40.32	30.84
Expected benefits for year 9	42.99	32.63
Expected benefits for year 10 and above	992.31	667.75

41 Employees benefit plans (Contd.)

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2024	2023
Expected contribution to fund in the next year	28.50	31.50

(B) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2024	2023
Maturity Profile		
Present value of unfunded obligations	11.40	13.72
Expense recognised in the Statement of Profit and Loss	4.02	4.94
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a)	11.00%	11.00%

(C) Long term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2024	2023
Present value of unfunded obligations	75.08	46.05
Expense recognised in the Statement of Profit and Loss	34.79	25.71
Discount rate (p.a.)	7.20%	7.45%

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss Account is as below:

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Provident fund and pension scheme of Employees' Provident Fund Orgnisation	165.13	127.41
National pension scheme	8.89	6.13
Superannuation fund	0.39	0.59

42 Contingent liabilities and commitments

(A) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Disputed claims against the Group not acknowledged as debts	126.89	66.94
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Gurantees provided	2.50	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,293.64	2,164.00
On additional reversal of credit on investment activity [Refer footnote (iii) below]	602.06	573.73
On penal interest/charges [Refer footnote (iv) below]	-	265.49
On reversal of input tax credit on credit note by the customer [Refer footnote (v) below]	12.90	30.41
On difference in ITC claimed in GSTR 3B Vs 2B & diff in GSTR-1 Vs GSTR 3B	26.02	-
On others	17.44	14.30
Income tax matters:		
Appeals by the Group	1.61	16.09
Appeals by the Income tax department	0.28	0.28

i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/ defense.

ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy the Parent Company received from manufacturers and dealers during the period 1 April 2010 to 30 September 2016. The Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 980.92 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received from manufacturers and dealers during the period 1 October 2016 to 30 June 2017. The Principal Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 230.18 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period 1 October 2014 to 30 June 2017.

42 Contingent liabilities and commitments (Contd.)

In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 225.32 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

iv) Vide order dated 7 August 2023, the Customs, Excise and Service Tax Appellant Tribunal, Mumbai set aside an order issued by the Commissioner, Central Excise and CGST, Pune -I, Commissionerate dated 7 September 2018 demanding service tax of ₹ 53.87 crore and penalties of ₹ 53.87 crore in relation to the penal interest/charges received by the Parent Company from its customers during the period 1 July 2012 to 31 March 2016. Accordingly, the Parent Company has not considered demand of service tax on penal interest/charges as a part of contingent liability for period from 1 July 2012 to June 2017.

v) The Assistant Commissioner, West Bengal, through an order dated 06 February 2023, has confirmed the demand of GST of ₹ 11.46 crore and penalty of ₹ 11.46 crore from the Parent Company alleging that input tax credit to the extent of credit notes issued by Company was not reversed by customers for the period 1 July 2017 to 31 March 2020. In accordance with legal advice, the Parent Company has filed an appeal on 4 May 2023 before the Additional Commissioner, West Bengal disputing the demands. The Additional Commissioner, West Bengal vide orders dated 27 March 2024 and 28 March 2024, has reduced the demand under appeal to ₹ 6.82 crore and imposed penalty of ₹ 0.68 crore from the Parent Company basis the verification of reversal of credit by the customers. The Additional Commissioner has also demanded payment of interest on the GST liability confirmed until the date the Parent Company pays the GST demanded, which as at 31 March 2024 amounted to ₹ 5.40 crore. In accordance with legal advice, the Parent Company is in the process of filing an appeal before GST Appellate Tribunal against the demand order.

vi) It is not practicable for the Parent Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(B) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March 2024	2023
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	63.74	52.45
Intangible	4.91	14.44
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	5,281.28	6,209.01
Towards investment	35.00	-
Towards future corporate social responsibility spend	218.85	165.83
	5,603.78	6,441.73

43 Changes in liability arising from financing activities

(A) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows	Change in fair value	Other	As at 31 March 2024
Debt securities	86,845.24	30,123.42	13.09	1,017.79	117,999.54
Borrowings (other than debt securities)	81,549.40	30,207.28	(110.49)	(28.72)	111,617.47
Deposits	44,665.56	14,759.93	-	725.43	60,150.92
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
	216,690.49	75,040.64	(97.40)	1,712.10	293,345.83

(₹ in crore)

Particulars	As at 1 April 2022	Cash flows	Change in fair value	Other	As at 31 March 2023
Debt securities	76,223.07	11,394.75	-	(772.58)	86,845.24
Borrowings (other than debt securities)	54,363.56	27,150.55	9.59	25.70	81,549.40
Deposits	30,799.13	13,563.31	-	303.12	44,665.56
Subordinated liabilities	3,845.77	(207.12)	-	(8.36)	3,630.29
	165,231.53	51,901.49	9.59	(452.12)	216,690.49

44 (A) Disclosure of transactions with related parties as required by Ind AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24		FY2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Ltd.	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Preferential warrants application money received	297.21	(297.21)	-	-
	Secured non-convertible debentures issued	-	(1,095.00)	-	(1,320.00)
	Secured non-convertible debentures redemption	225.00	-	415.00	-
	Interest paid on non-convertible debentures	88.22	-	71.31	-
	Inter-corporate deposits accepted	550.00	(550.00)	-	-
	Interest accrued on inter-corporate deposits	31.72	(28.54)	-	-
	Dividend paid	953.45	-	635.63	-
	Asset purchases	-	-	0.08	(0.09)
	Asset sales	0.07	-	0.15	-
	Business support charges received	1.42	-	1.55	-
	Business support charges paid	18.72	-	45.13	-
	Fair value of ESOP charged	3.54	-	2.94	(3.24)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2023-24		FY2022-23	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(B)	**Fellow subsidiaries**					
1.	Bajaj Allianz Life Insurance Company Ltd.	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)
		Secured non-convertible debentures issued	-	(50.00)	-	(200.00)
		Unsecured non-convertible debentures issued	287.00	(3,420.00)	642.00	(3,133.00)
		Secured non-convertible debentures redemption	200.00	-	-	-
		Unsecured non-convertible debentures redemption	-	-	0.70	-
		Interest paid on non-convertible debentures	291.50	-	230.01	-
		Dividend paid	0.74	-	0.49	-
		Security deposit for leased premises	-	1.82	0.29	1.82
		Advance towards insurance	-	4.75	-	2.64
		Commission income	103.38	25.77	25.81	0.47
		Marketing, branding and allied services	8.50	3.00	-	-
		Insurance expenses	100.99	-	85.63	-
		Rent and maintenance expenses	2.55	-	2.70	-
2.	Bajaj Allianz General Insurance Company Ltd.	Secured non-convertible debentures issued	-	(393.50)	-	(393.50)
		Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
		Secured non-convertible debentures redemption	100.00	-	760.00	-
		Interest paid on non-convertible debentures	31.84	-	74.29	-
		Asset purchases	0.06	-	-	-
		Asset sales	0.13	0.13	0.07	-
		Advance towards insurance	-	6.31	-	0.74
		Commission income	61.95	11.17	19.08	2.02
		Interest subsidy received (transaction value reversal of ₹ 35,162)		-	3.08	-
		Insurance expenses	71.44	-	54.54	0.63

