

## **15<sup>th</sup> Annual General Meeting, Bajaj Finserv Limited- 28<sup>th</sup> July 2022**

- **Mr. Sanjiv Bajaj – Chairman & MD, Bajaj Finserv Ltd.:**
- Good afternoon, shareholders, and welcome to the 15<sup>th</sup> Annual General Meeting of Bajaj Finserv Limited. I am Sanjiv Bajaj, Chairman and Managing Director of your Company. With the requisite quorum being present I call the meeting to order.
- At the outset I would like to express my profound grief on the sad demise of the iconic leader and foundational pillar of the company, Shri Rajul Bajaj, our Chairman since inception in 2007, whom we lost on 12<sup>th</sup> of February this year. He was the architect of one of the most respected business groups in the country. A vocal proponent of entrepreneurship and a bold, fearless and outspoken voice for Indian industry. He was revered by his people, peers and the industry alike. I have not seen many who had his courage to honestly share his convictions. People who worked closely with him knew of his pinpointed focus on detail and his legendary eyesight and concentration that could unerringly focus on the tiniest error without fail. He was my mentor, counsellor and friend, and of course a parent. I will miss him. Yet, I am sure and secure in the knowledge that the values he instilled in me and in us will always remain. I would like to present a short video as a tribute to his extraordinary life, which some of you may have seen before we just started.
- Video of Tribute to Late Shri Rahul Bajaj was played.
- On behalf of the board I would like to place on record its sincere gratitude of the invaluable contribution made by him to the spectacular rise of the Company and the Group over the years.
- In view of the Covid 19 pandemic the Ministry of Corporate Affairs has allowed companies to conduct the annual general meetings through video conferencing or other audio visual means without physical presence of members at a common venue till 31<sup>st</sup> of December 2022. Accordingly the Company is conducting this meeting through video conferencing for the 3<sup>rd</sup> consecutive year. In terms of provisions of SEBI Listing Regulations, one-way live webcast has been provided to members. Further pursuant to requirements of the MCA circular the Company has allowed facility for two-way teleconferencing for ease of participation of members. The Company has taken all feasible efforts to ensure that shareholders are provided an opportunity to participate in the AGM. Members participating through their mobile devices, laptops, etc., at times could experience audio or video loss due to fluctuation in their own networks and use of a stable connection will help. Members who need technical assistance during the meeting may reach out to

our registrar and share transfer agent that's KFin Technologies at the email id or the help line number that was provided in the AGM notice.

- Now I would like to introduce my colleagues on the board of the company. I begin with the directors on the dais.
- Ms. Radhika Haribhakti, our new Independent Director, she has over 30 years of experience in commercial and investment banking.
- Mr. Pramit Jhaveri, the other new Independent Director, he is a distinguished banker with over 32 years of experience.
- Let me extend a warm welcome to them on behalf of all of us.
- Next is Mr. Anami Roy.
- I would now like to introduce the directors who have joined this meeting virtually.
- Dr. Naushad Forbes, who is also Chairman of the Audit, the Stakeholder Relationship Committee, Risk Management Committee and the Corporate Social Responsibility Committee.
- Mr. D.J. Balajirao, Chairman of our Nomination and Remuneration Committee who is joining us from the United States (US), this is very early in the morning for him.
- Mr. Manish Kejriwal.
- Mr. Madhur Bajaj.
- Mr. Rajiv Bajaj.
- All the directors are present at the meeting.
- I would also like to mention that Dr. Gita Piramal, our Director, vacate her office as an Independent Director on account of health reasons with effect from 30<sup>th</sup> April of this year. On behalf of the board I would like to place on record my sincere appreciation for the valuable support and guidance rendered by her during her long association with the company. We pray for her good health and wish her all our best.
- Also present on the dais is Mr. S. Sreenivasan, our Chief Financial Officer, and Ms. Uma Shende, our Company secretary. We also have in attendance Ketan Vikamsey, partner for KKC Associates LLP, statutory auditors, Anagha Moghe, partner for Dhananjay V. Joshi, cost auditors, and Shyamprasad Limaye, secretarial auditor of the Company.

- Pursuant to the MCA circulars and the Companies Act 2013, the following requisite documents are available for inspection electronically,
  - The Directors' Report,
  - financial statements along with the auditor's report thereon,
  - The register of contract with related parties and the register of directors and key managerial personnel, and
  - The Certificate of compliance under SEBI's ESOP Regulations.
- The auditor's report on the standalone and consolidated financial statements and the secretarial audit report for the financial year ended 31 March 2022, do not contain any adverse remark, disqualification or disclaimer. Accordingly, the said reports are not being read out as permitted by law. Since the meeting is conducted through video conferencing the option to appoint proxy is not available for this AGM. The Company has received authorization under Section 113 of the Companies Act 2013 from shareholders representing 56.04% of the paid-up share capital of the Company.
- My dear shareholders, now I will commence my formal address to you. There is an adage that life never gets any easier or more forgiving. It is only we who get stronger and more resilient to every challenge and hardship that life presents to us. These unique experiences help us become more accepting of our new realities to thrive in a new emerging environment. Your Company and all its businesses have shown enormous resilience in the last two years be it through the 3 successive waves of Covid and the organizational transformation that those entailed, the macro economic slowdown, the predated Covid and the fundamental changes in the industry that we belong to and the strength to take all necessary provisions without damaging our financials and our capital adequacy. Such resilience was shown by every employee across each business of your Company. Across the enterprises there has been a pointed focus to create new, powerful, faster and all-encompassing digital capabilities, add new products and create greater synergy and efficiency to better service our customers. In this Bajaj Finance Limited (BFL) leads the pack closely followed by Bajaj Allianz Life insurance Company Limited (BALIC) and Bajaj Allianz General Insurance Company Limited (BAGIC). BALIC has successfully transformed itself in the last few years into one of India's top life insurers with strong and profitable growth. Thanks to years of uninterrupted profitability, BAGIC has completed 14 consecutive years since its last capital infusion and continues to be one of the most efficient users of capital amongst the private sector insurance companies.
- The creditable performance of Bajaj Housing Finance Limited, a 100% subsidiary of Bajaj Finance Limited is equally noteworthy. The company that formally started its lending operations only in July 2017, 5 years ago scaled up to create multiple businesses in less than 5 years with aggregate assets under

management now of over 53,000 crores. In FY22 Bajaj Housing Finance earned a total income of 3767 crores, in net interest income of 1612 crores and profit after tax 710 crores. Indeed, it is fast growing into an adult to join our other three large enterprises that's Bajaj Finance and the two insurance companies.

- Next we have Bajaj Financial Securities Limited, another 100% subsidiary of Bajaj Finance. This is a digital stock broker offering customers to avail of loan against securities from Bajaj Finance, a full suite of investment products and services. It is an all-in-one digital platform combining Demat, broking, margin trade financing for retail and HNI clients, on a predominantly B2C platform.
- We have also created Bajaj Finserv Direct Limited which is called Bajaj Markets, a subsidiary of your Company, and another digital marketplace for financial services products from loans to insurance, mutual funds, investments, lifestyle products, payments and ecommerce, the entire gamut of financial products and services. Our intent is to attract new to Bajaj customers by creating discovery and experience of the brand through a seamless digital medium.
- Healthcare is another critical area of focus and to deal with the native challenges of this sector we have created Bajaj Finserv Health Limited, another 100% subsidiary of your Company which aims at transforming the current fragmented healthcare delivery ecosystem in India by integrating it with technology and financial services again on a digital platform with a view to bring quality healthcare closer to consumers any time anywhere.
- Your Company is also starting a mutual fund and an asset management business through Bajaj Finserv Asset Management Limited, its 100% subsidiary, having obtained in principle an approval to set up this enterprise from the regulator, we are now completing the requirements for the final license.
- Let me now speak a little bit on an important issue of being responsive and responsible to our consumers and the community at large. The very foundation of our Group was laid by the philanthropic instinct of Shri Jamnalal Bajaj, our Group's founding father who took the bold and unprecedented step of using business to serve society, a long-cherished value further strengthened by my father, Shri Rahul Bajaj. At Bajaj Finserv Companies we have imbued our organizational fabric with this belief and have built it into the credo of our business philosophy. We have adopted a practical approach towards implementing our ESG goals because for us ESG is not just a part but the core of our sustainable long-term growth strategy. Besides adopting the highest standards of governance, the Group remains committed to prudent business practices in order to ensure that our businesses are not exposed to undue risks. In our constant endeavour to enable individuals and businesses