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24		FY2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
3. Bajaj Finserv Direct Ltd.	Investment in equity shares	-	2.69	-	2.69
	Compulsorily convertible term loan (Deemed equity) at cost	-	280.47	-	280.47
	Platform development and customisation charges	69.94	-	67.22	(8.17)
	Asset purchases	0.82	(0.29)	1.29	-
	Asset sales (previous year outstanding ₹ 39,703)	0.22	0.06	0.19	
	Business support charges received	10.17	-	6.94	-
	Business support charges paid	62.82	(4.96)	50.00	(0.43)
	Sourcing commission paid	135.15	(16.60)	122.32	(14.07)
	Platform usage charges	41.85	(5.35)	37.47	(4.42)
	Annual maintenance charges on loan	6.74	-	7.44	(0.79)
	Guarantee/service fees paid for FLDG	2.28	-	-	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	22.66	(22.40)	-	-
	Invocation of FLDG	0.26	-	-	-
	Interest accrued on cash deposit received towards FLDG	0.25	(0.21)	-	-
4. Bajaj Finserv Health Ltd.	Asset purchases	-	-	3.18	-
	Asset sales	0.25	-	0.02	-
	Commission income	93.52	14.96	79.35	10.11
	Interest subsidy received	0.13	-	0.83	-
	Business support charges received	0.06	0.07	-	-
	Product distribution fee	0.58	-	2.36	(0.39)
	Business support charges paid	0.50	-	-	-
5. Bajaj Finserv Asset Management Ltd.	Business support charges received	0.02	-	0.01	-
	Asset sales	0.04	-	-	-
6. Bajaj Finserv Ventures Ltd.	Asset sales (outstanding ₹ 263)	5.63		-	-
	Business support charges received	18.46	21.78	-	-
	Manpower support service charges	59.81	-	-	-
	Reimbursements of employee cost	1.41	-	-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24		FY2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(C) Associates					
1. Snapwork Technologies Pvt. Ltd. (Associate w.e.f. 25 Nov 2022)	Investment in equity shares	-	28.49	28.49	28.49
	Investment in compulsorily convertible preference shares (Deemed equity)	-	64.25	64.25	64.25
	Information technology design and development charges	20.86	(0.83)	5.61	-
	Support charges	0.48	-	-	-
2. Pennant Technologies Pvt. Ltd. (Associate w.e.f. 19 Jan 2024)	Investment in equity shares	-	113.75	-	-
	Investment in compulsorily convertible preference shares (Deemed equity)	153.72	153.72	-	-
	Information technology design and development charges	6.80	(12.33)	-	-
	Annual maintenance charges paid	0.82	(0.43)	-	-
(D) Key management personnel (KMP) of the entity or its parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.39	-	0.37	-
	Commission	4.30	(4.17)	0.64	(0.58)
2. Rajeev Jain (Managing Director)	Short-term employee benefits:				
	Remuneration	20.02	(2.87)	17.91	-
	Sitting fees	0.21	-	0.15	-
	Commission	0.42	(0.38)	0.11	(0.09)
	Share-based payment	29.18	-	26.25	-
	Equity shares issued pursuant to stock option scheme	52.22	-	5.09	-
3. Rakesh Bhatt (Executive Director from 1 Apr 2023 till 31 Jan 2024)	Short-term employee benefits:				
	Remuneration	9.20	(0.19)	-	-
	Share-based payment	6.92	-	-	-
	Equity shares issued pursuant to stock option scheme	25.27	-	-	-
4. Anup Saha (Executive Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Remuneration	14.36	(7.38)	-	-
	Share-based payment	9.40	-	-	-
	Loan repayment received (transaction value ₹ 14,468)		-	-	-
	Fixed deposit accepted (transaction value ₹ 25,000)		(0.01)	-	-
	Interest accrued on fixed deposit (transaction value ₹ 5,966, outstanding ₹ 6,499)			-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24		FY2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
5. Madhur Bajaj (Promoter group) (Director till 31 Jul 2022)	Short-term employee benefits:				
	Sitting fees	-	-	0.02	-
	Commission	-	-	0.05	(0.05)
6. Rajiv Bajaj (Director and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.07	-	0.06	-
	Commission	0.28	(0.25)	0.15	(0.14)
7. Ranjan Sanghi (Director till 30 Apr 2022)	Short-term employee benefits:				
	Sitting fees	-	-	0.02	-
	Commission	-	-	0.05	(0.05)
8. D J Balaji Rao (Director till 28 November 2023	Short-term employee benefits:				
	Sitting fees	0.06	-	0.07	-
	Commission	0.28	(0.25)	0.18	(0.16)
9. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.42	-	0.34	-
	Commission	1.32	(1.19)	0.54	(0.49)
10. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.17	-	0.15	-
	Commission	0.68	(0.61)	0.38	(0.34)
11. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.23	-	0.17	-
	Commission	0.92	(0.83)	0.43	(0.38)
12. Radhika Haribhakti (Director w.e.f. 1 May 2022)	Short-term employee benefits:				
	Sitting fees	0.16	-	0.08	-
	Commission	0.64	(0.58)	0.20	(0.18)
	Fixed deposit repaid	-	-	0.30	-
	Interest accrued on fixed deposit	-	-	0.01	-
13. Dr. Arindam Bhattacharya (Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Sitting fees	0.32	-	-	-
	Commission	0.84	(0.76)	-	-
14. Manish Kejriwal (Director of parent Company)	Secured non-convertible debentures redemption	-	-	15.00	-
	Interest paid on non-convertible debentures	-	-	1.07	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2023-24		FY2022-23	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(E)	**Close members of the families of key management personnel of the entity or its parent**					
1.	Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
		Remuneration	0.13	-	0.13	-
2.	Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	0.24	(1.59)	-	-
		Fixed deposit Repaid	0.04	-	-	-
		Interest accrued on fixed deposit	0.10	-	-	-
3.	Hina Bhatt (Spouse of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	0.60	(3.80)	-	-
		Interest accrued on fixed deposit	0.23	(0.19)	-	-
4.	Tapati Saha (Spouse of Anup Saha, Executive Director of the Company w.e.f. 1 Apr 2023)	Fixed deposit accepted	0.45	(1.66)	-	-
		Interest accrued on fixed deposit	0.11	(0.19)	-	-
5.	Mrinalini Jain (Daughter of Rajeev Jain, Managing Director of the company)	Stipend paid (transaction value ₹ 10,000)		-	-	-
(F)	**Other entities/persons**					
1.	Bajaj Auto Ltd.	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
		Secured non-convertible debentures issued	-	-	-	(500.00)
		Secured non-convertible debentures redemption	500.00	-	-	-
		Interest paid on non-convertible debentures	25.25	-	25.25	-
		Inter-corporate deposits accepted	500.00	(500.00)	500.00	(500.00)
		Inter-corporate deposits repaid	500.00	-	-	-
		Interest accrued on inter-corporate deposits	37.82	(17.91)	9.52	(8.57)
		Security deposit for leased premises	-	0.24	-	0.24
		Dividend received (transaction value ₹ 21,000, previous year ₹ 21,000)		-		-
		Business support charges received	3.07	-	7.37	8.48
		Interest subsidy received	1.35	-	0.87	0.46
		Business support charges paid	38.80	-	31.49	(1.39)
		Rent and maintenance expenses	1.65	-	1.55	-
		Advance given (outstanding ₹ 7,615)	-		-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24		FY2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Credit Ltd.	Asset sales (outstanding ₹ 6,059)	0.94		-	-
3. Bajaj Holdings & Investments Ltd.	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
	Secured non-convertible debentures redemption	-	-	150.00	-
	Interest paid on non-convertible debentures	-	-	12.98	-
	Security deposit for leased premises	0.70	0.70	-	-
	Dividend received (transaction value ₹ 9,225, previous year ₹ 10,125)		-		-
	Business support charges received	0.58	-	0.97	-
	Business support charges paid	23.38	-	18.22	-
	Rent and maintenance expenses	1.17	-	-	-
4. Hind Musafir Agency Ltd.	Services received	46.39	(0.98)	31.68	-
	Advance given	-	-	-	0.01
5. Bajaj Electricals Ltd.	Inter-corporate deposits accepted	95.00	(60.00)	70.00	(70.00)
	Inter-corporate deposits repaid	105.00	-	-	-
	Interest accrued on inter-corporate deposits	4.19	(1.46)	0.54	(0.48)
	Interest subsidy received	0.54	0.06	0.15	0.07
	Asset purchases (previous year outstanding ₹ 17,400)	0.23	(0.19)	0.16	
6. Jamnalal Sons Pvt. Ltd.	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
	Dividend paid	0.38	-	0.26	-
	Security deposit for leased premises	-	-	0.03	0.13
	Security deposit repayment received	0.13	-	0.12	-
	Rent and maintenance expenses	0.10	-	0.35	-
7. Maharashtra Scooters Ltd.	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Secured non-convertible debentures issued	-	(225.00)	-	(175.00)
	Secured non-convertible debentures redemption	100.00	-	85.00	-
	Interest paid on non-convertible debentures	9.94	-	17.12	-
	Dividend paid	56.92	-	37.95	-
	Business support charges received	0.18	-	0.15	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2023-24		FY2022-23	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
8.	Hercules Hoists Ltd.	Fixed deposit repaid	-	-	6.50	-
		Interest accrued on fixed deposit	-	-	0.51	-
9.	Bachhraj Factories Pvt. Ltd.	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
		Dividend paid	0.22	-	0.14	-
10.	Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
		Dividend paid	0.35	-	0.24	-
11.	Bajaj Sevashram Pvt. Ltd.	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
		Dividend paid	0.93	-	-	-
12.	Bajaj Allianz Staffing Solutions Ltd.	Manpower supply services (outstanding ₹ 26)	76.54		12.79	-
13.	Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
14.	Niraj Bajaj (Promoter group)	Nil	-	-	-	-
(G)	**Post employment benefit plans**					
1.	Bajaj Auto Ltd. Provident Fund	Unsecured non-convertible debentures issued	-	(36.00)	-	(36.00)
		Unsecured non-convertible debentures redemption	-	-	10.00	-
		Interest paid on non-convertible debentures	3.35	-	4.34	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.27	-	0.40	-
3.	Bajaj Auto Employees Group Gratuity Fund	Premium paid for life cover of employees	1.80	-	-	-
		Gratuity contribution	12.67	-	14.48	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Premium paid for life cover of employees	0.10	-	-	-
		Gratuity contribution	20.00	-	20.73	-

Notes

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where the Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Group on insurance cover taken by it on its assets are not in nature of related party transaction, hence not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Group. All above transactions are in the ordinary course of business

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

and on arms' length basis. All outstanding balances are to be settled in cash (except deemed equity and preferntial warrants) and are unsecured (except secured non-convertible debentures issued to related parties which are disclosed appropriately).

- Provisions for gratuity, compensated absences and other long term service benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- During the year, Bajaj Finance Ltd. has allotted 1,550,000 warrants to its parent, Bajaj Finserv Ltd. convertible into equivalent number of equity shares of face value of ₹ 2 each, allotted at issue price of ₹ 7,670 per warrant. An amount equivalent to 25% of the consideration has been received for subscription and allotment of warrants aggregating to ₹ 297.21 crore. The remaining 75% of the consideration shall be receivable on the exercise of options against each such warrant within a period of eighteen months from the date of allotment.
- Bajaj Finance Ltd. has entered into a default loss guarantee arrangement with Bajaj Finserv Direct Ltd. for a portfolio comprising of personal loans, salaried loans, business loans and professional loans. As of 31 March 2024, total guarantee received is ₹ 34.70 crore, against which ₹ 22.66 crore is received in the form of cash deposit.
- As on 31 March 2024, the Group has issued purchase order amounting to ₹ 0.06 crore to Bajaj Finserv Direct Ltd. towards purchase of assets on transfer of employees.
- During the year, the Group has received broking and other charges amounting to ₹ 2.34 crore from 73 related parties with respect to purchase and sale of securities (Previous year ₹ 0.73 crore from 58 related parties). Net amount payable towards such transaction amounts to ₹ 0.09 from 59 related parties is outstanding as on 31 March 2024. (Previous year ₹ 2,294 from 25 related parties)
- As on 31 March 2024, 25 non-corporate related parties held Parent Company's equity shares amounting to ₹ 0.23 crore (1,159,182 shares of ₹ 2 each) (Previous year 20 parties amounting to ₹ 0.20 crore, 1,017,905 shares of ₹ 2 each). During the year, dividend paid to such related parties amounts to ₹ 3.35 crore (Previous year ₹ 2.04 crore).
- During the year, Bajaj Finance Ltd. has given cashback to two related party amounting to ₹ 841 (Previous year ₹ Nil)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Ind As 24 'Related Party Disclosures'.

44 (B) Summary of total compensation to key management personnel

(₹ in crore)

S No	Categories	For the year ended 31 march 2024	2023
1	Short-term employee benefits	55.29	22.05
2	Share-based payment	45.51	26.25
3	Equity shares issued pursuant to stock option scheme	77.49	5.09
		178.29	53.39

45 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Parent Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Parent Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

45 Capital (Contd.)

(ii) Regulatory capital

Bajaj Finance Ltd.

(₹ in crore)

Particulars	As at 31 March 2024	2023
Tier I capital	67,796.11	46,152.01
Tier II capital	3,166.61	3,513.81
Total capital (Tier I + Tier II)	70,962.72	49,665.82
Risk weighted assets	315,149.85	198,890.13
Tier I CRAR	21.51%	23.20%
Tier II CRAR	1.01%	1.77%
Total CRAR (Tier I + Tier II)	22.52%	24.97%

Bajaj Housing Finance Ltd.

(₹ in crore)

Particulars	As at 31 March 2024	2023
Tier I capital	11,857.24	10,184.74
Tier II capital	348.45	359.66
Total capital (Tier I+Tier II)	12,205.69	10,544.40
Risk weighted assets	57,351.83	45,901.75
Tier I CRAR	20.67%	22.19%
Tier II CRAR	0.61%	0.78%
Total CRAR (Tier I + Tier II)	21.28%	22.97%

(iii) Dividend distribution made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Subsidiaries have not paid any dividend so far and have not recommended any dividend for financial year ended 31 March 2024 as well.

Dividends on equity shares paid and proposed by Bajaj finance Ltd. during the year:

(₹ in crore)

Particulars	FY2024	FY2023
Dividend paid out of profits of previous year*	1,817.76	1,210.86
Profit for the relevant year	10,289.74	6,350.49
Dividend as a percentage of profit for the relevant year	17.67%	19.07%

* includes amount paid ₹ 2.36 crore (Previous year ₹ 3.54 crore) to Trust on unexercised option which do not accrete to it.

Proposed for approval at the annual general meeting (not recognised as a liability as on 31 March 2024)

(₹ in crore)

Dividend on equity share at ₹ 36 per share (a)	2,228.39
Profit after tax for the year ended 31 March 2024 (b)	12,644.11
Dividend proposed as a percentage of profit after tax (a/b)	17.62%

46 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

47 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans has been determined under level 3.

47 Fair values (Contd.)

- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.

The Group has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2024

(₹ in crore)

		Fair value measurement using			
Particulars	**Date of valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Investments held under FVTPL	31-Mar-24	4,969.85	-	-	4,969.85
Equity instrument designated under FVOCI (Unquoted)	31-Mar-24	-	-	699.22	699.22
Equity instrument designated under FVOCI (Quoted)	31-Mar-24	102.89	-	-	102.89
Other investments designated under FVOCI	31-Mar-24	22,470.92	1,912.89	-	24,383.81
Loans designated under FVOCI	31-Mar-24	-	57,709.92	-	57,709.92
Derivative financial instrument (net)	31-Mar-24	0.05	25.67	-	25.72
		27,543.71	59,648.48	699.22	87,891.41

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2023

(₹ in crore)

		Fair value measurement using			
Particulars	**Date of valuation**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Investments held under FVTPL	31-Mar-23	6,575.79	-	-	6,575.79
Equity instrument designated under FVOCI (Unquoted)	31-Mar-23	-	-	590.09	590.09
Equity instrument designated under FVOCI (Quoted)	31-Mar-23	60.40	-	-	60.40
Other investments designated under FVOCI	31-Mar-23	14,139.08	1,163.49	-	15,302.57
Loans designated under FVOCI	31-Mar-23	-	47,113.67	-	47,113.67
Derivative financial instrument (net)	31-Mar-23	(3.48)	148.35	-	144.87
		20,771.79	48,425.51	590.09	69,787.39

- The Group does not carry any financial asset and liability which it fair values on a non recurring basis
- During the year there were no transfers across fair value hierarchy (level 1, 2 and 3).

47 Fair values (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening balance	590.09	608.73
Acquisitions during the year	-	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	109.13	(18.64)
Closing balance	699.22	590.09

Sensitivity analysis of significant unobservable input on the fair value of equity instrument designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2024		Sensitivity to fair value as at 31 March 2023	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(49.87)	57.87	(21.52)	25.18
Cash flows	35.85	(31.03)	14.86	(12.89)

Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)*	Significant unobservable inputs (Level 3)*	
Financial assets					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
	268,938.86	-	-	268,090.74	268,090.74
Financial liabilities					
Debt securities	117,999.54	-	118,395.03	-	118,395.03
Borrowings (other than debt securities)	111,617.47	-	-	111,617.47	111,617.47
Deposits	60,150.92	-	-	60,199.94	60,199.94
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
	293,345.83	-	122,016.90	171,817.41	293,834.31

*Fair value computed using discounted cash flow method

47 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2023

(₹ in crore)

		Fair value measurement using			
Particulars	**Carrying value**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)***	**Significant unobservable inputs (Level 3)***	**Total**
Financial assets					
Loans	195,155.26	-	-	194,741.34	194,741.34
Investments	128.59	-	-	129.45	129.45
	195,283.85	-	-	194,870.79	194,870.79
Financial liabilities					
Debt securities	86,845.24	-	87,168.55	-	87,168.55
Borrowings (other than debt securities)	81,549.40	-	-	81,549.40	81,549.40
Deposits	44,665.56	-	-	44,571.40	44,571.40
Subordinated liabilities	3,630.29	-	3,725.52	-	3,725.52
	216,690.49	-	90,894.07	126,120.80	217,014.87

*Fair value computed using discounted cash flow method

48 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	**Arising from**	**Executive governance structure**	**Measurement, monitoring and management of risk**
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations • when long term assets cannot be funded at the expected term resulting in cashflow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by - identification of gaps in the structural and dynamic liquidity. - assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. - liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. • monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. - a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. - periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

48 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	Board constituted RMC and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

48 Financial risk management (Contd.)

(a) Liquidity risk

The Group's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Group maintains a judicious mix of borrowings from banks, money markets, foreign market, public and other deposits and continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has helped the Group to maintain a healthy asset liability position and interest rate during the financial year 2022-23 (FY2022). The overall borrowings including debt securities, deposits and Subordinated liabilities stood at ₹ 293,345.83 crore as of 31 March 2024 (previous year ₹ 216,690.49 crore). The weighted average cost of borrowing was 7.73% for FY2024 (previous year 7.04%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings in normal market scenario.