to meet their transactional payments, credit, insurance and savings needs, the Group operates through 4200 plus branches across the country. In the last 3 years we have extended credit facilities to over 9 million, 90 lakhs new to credit customers and to more than 8.7 million that's 87 lakh women borrowers. As committed, we opened 50 financial inclusion branches of Bajaj Finance last year in rural and backward areas and plan to open another 50 this year. Significant entrepreneurship opportunities were extended to women by our insurance subsidiaries with 27% of our insurance agents now being women. By adopting responsible investment principles, our insurance companies have proactively adapted themselves to our ESG framework and as committed last year we have not only completed the accounting of our GHG emissions, but also obtained independent assurance over the same.

- During FY22 the Bajaj Group was at the forefront of the battle against Covid 19. Joining forces with the local government authorities to conduct large scale inoculation drives for our communities and administering more than a million doses of the Covid 19 vaccines to beneficiaries in the districts of Pune and Aurangabad. The Bajaj Group also contributed a 170 crore to help alleviate the immediate on-ground challenges, build capabilities and resources in treating patients including the installations of 12 oxygen plants to provide more than 5000 LPM of oxygen supply to both urban and rural hospitals, as well as oxygen concentrators, ventilators and bi-PAP machines.
- One of the key areas of social engagement for us is Bajaj Finserv's BEYOND, a flagship employability program under our CSR ambit which is aimed at upskilling the first generation graduates from smaller towns and cities to gain the right aptitude and attitude for building a strong career in banking financial services and insurance industries. It is worth mentioning that 67% of students enrolled in this program are women and young girls. FY22 was a record year for this particular program with annual enrolment of students crossing 10, 000, and the program is now entering 18 states across our country. As we move towards the expansion of our sustainability efforts, we shall continue to accelerate our journey of growing our businesses in a which helps improve people's lives, be it our consumers or the community at large, by bridging the gap in the unbanked and the underbanked bank segments for an aspirational new India, a dream cherished by all of us. I urge you all to spare some time to go through our FY22 business responsibility and sustainability report, which is available on the company's website.
- As we complete 15 years of our journey, I have some good news for our shareholders. Just a while ago, the Board has recommended subject to the approval of shareholders that their company's shares of face value Rs. 5 each be split into shares of face value of Re.1, and in addition, as the Board mentioned, keeping in mind the 15 year anniversary and keeping in mind the guidance from our Chairman emeritus, the Board has also recommended to issue bonus shares in the ratio of one to one. Once approved by shareholders,

each share of Rs. 5 face value will become 10 shares of face value of Re. 1 after the split and bonus.

- Now, let me brief you on the highlights of the first quarter of the current year, that has just been announced to the stock exchanges as well. The consolidated results of Bajaj Finserv include the results of its subsidiaries, and we've had a very good quarter one of this year with all our companies growing well with higher profitability. Our consolidated total income has grown 14% over quarter one of the previous year to Rs. 15, 888 crores. Our consolidated profit after tax was Rs. 1, 309 crores, which is 57% higher than the previous year's first quarter. Bajaj Finance's consolidated Assets under Management (AMU) were at Rs. 2,04,018 crores, a growth of 28%. This includes the AUM of our housing finance company, which recorded a 40% growth in AUM and it stood Rs. 57, 425 crores as of the end of the first quarter. Bajaj Finance's net NPA continues to be under control at 0.51%, and its capital adequacy is very healthy at 26.16%. Bajaj Finance's consolidated profit after tax for the first quarter, which was reported yesterday, grew 159% to Rs. 2, 596 crores. This includes profit after tax of Rs. 316 crores recorded by the housing finance company, which was also in 96% year-on-year increase.
- Bajaj Allianz General Insurance recorded a tremendous 25% growth in gross written premium and despite a small underwriting loss of Rs. 61 crores on the back of higher claims, BAGIC has recorded a 14% growth in profit after tax at Rs. 411 crores for the quarter. Bajaj Allianz Life had another stellar quarter recording 81% growth in individual rated new business, an overall increase in the new business premium of 125%. Gross written premium, including renewals was up 74% and BALIC remains one of the fastest growing life insurers, not only in this quarter, but even over the last three years, right from the pre-COVID period to now. BALIC's net new business value, which is the measure of profitability used in life insurance business also grew significantly at Rs. 135 crores in this quarter compared to Rs. 25 crores in the quarter of the previous year. Both our insurance companies have very strong solvency ratios; BAGIC at 349% and BALIC at 527% compared to the regulatory minimum of 150%. Overall, an excellent quarter for your company and for all our businesses.
- Now getting back to some other routine items. In terms of the Companies Act, 2013 with SEBI Listing Regulations members holding shares as on 21<sup>st</sup> July 2022, the cut-off date, are entitled to vote on the resolutions contained in the AGM notice. Shareholders holding shares as on the cut-off date were provided an option to cast their votes remotely from 25<sup>th</sup> July 2022, 9:00 AM to 27<sup>th</sup> July 2022, 5:00 PM by logging into the voting platform that was provided by KFin Technologies Limited. Shareholders who have joined this AGM, but have not yet cast their votes can do so at this meeting. Shri Limaye, the practicing company secretary has been appointed as scrutinizer for scrutinizing the e-voting process.

- Before putting the resolutions to vote, I would like to brief you on the same.
  - o The first resolution is ordinary, adoption of the standalone and consolidated financial statements for the financial year ended 31<sup>st</sup> March 2022.
  - o Second resolution again, ordinary, is the declaration of dividend of Rs. 4 per equity share of face value Rs. 5 for the financial year ended 31<sup>st</sup> March 2022.
  - o Third resolution again, ordinary, is the reappointment of Manish Kejriwal, Director who retires by rotation.
  - o Fourth resolution, again, ordinary is the appointment of Khimji Khunverji & Co. LLP Chartered Accountants as a statutory auditor and to fix their remuneration.
  - o Fifth resolution again, ordinary, ratification of remuneration payable to Dhananjay V. Joshi and Associates, cost auditor for FY23.
- Now I would like to invite queries from our speaker shareholders. Queries, questions received over email will be taken up after queries of the speaker shareholders are answered.
- **Moderator:**
- Thank you, Mr. Chairman. Before we begin the Q&A session, a few points for your consideration. All members who have joined this meeting are by default placed on mute to avoid disturbance arising from any background noise. Once your name is announced, you will be placed in the meeting. Kindly unmute your microphone, switch your camera on and speak. If you're not able to switch to video mode for any reason, please use the audio mode only. To ensure greater clarity and to minimize background noise, we recommend that you use microphones with your headphones or earphones. For better video experience, please ensure proper lighting. Kindly ensure that the Wi-Fi is not connected to any other device or devices, and no other applications are running on your device. If we observe a connectivity problem at your end, we shall ask the next speaker to join in and we'll come back to you after other registered shareholders have spoken. Kindly restrict your queries or commence to a maximum of three minutes.
- Our first speaker shareholder is Mr. Yusuf Yunus Rangwala. Mr. Rangwala, you are now placed in the meeting. Kindly unmute your microphone, switch your camera on and speak.

- **Mr. Yusuf Yunus Rangwala – Shareholder:**

- Good afternoon, sir. I am speaking from Mumbai, my name is Yusuf Rangwala. First, I am very thankful to the Board of Director for giving us two things. One is the split, making Rs. 5 to Re. 1; that is a mini bonus. Second, 1:1 bonus. Sir, this year we are attending the 15<sup>th</sup> annual general meeting, and I am happy knowing about it. I am only disheartened about one thing, the demise of our founder Rahul Bajaj sir. With your permission I would like to add something in the slogan – *Vishesh Bharat ki Vishesh Tasweer, Humara Bajaj*. Sir, this is a song that is apt for Rahul Bajaj sir. There is a photo of him sitting on the Bajaj Chetak on the balance sheet. Even today I use Bajaj.
- Let me directly come to the point. No. 1, you are doing a really good business in general insurance. I would like to know who the main competitors for us are in the general insurance sector. For example, LIC of India, Oriental Insurance and there are other ample insurers sir. New India Insurance is coming up, sir.
- My gratitude to the share department, sir. They gave me a chance to speak with you. Sir, there are few companies who give good shareholder services. Sir, the share department is simply just wonderful. Sir, you have given us a dividend of Rs. 4 on share of Rs. 5, that is great. Today the rates are around Rs. 15,600. And after the news of the split goes to the market. After hearing this news, the shares are going up. Sir in the Chairman speech you shared two good news, and I am really happy to know it. And sir the balance sheet is around 250 pages. On the front page we have a smiling photograph of Rahul sir. We will miss him and shall remember him always. If you are organizing to pay tribute for him in Bombay, then please do let us know. I would like to pay my tribute to Rahul Bajaj. We cannot forget how hard he worked for the companies. I have been your shareholder in all your companies. I just wanted to thank you all. It would be less. I fully support all the resolutions. Thank you very much. Wishing you all for the upcoming festivals such as Diwali, Dussehra. If you can organize a get together in Bombay on 15<sup>th</sup> August, the please do invite us. Sir wishing you a very happy Independence Day. This is the 75<sup>th</sup> year. Sir, how is Sekhar Bajaj doing. Please convey my regards to him. Thank you very much. Thank you very much. Nothing more to add. Jai Hind, Jai Maharashtra.
- **Moderator:**
- Thank you Mr. Rangwala. Our next speaker shareholder is Mr. Dinesh Bhatia. Mr. Bhatia, you have now been placed in the meeting. Kindly unmute your microphone, switch your camera on and speak.