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Group has a Board approved Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). At present, the LCR requirement is at 70% for the Parent Company, which will move up in a phased manner to 85% from 1 December 2023 and 100% by 1 December 2024. For BHFL, the current LCR requirement is at 60% which will move up to 100% in phased manner by 1 December 2025. As of 31 March 2024, the Parent Company and BHFL maintained a LCR of 168.91% and 192.31% respectively. Both are well above the RBI's stipulated norms.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Group constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Group's financial liabilities :

(₹ in crore)

	As at 31 March 2024			As at 31 March 2023		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Debt securities	50,694.28	119,233.64	169,927.92	33,467.75	75,887.98	109,355.73
Borrowings (other than debt securities)	42,018.31	68,603.73	110,622.04	31,925.83	63,452.28	95,378.11
Deposits	29,808.17	38,278.22	68,086.39	22,925.20	27,015.23	49,940.43
Subordinated liabilities	752.05	3,479.89	4,231.94	354.87	4,232.06	4,586.93
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Other financial liabilities	1,106.09	984.82	2,090.91	902.89	518.10	1,420.99
	127,207.52	230,580.30	357,787.82	91,667.98	171,105.65	262,773.63

48 Financial risk management (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities :

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,034.51	-	4,034.51	1,550.75	-	1,550.75
Bank balances other than cash and cash equivalents	4,262.41	2,327.09	6,589.50	1,481.46	1,272.31	2,753.77
Derivative financial instruments	16.18	11.66	27.84	148.88	-	148.88
Trade receivables	1,623.92	109.57	1,733.49	1,299.72	-	1,299.72
Loans	101,324.01	224,969.31	326,293.32	76,261.32	166,007.61	242,268.93
Investments	24,419.99	6,460.66	30,880.65	18,189.57	4,562.27	22,751.84
Other financial assets	1,222.81	209.07	1,431.88	643.68	173.60	817.28
Non-financial assets						
Current tax assets (net)	-	290.92	290.92	-	181.43	181.43
Deferred tax assets (net)	-	1,017.43	1,017.43	-	937.09	937.09
Property, plant and equipment	-	2,358.32	2,358.32	-	1,676.57	1,676.57
Capital work-in-progress	-	25.35	25.35	-	14.60	14.60
Intangible assets under development	-	18.11	18.11	-	65.24	65.24
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	888.31	888.31	-	627.78	627.78
Other non-financial assets	109.77	38.95	148.72	89.05	40.11	129.16
	137,013.60	238,728.02	375,741.62	99,664.43	175,561.88	275,226.31
LIABILITIES						
Financial liabilities						
Derivative financial instruments	2.12	-	2.12	4.01	-	4.01
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Debt securities	44,015.15	73,984.39	117,999.54	30,453.73	56,391.51	86,845.24
Borrowings (other than debt securities)	38,282.90	73,334.57	111,617.47	27,403.30	54,146.10	81,549.40
Deposits	27,831.73	32,319.19	60,150.92	21,137.90	23,527.66	44,665.56
Subordinate liabilities	635.10	2,942.80	3,577.90	238.05	3,392.24	3,630.29
Other financial liabilities	1,089.32	755.07	1,844.39	915.39	393.90	1,309.29
Non-financial liabilities						
Current tax liabilities (net)	108.64	-	108.64	139.21	-	139.21
Provisions	28.47	393.42	421.89	22.99	245.09	268.08
Other non-financial liabilities	471.09	23.69	494.78	315.24	36.57	351.81
	115,293.14	183,753.13	299,046.27	82,721.26	138,133.07	220,854.33

48 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On investment book other than equity

The Group manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR, PV01 and Modified Duration and other parameters as defined in its Board approved Investment and Market risk policy.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Investment at amortised cost	355.46	357.55	(5.77)	5.94
Investment at FVTPL	4,969.85	4,969.85	(50.75)	50.75
Investment at FVOCI (other than equity)	24,383.81	24,383.81	(467.08)	467.08

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Investment at amortised cost	128.59	129.45	(3.09)	3.20
Investment at FVTPL	6,575.79	6,575.79	(14.31)	14.31
Investment at FVOCI (other than equity)	15,302.57	15,302.57	(152.85)	152.85

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis and market value of equity (MVE) and net interest income analysis. The same is monitored monthly by ALCO. Sensitivity of the market value of unquoted equity investments other than those in subsidiaries and associates assuming varied changes in interest rates is presented in note no. 47.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Loans	326,293.32	325,443.11	(2,689.52)	2,773.92
Debt securities	117,999.54	118,395.03	1,784.51	(1,921.76)
Borrowings (other than debt securities)	111,617.47	111,617.47	-	-
Deposits	60,150.92	60,199.94	816.84	(841.34)
Subordinated liabilities	3,577.90	3,621.87	65.98	(68.08)

48 Financial risk management (Contd.)

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Loans	242,268.93	241,855.01	(1,968.35)	2,027.46
Debt securities	86,845.24	87,168.55	1,153.68	(1,239.11)
Borrowings (other than debt securities)	81,549.40	81,549.40	-	-
Deposits	44,665.56	44,571.40	587.91	(605.24)
Subordinated liabilities	3,630.29	3,725.52	93.47	(97.22)

(ii) Price risk

The Group's quoted equity instruments and derivative instruments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Group periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	269.41	269.41	26.94	(26.94)
Derivative financial instrument (future and options)	0.05	0.05	0.01	(0.01)

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	215.62	215.62	21.56	(21.56)
Derivative financial instrument (future and options)	3.48	3.48	0.35	(0.35)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk largely for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (Principal & Coupon). As a matter of prudence, the Group has hedged the entire ECB exposure for the full tenure as per Board approved interest rate risk, currency risk and hedging policy.

The Group evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives

48 Financial risk management (Contd.)

contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk and Hedging policy.

The Group's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in crore)

	As at 31 March	
	2024	**2023**
Particulars	**USD**	**USD**
Hedged		
ECB	(6,015.79)	(1,299.50)
Derivative Financial Instrument*	6,015.79	1,299.50
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet:

As at 31 March 2024

(₹ in crore)

Particulars	**Notional amount**	**Carrying amount of hedging instrument asset**	**Carrying amount of hedging instrument liability**
INR USD CCIRS	6,015.79	15.69	0.85
INR - Interest rate swap	1,850.00	11.66	0.83
INR - Future and options	130.42	0.49	0.44

As at 31 March 2023

(₹ in crore)

Particulars	**Notional amount**	**Carrying amount of hedging instrument asset**	**Carrying amount of hedging instrument Liability**
INR USD CCIRS	1,299.50	146.98	-
INR - Interest rate swap	100.00	1.37	-
INR - Future and options	338.37	0.53	4.01

48 Financial risk management (Contd.)

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

- Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classifcation methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no 3.3 (i).