- **Mr. Dinesh Bhatia – Shareholder:**

- First of all I would like to congratulate you and your entire team. The results are excellent! Even during the pandemic, you and your team worked really hard and it is showing here. For the Rs. 5 share we are earning Rs. 26.70 paise. This is a proud moment. Our earnings are 5x more. The second thing I would like to congratulate you and your team for is, for this 15<sup>th</sup> AGM you have declared to split the shares of Re. 5 into Re. 1 share, hence we have 5 shares. This was my suggestion for the day. But before suggesting it, you declared it. And you also declared a bonus of 1:1. So our one share has become 10 shares. Excellent! Congratulations! You have also declared a good dividend of Rs. 4 for Rs. 5 share, that means 80% dividend. This is a great thing. And we are all happy that we are shareholders of such good company and it is a matter of pride.
- The report prepared by the secretarial department and finance department is excellent. I don't have anything to ask. Also, we got a lot of information from the presentation that you gave in the beginning. It is a matter of joy for us. The work done is excellent, the dividend is also excellent, the progress is also excellent. So I would like to thank you and your team, especially to the secretarial team. They shared the link with me to join this meeting. I stay in Bombay and my name is Dinesh Bhatia, thank you. All the best and I support you in all the resolution. Thank you.

- **Moderator:**

- Thank you Mr. Bhatia. Our next two shareholders Ms. Celestine Elizabeth Mascarenhas and Mr. Aloysius Peter Mascarenhas will be joining from a single device. Ms. Mascarenhas you are now placed in the meeting. Kindly unmute your microphone, switch your camera on and speak.

- **Mrs. Celestine Elizabeth Mascarenhas – Shareholder:**

- 0 Respected Chairman Mr. Sanjiv Bajaj, my condolences to emeritus Chairman late Mr. Rahul Bajaj. May his soul rest in peace, a great visionary. Chairman and MD, Mr. Sanjiv Bajaj, Mr. Rajiv Bajaj, other distinguished members of the Board, my fellow shareholders in this VC, I am Mrs. C E Mascarenhas and speaking from Mumbai. First of all, I thank the company secretary and his team for sending me an e-annual report and also registering me at my request. Thank you so much and also assisting me. It is a real good help. This secretarial team is just like the management team, a real connect between the management and the shareholders. I am really in praise of annual report, which is very good, exhaustive but also informative and self-explanatory also at the same time adhering to all the norms of corporate governance. Working is clearly stellar this time, all the fields, PBT-PAT up, a very good dividend, and what's more, just now you have declared a bonus of 1:1 in spite of all these. The whole

market mood has gone up because of the bonus of 1:1 and plus a split. One share by splitting is becoming 5 shares. Total 1 share, mine will become 10 shares. And again, as they say, one shareholder was there, he passed away, so he used to say that giving bonus is like blood donation. Your blood should come back in the system and I know definitely after splitting bonus and all again it will come to the original glory and that I will explain why.

- 0 Now, I congratulate for all the awards, accolades and also I appreciate the CSR work done and also the great ESG initiatives are taken by my company. I would like to know whether you have done any ESG rating and if rating then who is the rating agency? Now my query, which is connected to what I said, see we as Bajaj group we have full confidence that you will always reward the small shareholders. We have a lot of wealth in this company. When I was going through, we have, Bajaj i.e. BHFL which is 100% subsidiary of BFL which is our subsidiary and this subsidiary has done very well. So, I would like to know to unfold the shareholder value in future, not immediately, whether you will think of getting listing as in my view market is really fantastic you know? Also listing of BALIC and BAGIC. Here, I would like to know what is the market share of each of these- BALIC and BAGIC. Also all my best for the Bajaj AMC which is you got permission and all because all the AMCs...many like ICICI AMC and one HDFC AMC all are doing well, UTI AMC and now Bajaj has not remained back. Bajaj has also marched ahead because it is 'Hamara Bajaj', so that is a good thing which is done and definitely we would like to be shareholders of as and when it is listing. My last question is, future roadmap for the next five years. Rest, I support all the resolutions. I wish you and your team all the best, all the very good health and the best is yet come that is what I feel because it has just opened up and we will get served best from you. Thank you so much. Thank you so much for giving me a patient hearing. Now, Mr. Mascarenhas is also registered and will speak.

0 **Mr. Mascarenhas – Shareholder:**

- 0 Respected Chairman sir, very distinguished members of the Board and my fellow shareholders, good afternoon to you all. My name is Aloysius Mascarenhas. At the outset, I thank the management, our Company Secretary and his team and the Registrar for sending me the Balance Sheet which I received on time. It is full of information, pictures, data, graphs, very informative, transparent and above all adhering to all the parameters required for a good corporate governance. Our results are excellent as shown by you by declaring such a good bonus 1:1 and a split from Rs. 5 to Rs. 1. You have really increased our wealth. Very good, Sir! And also a handsome dividend. Very good! We are moving in right direction. You are filling our coffers with money and liquidity. Very good, Sir! Sir, going forward I would like to know who are our peers and competitors and what is our market share and what is our

future roadmap going forward? Sir, many questions have been asked by my predecessor shareholders. I would not like to ask. Only one favor I would require from this company, from your side, is that I have a good quantity of Baja Finserv in physical form. I would like you all and the secretarial department to help me in demating because a lot of problems are faced by me in other companies like signature mismatch because I have taken these shares 25 years back. So, definitely with my age 73+ it is difficult to get a signature before of 25 years. So, I would like your company secretarial department to help me in this regard. With this, Sir, I thank you very much for a patient hearing. Thank you very much. God bless you personally and all your Board Members and more importantly all the employees in the days and years to come. With this, Sir, thank you very much.

0 **Moderator:**

0 Thank you Mr. and Mrs. Mascarenhas. Our next speaker shareholder is Mr. Aspi Bhesania. Mr. Bhesania, we have now placed you in the meeting. Kindly unmute your microphone, switch your camera on and speak.

0 **Mr. Aspi Bhesania – Shareholder:**

0 Chairman Sir, can you see me and hear me?

0 **Moderator:**

0 Yes Sir, we can see you and we can hear you clearly.

0 **Mr. Aspi Bhesania – Shareholder:**

0 Okay. Chairman Sir, I am Aspi from Bombay. Sir, at the outset I congratulate the management on excellent results and with one for one bonus and a split. Sir, I welcome the two new Directors also and I'm sure they'll contribute to the company. Sir, Life Insurance is still incurring a loss, so when do you expect to turn around? Sir, General Insurance is also showing falling profits, so if you can comment on both those comments? Sir, investment and other segment has incurred a loss of 194 crore rupees. Sir, what is that? Is it a Mark-to-Market loss or what is it? Sir, promoter holding is only 60.80%. Sir, in view of the good results I would like you to increase the holding at least by 5% during the year. Sir, thank you very much and all the best for the future.

0 **Moderator:**

0 Thank you, Mr. Bhesania. We move on to our final speaker shareholder who have registered, Mr. Arvind Waikar. Mr. Waikar, we've now placed you in the

meeting. Could you kindly unmute your microphone, switch your camera on and speak?