The Group recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information do not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

48 Financial risk management (Contd.)

The table below summarises the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant :

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="6">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.</td><td rowspan="6">emperical performance across different DPD (Days Past Due) ranges</td><td rowspan="11">100%</td><td rowspan="8">Ascertained based on past trends of proportion of outstanding at time of default to the opening outstanding of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="8">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>SME lending (excluding car loan)</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C (excluding gold loan)</td><td>Personal loans to salaried, self employed customers, professionals and gold loans</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="3">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers, and also basis DPD bucket approach for retail loans and management evaluation/judgement for wholesale loans.</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td colspan="3">Determined basis empirical risk performance</td><td>Determined basis empirical risk performance</td><td>Assumption based</td></tr>
<tr><td>Car loans</td><td>New and used car financing</td><td colspan="3">Determined basis empirical risk performance for User Car Financing and proxy PDs for new Cars owing to low vintage of the portfolio.</td><td>Determined basis empirical risk performance</td><td>Proxy from Two wheeler finance portfolio</td></tr>
<tr><td>Loans against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="3">Determined basis empirical risk performance</td><td>Determined basis empirical risk performance</td><td>Based on associated risk of the underlying securities</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="3">Internal evaluation/judgement applied at customer or industry segment.</td><td>100%</td><td>Based on estimates of cash flows</td></tr>
</table>

48 Financial risk management (Contd.)

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2024

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	198,420.15	1,904.89	1,379.26	126,087.28	2,106.05	1,436.72
Allowance for ECL	657.10	335.61	755.49	1,588.38	854.22	850.23
ECL coverage ratio	0.33%	17.62%	54.78%	1.26%	40.56%	59.18%

As at 31 March 2023

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	139,973.06	1,627.61	1,236.82	101,316.90	1,405.30	1,075.99
Allowance for ECL	691.31	357.38	667.56	1,265.95	575.91	808.64
ECL coverage ratio	0.49%	21.96%	53.97%	1.25%	40.98%	75.15%

Collateral valuation

The Group offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Rural B2C - Gold loans	Pledge of gold jewellery.
SME lending (Secured)	Hypothecation of underlying product e.g. used car and medical equipment etc.
Mortgages	Equitable mortgage of residential and commercial properties.
Loans against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non–current assets held for sale.

48 Financial risk management (Contd.)

Guarantee cover taken on loans

To secure its eligible pool, the Parent Company takes guarantee cover for its portfolios across B2C, MSME and three-wheeler financing business under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI. As on 31 March 2024, the Parent Company has covered ₹ 14,094 crore of its loan assets under this scheme. This has helped the Group to offset ₹ 307 crore worth of credit losses during the current year.

Further, the Parent Company has also granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers, as of 31 March 2024 ₹ 210 crore of loans are outstanding under ECLGS.

Additionally in FY2024, BFL has also registered itself with Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC) for seeking guarantee cover for its self employed customers with exposure upto specified amount. As on 31 March 2024, the Group covered ₹ 244 crore of its loan assets under this scheme.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Group has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the Upside and Downside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

The Group uses multiple economic factors and test their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates etc.

Based on past correlation results Real GDP and unemployment rate reflected acceptable correlation with past observed default rates loss trends and basis their linkage with Company's business were considered appropriate by the Management. Unemployment has a direct relation with the income levels and thus the growth of the economy from the expenditure side. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For Unemployment, the Parent company has considered data published by a leading business information (BI) company engaged in monitoring of Indian economic indicators.

In FY2024, unemployment rate over the quarters has been oscillating around 8.1% versus pre COVID levels of around 7%, indicating normalisation towards its central scenario pre COVID levels.

48 Financial risk management (Contd.)

- While formulating the central scenario, for the year end, the Parent Company has considered current unemployment rate as rate as a quarterly average of 7.2% which may move towards the average of 7.5% over the next few years.
- For the downside scenario the Parent Company believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.8%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.5% within next three years.
- For the upside scenario, the Parent Company acknowledges various surveys and studies indicating improving employment situation as also industrial recovery. Therefore, while forecasting, a positive stance has been adopted with the expectation that the unemployment levels may not drop significantly. The unemployment rate may improve to a best case of 3.1% by the end of June 2025 but may come back to an historical year average of 7.5%.
- For real GDP growth, Parent company has chosen to follow the RBI predictions. The real GDP growth for Q3 2024 is at 8.4% y-o-y. This was not only defying consensus expectations of 6.6% y-o-y, but also stood at a six-quarter high.
- Considering the overall movements in GDP and the upcoming general elections, the Parent Company has chosen to stick to the RBI projected real GDP forecast of 7% y-o-y in the central scenario. The expectation for real GDP is to moderate to 6.06% over a 3 year period.
- For the downside scenario, the Parent Company considers that the risk may continue due to various uncertainties (geopolitical conflict, elections etc), and therefore assumes the GDP growth to reduce to 3.26% in Q2 FY2025, which is aligned to the lowest pre COVID GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.06% within next three years.
- For the upside scenario, an optimistic GDP estimate of 10% has been considered for Q1FY25, which is aligned to the highest pre COVID GDP growth levels, before averaging back to 6.06% over three years.

Additionally, the ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Gross carrying amount of loans	331,334.35	246,635.68
Reported ECL on loans	5,041.03	4,366.75
Reported ECL coverage	1.52%	1.77%
Base ECL without macro overlay	4,741.03	3,406.74
Add : Management overlay	144.00	797.00
ECL before adjustment for macro economic factors	4,885.03	4,203.74
ECL amounts for alternate scenario		
Central scenario (80%)	5,043.66	4,352.44
Downside scenario (10%)	5,543.48	5,437.38
Upside scenario (10%)	4,517.55	3,410.46
Reported ECL	5,041.03	4,366.74
Management and macro economic overlay	300.00	960.00
-Management overlay	144.00	797.00
-Overlay for macro economic factors	156.00	163.00
ECL coverage ratios by scenario		
Central scenario (80%)	1.52%	1.76%
Downside scenario (10%)	1.67%	2.20%
Upside scenario (10%)	1.36%	1.38%

49 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Ltd.

The Board of Directors at its meeting held on 14 October 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Parent Company aggregating to 1,829,803 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of the Parent Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Parent Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the stock options scheme of the Company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Plan, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares of face value of ₹ 2 each.

Further, vide the Special Resolution passed by the members of the Parent Company through postal ballot on 19 April 2021, the aforesaid limit of options was enhanced by 10,000,000 options. The maximum limit under the scheme now stand revised from 25,071,160 options to 35,071,160 options.

The options issued under the ESOP Scheme vest over a period not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Parent Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Parent Company has approved the following grants to select senior level executives of the Parent Company in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under :

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

49 Employee stock option plan (Contd.)

As on 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	81,500	-	2,393,750	340,750	-	81,500
20-May-15	448.16	1,935,000	158,800	-	1,406,700	369,500	-	158,800
24-May-16	765.37	1,430,000	302,800	-	901,825	225,375	-	302,800
17-May-17	1,347.75	1,120,750	355,494	-	623,893	141,363	-	355,494
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	21,702	-	49,334	48,964	-	21,702
17-May-18	1,919.95	1,273,416	511,235	-	555,967	206,214	-	511,235
16-May-19	3,002.75	1,123,900	477,036	244,897	316,936	85,031	-	721,933
19-May-20	1,938.60	2,054,250	569,830	912,853	405,973	165,594	-	1,482,683
27-Apr-21	4,736.55	936,643	180,681	659,013	48,915	48,034	-	839,694
26-Apr-22	7,005.50	1,003,756	-	986,280	-	17,476	-	986,280
25-Jul-22	6,258.25	19,349	-	19,349	-	-	-	19,349
		29,940,214	2,659,078	2,822,392	20,446,573	4,012,171	-	5,481,470

Weighted average fair value of stock options granted during the year is as follows:

(₹ in crore)

Particulars	FY2024	FY2023	
Grant date	26-Apr-23	25-Jul-22	26-Apr-22
No. of options granted	1,563,397	19,349	1,003,756
Weighted average fair value (₹)	2,756.16	2,683.83	3,212.49

49 Employee stock option plan (Contd.)

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2024

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

As on 31 March 2023

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,671,450	138.04-4,736.55	2,219.04	4.49
Granted during the year	1,023,105	6,258.25-7,005.5	6,691.37	
Cancelled during the year	72,094	1919.95-7,005.5	4,010.24	
Exercised during the year	1,140,991	138.04-4,736.55	1,385.83	
Outstanding at the end of the year	5,481,470	219.66-7,005.5	3,259.66	4.42
Exercisable at the end of the year	2,659,078	219.66-4,736.55	1,959.63	2.66

The weighted average market price of equity shares for options exercised during the year is ₹ 6,920.42 (Previous year ₹ 6,564.81).

49 Employee stock option plan (Contd.)

Method used for accounting for share based payment plan:

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*	Options granted	Vesting period
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55	936,643	4 years on SLM basis
26-Apr-22	6.52%	3.5 - 6.5 years	42.12%	0.29%	7,005.50	946,983	4 years on SLM basis
26-Apr-22	6.95%	7.5 years	39.54%	0.29%	7,005.50	56,773	5 year bullet
25-Jul-22	7.09%	3.5 - 6.5 years	42.20%	0.32%	6,258.25	7,544	4 years on SLM basis
25-Jul-22	6.91%	3.5 years	44.71%	0.32%	6,258.25	8,202	1 year bullet
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	18 month bullet
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis

*Adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2024, the Group has accounted expense of ₹ 268.94 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 224.41 crore). The balance in employee stock option outstanding account is ₹ 711.50 crore as of 31 March 2024 (Previous year ₹ 555.46 crore).