0 **Mr. Arvind Waikar – Shareholder:**

0 Can you see the camera? Is camera on now?

0 **Moderator:**

0 The camera is not on us yet but we can hear you.

0 **Mr. Arvind Waikar – Shareholder:**

0 One second.

0 **Moderator:**

0 Sir, don't worry. You can use the audio mode only if there's a problem.

0 **Mr. Arvind Waikar – Shareholder:**

0 First of all, actually, you know Bajaj group as such, whether with Bajaj Finance or Bajaj Finserv, has done such a good that, you know, words are inadequate to praise the top management. Basically, let me just tell you that I'm not going to ask you any question. I am going to share a very live example of how our company is so aggressive and active especially in Housing Finance. I'm just sharing, you know, practical experience of just last week where my son in Bangalore started looking for the properties, and believe me, practically almost all the properties we found that Bajaj Housing Finance Ltd. presence was there and they are so aggressive, they're so aggressive, and you know offering very, very-very attractive interest, better tenure, more loan, processing fees and everything is so active. I wanted to just in this meeting, I don't know whether this is the correct forum or I have to ask this question in a Bajaj Finance. Actually, me and my family put together, we are having shares worth more than Rs. 2 crores of Bajaj Finance and Bajaj Finserv put together. But I thought of, you know, appreciating our Mr. Sanjiv Bajaj, the Chairman and the Managing Director of the company, for giving an excellent-excellent push to the team, excellent reputation, excellent name and I can tell you that on the top of that today you have declared the bonus and the split also which is again a very-very healthy sign of our growth. In fact, the market mood has changed. Believe me, the market mood has totally changed because of your announcement, because of the good results of Bajaj Finance and Bajaj Finserv. I think, you know, almost all people are feeling that the market is controlled by Bajaj group only. You know the entire NIFTY is controlled by Bajaj group as such actually, I can tell you that. Now my request is that, if possible

give some preferential treatment to the shareholders. Preferential treatment, I don't mean to say that you should bring down unnecessarily interest and reduce the profit but maybe as a token of appreciation give some small reduction in processing fee or give higher tenure or slightly more loan amount. That means if you're talking about margin money and 90% if you're giving it, maybe you can give 92% or 95% or something like that depending upon the project, depending upon the credential of the lender. But I personally feel that you should give some preferential treatment to the shareholder. That is what only request I have. Thank you so much.

0 **Moderator:**

0 Thank you, Mr. Waikar. All shareholders who have registered to speak at this AGM have now spoken and I shall hand the proceedings back to our Chairman. Over to you, Sir.

0 **Mr. Sanjiv Bajaj – Chairman & MD, Bajaj Finserv Ltd.:**

0 Thank you, shareholders, for your comments, your suggestions and queries. Our CFO Sreeni will answer those now.

0 **Mr. S. Sreenivasan – CFO, Bajaj Finserv Ltd.:**

0 Yeah. First of all, let me thank all the shareholders who spoke and thank you for your appreciation for the results of the company and for the board and the management of the company. Let me try to answer some of the questions that you have asked.

0 The first question from Mr. Rangwala was on the General Insurance business 'Who are your main competitors?' and he did mention LIC and all. In the General Insurance business, our competitors are predominantly New India assurance, ICICI Lombard, HDFC ERGO and there are another 20-25 competitors; an extremely competitive industry. On the Life side, of course, we have LIC and ICICI Prudential and SBI Life as well.

0 Then Ms. Celestine asked a question on, are we getting ourselves rated? The only company which borrows money in our group companies, I should say, is Bajaj Finance and Bajaj Housing Finance and they are both rated Triple A by the rating agencies. As an investment company which does not borrow money, we do not see a reason to get ourselves rated. You also asked about whether we are going to list Bajaj Housing Finance and the insurance companies. As of now, we do not have any plans to list any of these companies. The insurance companies, as the Chairman mentioned earlier, are sitting on significantly high solvency ratios much higher than what the regulation requires and they're also paying dividends as is Bajaj Finance. So,

in the immediate future we do not see a need for either any of these companies to require capital and therefore we are not looking at listing them at least in the near future. You also asked about the future roadmap for the next five years. I think, we will continue doing what we've been doing over the last few years. Clearly, we have a lot of new businesses- Bajaj Finserv Direct, Bajaj Finserv Health, the Asset Management Company and we hope they will all start scaling up in a bigger way and while Bajaj Finance, the General Insurance and Life Insurance companies will also continue to grow profitably as we go along. There was also a question on competitors and market share of the insurance business. In the General Insurance business we have a market share which varies between 6.5% to 7% and in the Life business also, I'm glad to say, that we are about 7% Market Share of the total industry of the individual rated premium.

- 0 There was a request from Mr. Aloysius for help in converting to demat and our secretarial team will be in touch with you to help you in that process.
- 0 There was a question from Mr. Aspi Bhesania about why the Life Insurance company is making losses and why the General Insurance company profits are not growing. In the Life Insurance business it starts in every policy you actually lose money in the first year but then you have a long tail of renewal premiums which are very profitable. So, the faster you grow, the bigger the strain on your reported profit. Therefore, Life Insurance companies are measured by what is called 'New Business Value' which also includes the value of the profits that are expected to be received in future and which we report in our press release as well. Therefore, if the reduction in profit is due to better than industry growth and we are meeting other metrics of New Business Value and retention, it is a very good sign of a growing life company. In the case of General Insurance, yes, the COVID has hit the General Insurance industry but I would like to tell you that last year on an underwriting profit the entire industry lost thousands of crores while Bajaj Allianz General Insurance actually reported an underwriting profit of Rs.63 crores. So, clearly in a business, which is very competitive, our insurance companies continue to seek profitable growth which applies to all our companies. We want all our companies to grow profitably, grow sustainably and with profits.
- 0 Then there was a request that whether promoter holding in the company can be increased from 61%. I would like our Chairman to respond to that question.
- 0 And finally, there was a request for a small reduction in processing fee or some other qualitative benefits from our financing company for shareholders. We will communicate that to Bajaj Finance and see if based on credit rating and asset values whether something can be done on that basis. But as you correctly mentioned, our business is about growing profitably and using the right risk metrics and we'll continue to do that.

- 0 I think that answers all the questions we received today. We have received a few questions by email. There were a couple of questions on stock split and bonus and I think that has been answered very well. There was a question on whether dividend percentage can be increased. The Board does look at the income every year as well as the requirement to fund our new businesses and based on that and in accordance with our dividend policy of 15% of standalone profit we continue to try to meet that. Last year our dividend payout was 15% of the standalone profit of Baja Finserv. There was a question about seeking more details about Baja Finserv Direct. I think, our Chairman has answered that during his opening remarks. It is an open market digital entity which sells financial services products from loans to credit cards to insurance and mutual funds with the objective of attracting more customers as new to Bajaj customers. It is 81.10%, held by your company and 19.90% held by Bajaj Finance.
- 0 I think that answers all the questions we have received till now. And there was some question by Ms. Sharmishtha Pal on employee welfare diversity, and again, I refer to our chairman's opening speech where he covered our ESG efforts in significant manner. Our healthcare efforts, our education efforts, particularly our flagship program 'BEYOND' is focused on women and children as well as youth and we have 67% women in our 'BEYOND' program who are passing out from rural areas and from poor families and we are very pleased about this and we will be scaling that up. In terms of CSR, we have the BRSR report which is the Business Responsibility and Sustainability Report and we look at all the aspects in terms of environment. We do not produce any affluence but do we do produce wind power which is more than what we require. In terms of governance, our corporate governance report for the last several years shows that, you know, we are among the most respected companies in India in terms of CSR programs. We, as I mentioned earlier, we focus on women, children. We have health care initiatives, we have education initiatives, we have taken significant efforts during Covid all of which have been reported by our Chairman earlier. If you would like some more information, please do refer to our report, which I mentioned earlier.
- 0 I hope this answers all your questions and I now hand it over back to our Chairman.
- 0 **Mr. Sanjiv Bajaj – Chairman & MD, Bajaj Finserv Ltd.:**
- 0 Thank you, Sreeni. On the question from one shareholder about the promoter group hiking its stake, as you know, with over 60% shareholding amongst large companies we probably have one of the largest shareholdings. So, we don't want to be very selfish. We want to leave something for you all as well.

- 0 Before I conclude, I would request shareholders to take out some time to respond to the Shareholders Satisfaction Survey that we have circulated along with the Annual Report. Your suggestions and comments will enable us to serve you better.
- 0 Members who have not yet cast their vote are requested to do so now. The voting facility will remain open for another 15 minutes and the result of the voting along with the scrutinizers consolidated report would be declared and posted on the company's website and KFin's website within two working days of conclusion of this AGM. It will also be filed with the stock exchanges. A recorded transcript will also be made available on the company's website as soon as possible. Subject to voting, I declare the proceedings of the meeting as concluded. I thank you for participating at the meeting and, as I close, I and all our directors pray for your good health and safety. Thank you.

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