(B) Employee stock option plan of Bajaj Finserv Ltd.

The Nomination and Remuneration Committee of the Holding Company has approved grant of 230,390 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Group in accordance with the Stock Option Scheme of the Holding Company. Of the options granted, no option has vested, cancelled or exercised during the year. The weighted average fair value of the option granted is ₹ 689.20.

The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2024, the Group has accounted expense of ₹ 3.99 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 3.00 crore)

50 Ultimate beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Parent Company and its subsidiary viz BFinsec from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company and BFinsec shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

One of the subsidiary viz BHFL has received fund from entities (Funding Party) with the understanding that the BHFL shall directly or indirectly lend to other entities.

Details of transaction in FY 2023-24

(₹ in crore)

Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
Chayadeep Properties Pvt Ltd	22-Sep-22	8.34	Karuna Business Solutions LLP	31-Aug-23	5.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 CIN: U45203KA2003PTC094179	23-Sep-23	10.83	Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Banglore, Karnataka, 560036 LLP IN: AAD-0057	22-Sep-23 27-Sep-23	3.00 1.76

Details of transaction in FY 2022-23

Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
J.V.N Exports Pvt Ltd	29-Aug-22	6.00	Radiant Equity Management Pvt Ltd	31-Aug-22	6.00
Address: No B05, 5th Floor, Solus Jain Heights, J C Road, 1st Cross Road, Bangalore - 560027, Karnataka PAN: AAACJ4483F CIN: U07010KA1993PTC014766	14-Sep-22	0.30	Address: No 255-B, Bommasandra Industrial Area, Bommasandra Village Anekal T K, Bangalore - 560099, Karnataka PAN: AABCR3645N CIN: U63090KA1994PTC143382	17-Sep-22	0.30
	18-Nov-22	0.30		19-Nov-22	0.30
	18-Jan-23	0.50		19-Jan-23	0.50
Chayadeep Properties Pvt Ltd	14-Sep-22	26.45	Karuna Ventures Pvt Ltd	22-Sep-22	157.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	15-Sep-22	38.58	Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AADCK7179G CIN: U74110KA2009PTC05057		
	19-Sep-22	29.76			
	21-Sep-22	40.78			
	22-Sep-22	29.76			

BHFL does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiary companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act have been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

51 Relationship with struck off companies

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as on 31 March	
				2024	2023
1	Abhilash Global Corporation Pvt. Ltd.	Loan receivables	No	0.05	0.09
2	Aditya Infocom Pvt. Ltd.	Loan receivables	No	-	-
3	AKK Agencies Pvt. Ltd.	Loan receivables	No	-	-
4	Alpic Formulations Pvt. Ltd.	Loan receivables	No	0.04	0.06
5	Anand IT Solutions Pvt. Ltd.	Loan receivables	No	-	-
6	Asquare Events And Production Pvt. Ltd.	Loan receivables	No	0.13	0.13
7	Astor Metal Industries Pvt. Ltd.	Loan receivables	No	0.18	0.17
8	Attract Force Management Service Pvt. Ltd.	Loan receivables	No	0.03	0.05
9	Ayuh Meditech Solutions Pvt. Ltd.	Loan receivables	No	-	-
10	Balsam Publishing House Pvt. Ltd.	Loan receivables	No	-	-
11	Bhandari Hotels Pvt. Ltd.	Loan receivables	No	0.08	0.09
12	CP Hydro Projects India Pvt. Ltd.	Loan receivables	No	-	-
13	CSE Computer Solutions East Pvt. Ltd.	Loan receivables	No	0.44	0.50
14	Daffodils Daily OPC Pvt. Ltd.	Loan receivables	No	0.11	0.12
15	Dheer Software Solutions Pvt. Ltd.	Loan receivables	No	-	-
16	Economic Gateway Consultants Pvt. Ltd.	Loan receivables	No	-	-
17	Enkoway Motors Pvt. Ltd.	Loan receivables	No	-	-
18	Explore India Events Pvt. Ltd.	Loan receivables	No	-	-
19	First Office Solutions India Pvt. Ltd.	Loan receivables	No	0.04	0.07
20	First Paper Idea India Pvt. Ltd.	Loan receivables	No	0.11	0.11
21	Fortuner Con Serve Pvt. Ltd.	Loan receivables	No	-	-
22	Gintara Pvt. Ltd.	Loan receivables	No	-	-
23	Grabstance Techonologies Pvt. Ltd.	Loan receivables	No	0.01	0.03
24	Green Way Super Market Pvt. Ltd.	Loan receivables	No	0.11	0.11
25	Hyper Collective Creative Technologies Pvt. Ltd.	Loan receivables	No	0.00	0.00
26	Indira Smart Systems Pvt. Ltd.	Loan receivables	No	0.08	0.09
27	Indochin Electrotech Pvt. Ltd.	Loan receivables	No	0.13	0.13
28	Invision Entertainment Pvt. Ltd.	Loan receivables	No	0.13	2.06
29	Jamson Pharmaceutical Pvt. Ltd.	Loan receivables	No	-	-
30	Janhavi Exim Pvt. Ltd.	Loan receivables	No	-	-
31	Jay Gurudev Agrotech Pvt. Ltd.	Loan receivables	No	-	-
32	Jey Pee Nets Pvt. Ltd.	Loan receivables	No	-	-
33	K Cube Communications Pvt. Ltd.	Loan receivables	No	-	-
34	Kk Diabetes Men&Women Care Centre Pvt. Ltd.	Loan receivables	No	-	-
35	Kool Gourmet Pvt. Ltd.	Loan receivables	No	0.10	0.10
36	Koolair Systems Pvt. Ltd.	Loan receivables	No	-	-
37	Mazda Agencies Pvt. Ltd.	Loan receivables	No	-	0.11
38	Mechwing Engineering & Services Pvt. Ltd.	Loan receivables	No	0.08	0.10
39	Multi Tech System Industrial Automation Pvt. Ltd.	Loan receivables	No	0.00	0.00
40	Multiton Equipments Pvt. Ltd.	Loan receivables	No	-	-
41	Niche Events And Promotions Pvt. Ltd.	Loan receivables	No	-	-
42	Nur Automation Pvt. Ltd.	Loan receivables	No	0.06	0.07

51 Relationship with Struck off Companies (Contd.)

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as on 31 March 2024	Balance outstanding as on 31 March 2023
43	Pallavi Shelters Pvt. Ltd.	Loan receivables	No	-	-
44	PC Print Control Pvt. Ltd.	Loan receivables	No	-	-
45	Prematix Software Solution Pvt. Ltd.	Loan receivables	No	-	-
46	Priyanka Management Solutions India Pvt. Ltd.	Loan receivables	No	-	-
47	R R Movers And Logistics Pvt. Ltd.	Loan receivables	No	0.13	0.13
48	Reliance Beverages Pvt. Ltd.	Loan receivables	No	-	-
49	Relied Staffing Solution Pvt. Ltd.	Loan receivables	No	0.12	0.12
50	Riddhi Siddhi Emporium Pvt. Ltd.	Loan receivables	No	-	-
51	Seven Oaks Engineering Pvt. Ltd.	Loan receivables	No	-	-
52	Shrine Infrastructure Pvt. Ltd.	Loan receivables	No	0.52	0.56
53	Singh Hindustan Marine Pvt. Ltd.	Loan receivables	No	0.00	0.00
54	Solaris People Solutions Pvt. Ltd.	Loan receivables	No	-	0.10
55	Spice Flora India Pvt. Ltd.	Loan receivables	No	-	-
56	Sri Beera Barji Trading Co. Pvt. Ltd.	Loan receivables	No	0.05	0.06
57	Tei Marketing Pvt. Ltd.	Loan receivables	No	-	-
58	Tejas India Buildtech Pvt. Ltd.	Loan receivables	No	0.14	0.14
59	Times Partner Pvt. Ltd.	Loan receivables	No	(0.00)	(0.00)
60	Tulsians Kharidiye Pvt. Ltd.	Loan receivables	No	-	-
61	Underground Pipeline And Non-Destructive Testing Services Pvt. Ltd.	Loan receivables	No	-	-
62	Vijayasree Rearing And Processing Pvt. Ltd.	Loan receivables	No	-	-
63	Wave Aquatic Pvt. Ltd.	Loan receivables	No	-	-
64	Indo Sale Pvt. Ltd.	Deposit taken	No	(0.05)	(0.05)
65	Akshda Well Wisher Advisory (OPC) Pvt. Ltd.	Payables	No	-	-
66	Aleem Autos Pvt. Ltd.	Payables	No	(0.00)	(0.00)
67	Visakam Motors Pvt. Ltd.	Payables	No	(0.00)	(0.00)
68	Daytoday Technologies (OPC) Pvt. Ltd.	Payables	No	(0.00)	(0.00)
69	Fuehrer Fintech Pvt. Ltd.	Payables	No	-	-
70	Keen Financial Services Pvt. Ltd.	Payables	No	(0.00)	(0.00)
71	Keynote Management Accountancy And Consulting Pvt. Ltd.	Payables	No	-	(0.00)
72	Progency Consultancy Pvt. Ltd.	Payables	No	-	(0.00)

The above disclosure has been prepared basis the relevant information compiled by the Group on best effort basis.

52 Disclosure pertaining to stock statement filed with banks or financial institutions

The Group has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Group shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For Parent Company:

For the financial year ended 31 March 2024 and previous year ended 31 March 2023, the quarterly statements or returns of current assets filed by the Group with banks are in agreement with books of accounts.

For Subsidiaries:

For the financial year ended 31 March 2024 and previous year ended 31 March 2023, the quarterly statements or returns of current assets filed by subsidiaries with banks or financial institutions or debenture trustees are in agreement with the books of accounts.

53 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

54 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

Pune: 25 April 2024

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)^#
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ *Based on beneficiary position as on [●], 2026.*

The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.

Notes:

i. The details of the proposed Allottees have been intentionally left blank and will be filled in before filing of the Placement Document with the Stock Exchanges.

ii. Subject to receipt of funds and Allotment pursuant to the Issue.

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

Signed by:

_____
Authorised Signatory

Name: Rajeev Jain
Designation: Vice Chairman and Managing Director

Date: November 11, 2026
Place: Pune

DECLARATION

We, the Board of Directors of the Company, certify that:

(i) The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors:

_____
Authorised Signatory

Name: Rajeev Jain
Designation: Vice Chairman and Managing Director

Date: November 11, 2026
Place: Pune

I am authorised by the QIP 2026 Special Committee of the Board, *vide* resolution dated November 11, 2026, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

Name: Rajeev Jain
Designation: Vice Chairman and Managing Director

Date: November 11, 2026
Place: Pune

BAJAJ FINANCE LIMITED

Registered Office
4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India
Email: investor.service@bajajfinserv.in | **Website**: www.bajajfinserv.in/corporate-bajaj-finance
CIN: L65910MH1987PLC042961

Contact Person
R Vijay
Designation: Company Secretary and Compliance Officer
Address: 3rd Floor, Panchshil Tech Park,
Viman Nagar, Pune 411 014,
Maharashtra, India
Fax: (020) 7157 6364
Tel: +91 20 7157 6403
E-mail: vijay.r@bajajfinserv.in

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited	J.P. Morgan India Private Limited	Morgan Stanley India Company Private Limited	IIFL Capital Services Limited	JM Financial Limited	Axis Capital Limited
27 BKC, 1st Floor, Plot No. C – 27 "G" Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051 Maharashtra, India	J.P. Morgan Tower, Off C.S.T. Road, Kalina, Santacruz East, Mumbai 400098, Maharashtra, India	Altimus, Level 39 & 40, Pandurang Budhkar Marg, Worli, Mumbai 400 018, Maharashtra, India	24th floor, One Lodha Place Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India	7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India	1st Floor, Axis House P.B. Marg, Worli Mumbai – 400 025 Maharashtra, India

JOINT STATUTORY AUDITORS OF OUR COMPANY

M/s Price Waterhouse LLP, Chartered Accountants

Plot No. 56 and 57, Block DN, Sector V, Salt Lake, Kolkata 700 091, West Bengal, India.

M/S Kirtane & Pandit LLP
5th Floor, wing A, Gopal House, S No. 127/1B/1, Plot A1, Opp Harshal Hall, Kothrud, Pune 411 038, Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas
3rd floor, Prestige Falcon Towers
19, Brunton Road, Off M.G. Road
Bengaluru – 560 025
Karnataka, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law
Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013

As to International law
Linklaters Singapore Pte. Ltd.
2 Central Boulevard #28-01 West Tower
IOI Central Boulevard Towers
Singapore 018916

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below.

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

BAJAJ FINANCE LIMITED	**APPLICATION FORM** **Name of the Bidder:** **Form. No.:**
(Incorporated in the Republic of India under the provisions of the Companies Act, 1956) **Registered Office**: 4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India; **CIN**: L65910MH1987PLC042961; **Website**: www.bajajfinserv.in/corporate-bajaj-finance; **Tel:** (020) 20 7157 6403; **Fax:** (020) 7157 6364 **Email**: investor.service@bajajfinserv.in **COMPANY LEI NUMBER:** 335800YTEXC3DO4Z6F68 **ISIN**: INE296A01032	**Date: _____, 2026**

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[●] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] MILLION IN RELIANCE UPON SECTIONS 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THERUNDER, EACH AS AMENDED, (THE "COMPANIES ACT") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THERUNDER, EACH AS AMENDED, AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY BAJAJ FINANCE LIMITED (THE "ISSUER" OR THE "COMPANY", AND SUCH ISSUE OF EQUITY SHARES, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹992.25 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UPTO 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE WITH THE APPROVAL OF ITS SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) hold a valid and existing registration under the applicable laws in India (as applicable); (c) are not restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws ("Eligible QIBs"); are eligible to submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; (ii) Eligible Foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended ("FEMA Rules"), the SEBI FPI Regulations and any other applicable law (other than individuals, corporate bodies and family offices), that are eligible to participate in the Issue ("Eligible FPIs"); and (iii) A Multilateral or Bilateral Development Financial Institution eligible to invest in India under applicable law including the FEMA Rules can submit this Application Form. However, except as provided in (ii) above, other non-resident QIBs, in terms of the FEMA Rules, are not permitted to participate in the Issue. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. Subject to (ii) above, in the United States, persons who are both "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and "qualified purchasers" (as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended and the related rules (the "Investment Company Act") ("Qualified Purchasers")) may participate in the Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are being offered and sold (a) within the United States only to persons who are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and Qualified Purchasers in transactions exempt from the registration requirements of the U.S. Securities Act) and in reliance upon Section 3(c)(7) of the Investment Company Act and (b) to persons that are not "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) in "offshore transactions" as defined in, and in reliance upon, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales made. There will be no public offering of the Equity Shares in the United States. You should note and observe the selling and transfer restrictions contained in the sections

of the accompanying preliminary placement document dated November 11, 2026, (the "PPD") titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 301 and 307, respectively.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE UNDER SCHEDULE II OF THE FEMA RULES, THE SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN PORTFOLIO INVESTORS) REGULATIONS, 2019, READ WITH THE RESTRICTIONS SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT, AND SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs IN THE COMPANY DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS AND THE PRELIMINARY PLACEMENT DOCUMENT IN THIS REGARD. ALLOTMENTS MADE TO MULTILATERAL OR BILATERAL DEVELOPMENT FINANCIAL INSTITUTION, AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. PURSUANT TO FDI POLICY READ ALONG WITH PRESS NOTE NO. 3 (2020 SERIES) DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, READ WITH PRESS NOTE NO. 2 (2026 SERIES), DATED MARCH 15, 2026, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Bajaj Finance Limited
4th Floor, Bajaj Finserv House, Off Pune-Ahmednagar Road, Viman Nagar, Pune 411 014, Maharashtra, India

Respected All,

STATUS (Please ✓ for applicable category)			
FI	Scheduled Commercial Banks and Public Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund **
SI-NBFC	Systemically Important Non-Banking Financial Companies	**OTH**	Others _____ (Please specify)

* *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.*

** *Sponsor and Manager should be Indian owned and controlled*

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained in the other sections of the PPD, and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, (b) hold a valid and existing registration under the applicable laws in India (as applicable) and (c) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a Promoter of the Company, or any person related to the Promoters of the Company, directly or indirectly, as defined in the SEBI ICDR Regulations and the Bid does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group, veto rights or right to appoint any nominee director on the Board of directors of the Issuer. We confirm that we are either a QIB which is resident in India, or an Eligible FPI participating through Schedule II of the FEMA Rules, or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules. We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN number, nationality, occupation and bank account details will be recorded by the Company in the format prescribed in terms of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended ("**PAS Rules**"); (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Pune (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and the BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations ("**Eligible FPIs**"), have submitted separate Application Forms and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and number of Equity Shares Bid for under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorised to apply on behalf of the Bidder and the Bidder has all the necessary approvals for applying in the Issue. We note that the Board of Directors of the Company, or any duly authorised committee thereof, is entitled, in consultation with Kotak Mahindra Capital Company Limited, J.P. Morgan India Private Limited,

Morgan Stanley India Company Private Limited, IIFL Capital Services Limited, JM Financial Limited and Axis Capital Limited (together, the "**BRLMs"**), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and Bid Amount towards the Equity Shares that may be Allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been/will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and in the event that (i) Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if we withdraw the Bid before Issue Closing Date, or (v) if there is a cancellation of the Issue, the Bid Amount or a portion thereof or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representation, warranties, acknowledgments and agreements as set forth in the sections of the PPD titled "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of which are entitled to rely on and are relying on these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby further represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copies of the PPD and the Application Form and have read it in its entirety including in particular, the section titled '*Risk Factors*' therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the BRLMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation and warranty: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) located within the United States and are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) and Qualified Purchasers purchasing the Equity Shares , or (ii) not a "U.S. person" (as defined in Regulation S under the U.S. Securities Act) and are purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance upon, Regulation S under the U.S. Securities Act and the applicable laws of the

jurisdiction where those offers and sales are made. We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" of the PPD.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorised to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of such Eligible QIB.

In addition to the foregoing, if we are in the United States, we hereby represent, warrant, agree and acknowledge as follows: (1) we (i) are a U.S. QIB and a QP, (ii) are aware that the sale is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, (iii) were not formed for the purpose of investing in the Equity Shares, and (iv) are acquiring such Equity Shares for our own account or for the account or benefit of one or more persons, each of which is a U.S. QIB and a QP, with respect to which we exercise sole investment discretion; (2) we, and each account for which we are subscribing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least $250,000 or its equivalent in another currency; (3) we acknowledge that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described in the Preliminary Placement Document and as will be described in the Placement Document so that the Company will qualify for the exception provided under Section 3(c)(7) of the Investment Company Act and will have no obligation to register as an investment company. (4) we are not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with us; (5) the we understand that, subject to certain exceptions, to be a QP, entities must have US$25 million in "investments" (as defined in Rule 2a51-1 of the Investment Company Act); (6) we are not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan; (7) we are not managed as a device for facilitating individual investment decisions of beneficial owners, but rather are managed as a collective investment vehicle; (8) we, and each account for which we are subscribing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency; (9) we, and each person for which we are acting, was not formed, reformed or recapitalised for the purpose of investing in the Equity Shares and/or other securities of the Company; (10) if we, or any person for which we are acting, is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. Persons) and were formed on or before April 30, 1996, such person has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder; (11) we, and each person for which we are acting, are/ is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both U.S. QIBs and QPs; (12) we, and each person for which we are acting, have/has not invested more than 40.0% of our/its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both U.S. QIBs and QPs); (13) if in the future, we decide to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (such permitted transactions including, for the avoidance of doubt, a bona fide sale on the BSE or NSE). We agree not to effect any sale, pledge or other transfer of any Equity Shares in a transaction unless we first execute a U.S. Resale Letter in the form of Annexure A to the Preliminary Placement Document and Placement Document and deliver such letter to the Company prior to the settlement if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on BSE or NSE. We understand that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them; (14) we are not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof; (15) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Equity Shares; (16) we will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act; (17) we agree that neither us, nor any of our

affiliates, nor any person acting on our behalf or on behalf of any of our affiliates, will make any "directed selling efforts" (as defined in Regulation S) in the United States with respect to the Equity Shares, or any "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act), in the United States in connection with any offer or sale of the Equity Shares.

BIDDER DETAILS (in Block Letters)		
NAME OF BIDDER*		
NATIONALITY		
REGISTERED ADDRESS		
CITY AND CODE		
COUNTRY		
PHONE NO.		**FAX NO.**
EMAIL ID		**MOBILE NO.**
FOR FPIs**	SEBI FPI REGISTRATION NO. _____	
FOR MF	SEBI MF REGISTRATION NO. _____	
FOR AIFs***	SEBI AIF REGISTRATION NO. _____	
FOR VCFs***	SEBI VCF REGISTRATION NO. _____	
FOR SI-NBFC	RBI REGISTRATION DETAILS _____	
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS _____	
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS _____	

* *Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*

** *In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

*** *Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allotted to us in the Issue will be aggregated to disclose our percentage of post-Issue shareholding in the Company in the Placement Document in line with the requirements under the form PAS-4 of the PAS Rules, as amended. For such information, the BRLMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS																														
Depository Name	National Securities Depository Limited									Central Depository Services (India) Limited																				
Depository Participant Name																														
DP – ID	I	N																												
Beneficiary Account Number										(16-digit beneficiary A/c. No. to be mentioned above)																				

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purposes of refund, if any, only the bank details as mentioned below, from which Bid Amount has been remitted for the Equity Shares applied for in the issue will be considered.

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.30 p.m. (IST), [day] [date]

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER				
1.	**Name of the Account**	**BAJAJ FINANCE QIP ESCROW ACCOUNT R 2026**	**Account Type**	**Current A/c - CAQIP**
	Name of Bank	**Axis Bank Limited**	**Address of the Branch of the Bank**	**Axis Bank Ltd, City Mall, Second Floor, Ganesh Khind Road, Pune 411 007**
	Account No.	**926020049183150**	**IFSC**	**UTIB0001636**
2.	**Name of the Account**	**BAJAJ FINANCE QIP ESCROW ACCOUNT NR 2026**	**Account Type**	**Current A/c - CAQIP**
	Name of Bank	**Axis Bank Limited**	**Address of the Branch of the Bank**	**Axis Bank Ltd, City Mall, Second Floor, Ganesh Khind Road, Pune 411 007**
	Account No.	**926020049183176**	**IFSC**	**UTIB0001636**

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. Payment of the entire Bid Amount must be made along with the Application Form, only by way of electronic fund transfers in favor of "BAJAJ FINANCE QIP ESCROW ACCOUNT R 2026 " in case you are a resident of India, or "BAJAJ FINANCE QIP ESCROW ACCOUNT NR 2026", in case you are an Eligible FPI, on or before the closure of the Issue Period i.e. within the Issue Closing Date. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form. You are responsible for the accuracy of the bank details mentioned below. You are aware that the

successful proceeding of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)
TOTAL BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Email:		Mobile No.	

OTHER DETAILS			ENCLOSURES ATTACHED (attached/certified true copy of the following)
PAN*			☐ Copy of the PAN Card or PAN Allotment letter* ☐ FIRC ☐ Copy of the SEBI registration certificate as Eligible FPI ☐ Copy of the SEBI registration certificate as an AIF ☐ Copy of the SEBI registration certificate as a VCF ☐ Copy of the SEBI registration certificate as a Mutual Fund ☐ Copy of the IRDA registration certificate ☐ Certified true copy of power of attorney ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank/public financial institution ☐ Others, please specify
Legal Entity Identifier Code			
Date of Application			
Signature of authorised Signatory (may be signed either physically or digitally)**			

* *Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document.

Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLMs.

Note 3: The duly filled and signed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimers and restrictions contained in or accompanying these documents.

ANNEXURE A – U.S. RESALE LETTER

On the letterhead of an investor who is a U.S. Person or a person in the United States; to be executed after resale of the Equity Shares; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares

Bajaj Finance Limited

[*Address*]

(the "**Company**")

Ladies and Gentlemen:

This letter ("**Resale Letter**") relates to the sale or other transfer by us of equity shares (the "**Shares**") of the Company, which is required to be in an "offshore transaction" pursuant to Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

(a) We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as both a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) and related rules of the Investment Company Act of 1940, as amended, and the rules thereunder (the "**U.S. Investment Company Act**"). We understand that the Shares have not been and will not be registered under the U.S. Securities Act and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act).

(b) The offer and sale of the Shares by us was not made to a person in the United States or to a U.S. Person (as defined in Regulation S).

(c) Either:

  (i) at the time the buy order for the sale of the Shares by us was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or

  (ii) the transfer of the Shares by us was executed in, on or through the facilities of the Bombay Stock Exchange or the National Stock Exchange of India Limited, and neither we nor any person acting on our behalf has reason to believe that the transaction was pre-arranged with a buyer in the United States.

(d) Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any "directed selling efforts" (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

(e) The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act.

(f) None of the Company, any of its agents nor any of their respective affiliates participated in the sale of the Equity Shares by us.

(g) We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Where there are joint transferors, each must sign this U.S. Resale Letter. A U.S. Resale Letter of a corporation must be signed by an authorised officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,
(**Name of Transferor**)

By:
Title:
Date: