



CREATING TOMORROW'S INDIA TOGETHER

16th Annual Report
2023-2024



Contents

CORPORATE OVERVIEW

- 01 Corporate Information
- 02 Leading the way
- 04 Your Home Your Way
- 06 Key Focus Areas
- 07 The Year Gone by
- 08 Our Journey

STATUTORY REPORTS

- 10 Management Discussion and Analysis
- 26 Directors' Report
- 45 Report on Corporate Governance
- 63 General Shareholder Information
- 71 Business Responsibility and Sustainability Report

FINANCIAL STATEMENTS

- 105 Independent Auditors' Report
- 116 Financial Statements

Corporate Information

Board of Directors

Sanjiv Bajaj

Chairman

Rajeev Jain

Vice Chairman

Anami N Roy

**Dr. Arindam Kumar
Bhattacharya**

Jasmine Chaney

Atul Jain

Managing Director

Audit Committee

Anami N Roy

Chairman

Jasmine Chaney

(w.e.f. 1 April 2023)

**Dr. Arindam Kumar
Bhattacharya**

Rajeev Jain

Nomination and Remuneration Committee

**Dr. Arindam Kumar
Bhattacharya**

Chairman

Anami N Roy

Rajeev Jain

Corporate Social Responsibility Committee

Anami N Roy

Chairman

Sanjiv Bajaj

Rajeev Jain

Stakeholders Relationship Committee

Anami N Roy

Chairman

Sanjiv Bajaj

Rajeev Jain

Risk Management Committee

Directors

**Dr. Arindam Kumar
Bhattacharya**

Chairman

Sanjiv Bajaj

Rajeev Jain

Anami N Roy

Jasmine Chaney

(w.e.f. 1 April 2023)

Atul Jain

Senior Executives

Niraj Adiani

Gaurav Kalani

Ajita Kakade

(up to 31 May 2024)

Gagandeep Malhotra

(w.e.f. 1 June 2024)

Vijay Solanki

IT Strategy Committee

Directors

**Dr. Arindam Kumar
Bhattacharya**

Chairman

Sanjiv Bajaj

Rajeev Jain

Jasmine Chaney

(w.e.f. 1 April 2023)

Atul Jain

Senior Executives

Anurag Jain

Gaurav Kalani

Niraj Adiani

Chief Financial Officer

Gaurav Kalani

Company Secretary

Atul Patni

Joint Statutory Auditors

Khandelwal Jain & Co.

G D Apte & Co.

Secretarial Auditor

Shyamprasad D Limaye

Bankers

Kotak Mahindra Bank

State Bank of India

Bank of Baroda

Canara Bank

HDFC Bank

Bank of India

Union Bank of India

Axis Bank

Debenture Trustee

Catalyst Trusteeship Ltd.

GDA House, Plot No. 85,

Bhusari Colony (Right),

Paud Road, Pune-411 038

Maharashtra

Tel No.: (020) 66807200

Email ID: [ComplianceCTL-Mumbai@
ctltrustee.com](mailto:ComplianceCTL-Mumbai@ctltrustee.com)

Website: [https://catalysttrustee.
com/](https://catalysttrustee.com/)

Registrar and Transfer Agent

KFin Technologies Ltd.

Selenium Tower B, Plot 31-32,

Gachibowli,

Financial District, Nanakramguda,

Hyderabad - 500 032

Tel. No. 1800 309 4001

Email ID: einward.ris@kfintech.com

Website: [https://www.kfintech.
com/](https://www.kfintech.com/)

Registered Office

Bajaj Auto Limited Complex,

Mumbai- Pune Road, Akurdi,

Pune - 411035

Maharashtra

Corporate Office

5th Floor, B2 Cerebrum IT Park,

Kumar City, Kalyani Nagar,

Pune - 411 014 Maharashtra

Website: [https://www.
bajajhousingfinance.in/](https://www.bajajhousingfinance.in/)

CIN: U65910PN2008PLC132228

To view this report online, please visit:

www.bajajhousingfinance.in

LEADING THE WAY

Gagandeep Malhotra
Chief – Credit & Operations

Gaurav Pruthi
Executive Vice President
Debt Management Services

Anurag Jain
Chief – Information Technology

Vijay Solanki
Treasurer

Dushyant Poddar
Executive Vice President
Developer Finance

Niraj Adiani
Executive Vice President
Risk

Sayantani Dutta
Chief – Human Resources
and Administration



Pawan Bhansali
Senior Executive Vice President
Near Prime and Affordable Business

Amit Sinha
Executive Vice President
Home Loans

Atul Jain
Managing Director

Vipin Arora
Executive Vice President
CRE & LAP

Gaurav Kalani
Chief Financial Officer

YOUR HOME, YOUR WAY™

Home ownership is a special milestone, & we understand the importance of having the right partner in this journey.

Whether you are salaried, self-employed, or a professional, our Home Loans offer competitive solutions for all. From loans starting as low as ₹ 10 Lakh, our solutions are built for every need. Be it finance for an under-construction or a resale property, or a home loan balance transfer, we are committed to supporting you in realising your dream home, your way.



EASE OF APPLICATION

Convenient application and processing with a quick turnaround time

- DIY Home Loan application, WhatsApp application, 'Call to Apply', etc.
- Doorstep documentation
- Disbursal in 72 hours*



TAILORED REPAYMENT SOLUTIONS

Customised solutions to help make dreams a reality

- EMI Holiday Scheme
- Decide Your Own EMI
- Lower Upfront Downpayment





BEYOND HOME LOANS

Full suite mortgage solutions for every need

- Loan Against Property
- Developer Finance
- Lease Rental Discounting

Delivering seamless experiences anytime, anywhere



SERVICE AT YOUR FINGERTIPS

Online solutions that make every task easy & accessible

- 24x7 account accessibility
- Online service options beyond Web & App – including WhatsApp, Chatbot, and Direct Call



*T&C apply

KEY FOCUS AREAS



DELIVERING GROWTH WITH LOW RISK

We focus on creating a sustainable, low-risk business model – evidenced by our low GNPA of 0.27% (as of 31 March 2024) and growth momentum with an AUM of ₹ 91,370 Crore (as of 31 March 2024). Further, with strong capital support from the parent company, BHFL had a CRAR of 21.28%, well above the regulatory requirement.



IN PURSUIT OF PROCESS EXCELLENCE

We focus on leveraging advanced technologies to streamline our operational processes, ensuring seamless and efficient service delivery to our customers. Key areas include ML and AI-driven solutions and user-friendly digital platform.



A FULL SUITE MORTGAGE PROVIDER

We provide a full suite of mortgage solutions – from Home Loans, Loans Against Property, and Developer Finance to Lease Rental Discounting. Catering to both residential and commercial properties, we offer a range of financing solutions for everyone – be it a first-time homebuyer or a homeowner, regardless of the funding required.



THE YEAR GONE BY

₹ 91,370 Cr

Assets Under Management

₹ 44,656 Cr

Disbursement

₹ 2,161 Cr

Profit Before Tax

21.28%

Capital Adequacy Ratio

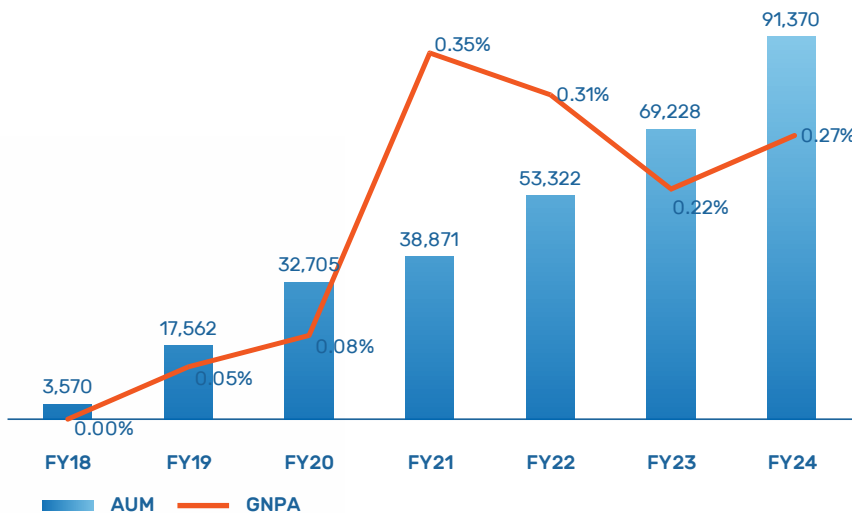
0.27%

Gross Non-Performing Assets

174

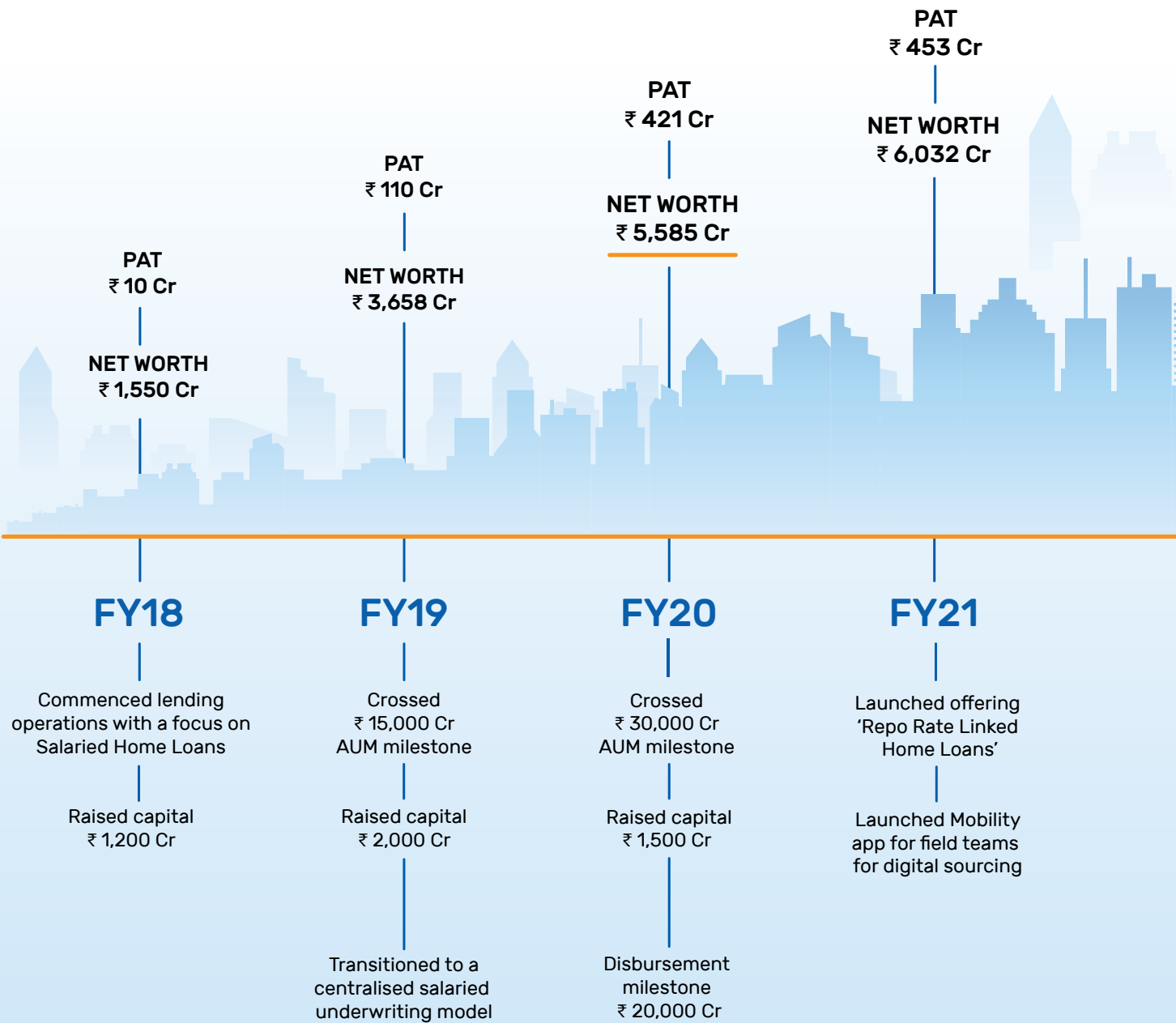
Number of Locations Served

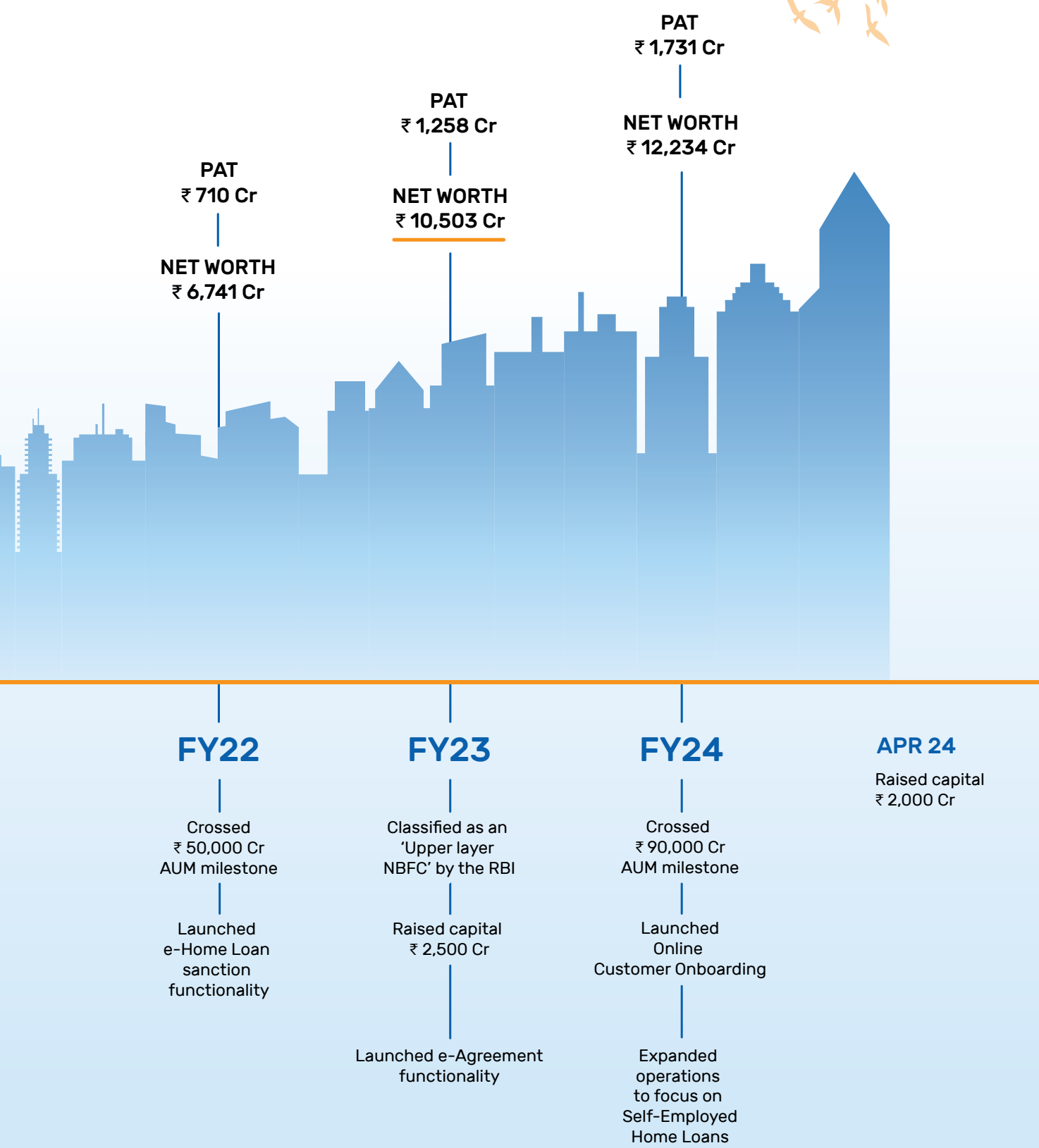
OUR GROWTH IN NUMBERS



ASSETS UNDER MANAGEMENT
7-YEAR CAGR
72%

OUR JOURNEY





MANAGEMENT DISCUSSION AND ANALYSIS

Bajaj Housing Finance Ltd. ('BHFL' or 'the Company') is registered with National Housing Bank (NHB) as a Housing Finance Company (HFC). It is a wholly owned subsidiary of Bajaj Finance Ltd. ('BFL'). BHFL is engaged in the business of mortgage lending since 2017-18. Under the scale based regulations of the RBI, BHFL has been categorised as an Upper Layer NBFC (NBFC-UL) since 30 September 2022, one of 15 NBFCs classified by the RBI under this framework.

Macroeconomic Overview

Despite three turbulent years which witnessed a global pandemic, supply chain disruptions, conflict in Ukraine, and elevated interest rates to counter high inflation, India emerged as the fastest growing major economy of the world. Notwithstanding conflicts in Europe and Gaza and rising tensions in West Asia, the key indicators have turned positive though the major central banks have not yet begun reducing their key interest rates.

According to the IMF's World Economic Outlook (April 2024), inflation is falling faster than expected in most regions; and it has forecast global headline inflation to fall to 5.9% percent in 2024 and further to 4.5% in 2025, with the possibility of the 2025 forecast being further revised downwards.

In a milieu where the IMF has projected the world's real GDP growth at 3.2% in 2024 and 3.2% in 2025, its forecasts for India are impressive: 6.8% in 2024 followed by yet another stint of 6.5% in 2025. Indeed, the IMF has placed India as the fastest growing major economy in the world.

With a fair degree of control over retail inflation despite high and growing domestic demand and significant Government-led capital expenditure, India has recorded robust growth in FY2024. The second advance estimate of national income released by the National Statistics Office (NSO) on 29 February 2024 has pegged real GDP growth in FY2024 to be 7.6% versus 7% (first revised estimate) in FY2023. Table 1 gives the data on real GDP and GVA over the last four financial years.

Table 1: Real GDP and GVA and growth, India

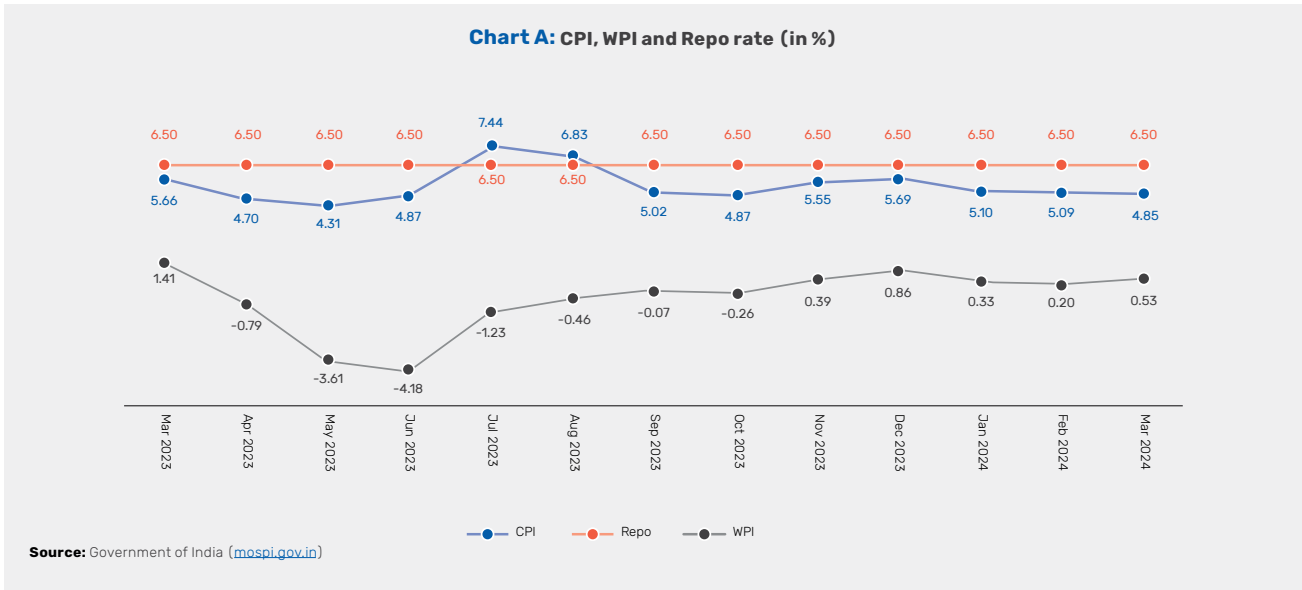
	FY2021 (2nd RE)	FY2022 (2nd RE)	FY2023 (1st RE)	FY2024 (2nd AE)
Real GDP (₹ in trillion)	136.9	150.2	160.7	172.9
Real GVA (₹ in trillion)	126.8	138.8	148.0	158.3
Real GDP growth	(5.7%)	9.7%	7.0%	7.6%
Real GVA growth	(4.1%)	9.5%	6.7%	6.9%

Source: Government of India, National Statistics Office (NSO). AE denotes advance estimate, and RE denotes revised estimate.

The first three quarters of FY2024 have witnessed impressive real GDP growth. Q1 FY2024 saw 8.2% growth; this was followed by 8.1% in Q2 FY2024; and then by 8.4% in Q3 FY2024. If numbers such as these prevail in the fourth quarter, then it is safe to assume that the actual GDP growth for FY2024 will comfortably exceed the second advanced estimate of 7.6%. The major driver of growth has been the Central Government-led capital expenditure.

Consumer price inflation (CPI) moderated in first three quarters of FY2024, with average retail inflation easing to 5.5%. The decline was on account of benign core (non-food, non-fuel) inflation, which reduced to a four year low of 3.8% in December 2023. CPI was 5.1% in January 2024 and 5.09% in February 2024. The monetary policy report of the RBI dated 5 April 2024 suggests that the moderation in inflation in Q3 and Q4 FY2024 was a result of weakening of supply side shocks - especially in food prices - and from the transmission of past monetary policy actions. Of course, regarding inflation, adverse weather conditions and escalating geopolitical hostilities remain key risks.

In any event, overall retail inflation is now stable and within the tolerance band of the RBI. Chart A depicts the movement of consumer price index (CPI), wholesale price index (WPI) and the repo rate since March 2023 over the respective month.



The RBI’s Monetary Policy Report of 5 April 2024 expects India’s real GDP for FY2024 will grow by 7.6%. And that CPI inflation will decline from 5.4% in FY2024 to 4.5% in FY2025, with most of the decline occurring in the first half of FY2025.

So, it would seem that the Indian economy has weathered the external shocks reasonably well. It is by far the fastest growing major economy in the world. The growth impetus continues across all major sectors. Inflationary pressures have abated. The Current Account Deficit (CAD) is well under control.

Industry overview

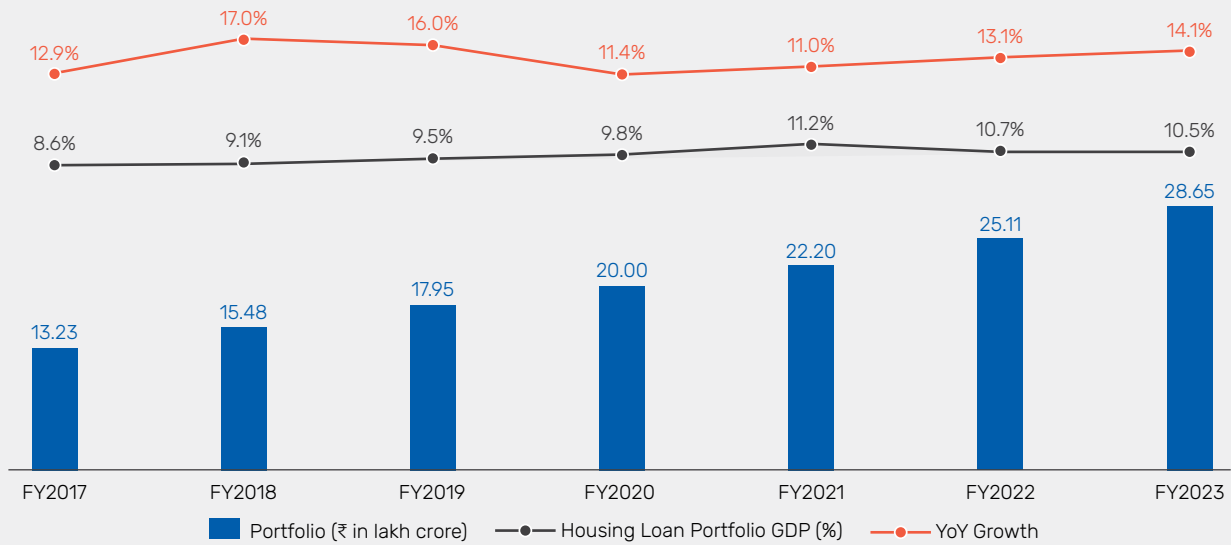
Real estate sector and Housing Finance Companies (HFCs)

The growth of the lending sector has been resilient despite being severely tested by four large external events in the last few years: (i) demonetisation, (ii) GST implementation, (iii) failure of a few large NBFCs, and (iv) the pandemic.

Real estate sector continued to witness resilient growth in both residential as well as commercial real estate sectors aided by higher disposable income, increased pace of urbanisation and continued government boost towards 'Housing for All'. Residential real estate sector maintained its growth run indicating from lead indicators of launches as well as absorption across key mortgage markets owing to robust end user demand and improved affordability. Both launches and absorption witnessed growth in FY2024. Unsold inventory continued to witness downward trajectory and inventory overhang also touched its lowest levels in last decade due to higher absorption growth vis-à-vis launches growth. Commercial real estate market also witnessed traction post its Covid-19 aftereffects. The overall supply improved with the increase in work from office trend by corporates and healthy leasing trend. This resulted into reduction of vacancy levels sequentially.

Housing finance market continued to witness growth trajectory in FY2022 and FY2023 despite repo rate increase of 250 bps during this period. Outstanding individual housing loans as % to GDP stood at 10.52% as of 31 March 2023, remaining significantly lower than those of developed nations. Housing loan portfolio of scheduled commercial banks (SCBs) and HFCs stood at 28.65 lakh crore as of 31 March 2023 (source: NHB Annual Report 2022-23) as against 25.11 lakh crore as of 31 March 2022, a growth of 14.1%. Housing loan portfolio as of 30 September 2023 grew to 30.26 lakh crore; witnessing annualised growth of 11% as against 31 March 2023 (source: NHB Annual Report on Trends and Progress of Housing in India). Outstanding individual housing loan portfolio of HFCs grew from 4.49 lakh crore to 5.16 lakh crore, a growth of 14.9% which further grew 12.8% annualised to 5.49 lakh crore as of 30 September 2023. As of 30 September 2023, mix between SCBs and HFCs within individual housing loan outstanding stood at 81% and 19% respectively. (source: NHB Annual Report on Trends and Progress of Housing in India). The share of HFCs has dropped post the merger of HDFC Limited with HDFC Bank Limited.

Chart B: Housing Loan Portfolio of SCBs and HFCs



Source: NHB Annual Report and Report on Trends and Progress of Housing in India

Regulatory Change

The NBFC sector is an important stakeholder of the Indian financial sector. Strengthened regulation and enhanced oversight are in place to further strengthen the resilience of this key sector. The RBI has implemented a series of measures which have played an important role in strengthening the NBFCs / HFCs.

Given the size and impact of the Housing Finance and Non-Banking Finance Companies in India, the RBI has been standardising and harmonising various regulations and directions across entities such as Banks, NBFCs, HFCs, etc. The RBI continued its focus towards financial stability within India while the worldwide situation turns increasingly vulnerable to financial crisis and recession. Considering the growing size, complexity and interconnectedness of NBFCs, a revised scale-based regulatory (SBR) framework has been implemented to harmonise the regulations of NBFCs / HFCs with those of banks, wherever appropriate. BHFL continues to be a part of the Upper Layer NBFCs for the FY 2023-24 as per the last RBI notification in this regard dated 14 September 2023.

The RBI released a gamut of regulations during the FY 2023-24 through which it seeks to implement tighter regulatory controls and governance mechanisms. The RBI took steps to consolidate and harmonise its laws and stipulations for the different categories of Regulated Entities (RE's) with the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023' which now governs all NBFCs including Housing Finance Companies. It also published various new and amendatory regulations encompassing various aspects towards customer fairness and transparency including Fair Lending Practice – Penal Charges in Loan Accounts (applicable from next financial year) and Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans. The RBI increased risk weight on unsecured retail loans from 100% to 125% and also increased risk weight on bank exposures to NBFCs by 25% subject to a cap of 100%.

The National Housing Bank (NHB) also published circulars / advisories to HFCs on purpose of loan, early warning signal framework and monitoring of frauds.

The Company

Bajaj Housing Finance Limited, is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015, to carry the business of housing finance. BHFL started its lending operation from July 2017. BHFL is currently regulated by the RBI and supervised by the NHB. During the year, BHFL also got registered as a corporate agent with the Insurance Regulatory and Development Authority of India (IRDAI). BHFL is categorised as an Upper Layer NBFC under the SBR framework of the RBI. The Company has met all regulatory guidelines as per the SBR framework within the stipulated timeline. One of the requirements of regulations is equity listing of the Company within 3 years of classification as Upper Layer. The Company got classified as Upper Layer NBFC on 30 September 2022, hence shall be required to go public on or before 30 September 2025. BHFL is presently a high value debt listed company with its debt listed on the BSE.

As per the RBI's regulation for HFCs to maintain Principal Business Criteria (PBC) of 60% as on 31 March 2024, the Company has achieved the regulatory requirement with PBC of 61.43%.

BHFL offers complete product suite of mortgages: (i) home loans; (ii) loans against property; (iii) lease rental discounting and (iv) developer financing.

BHFL enjoys the highest credit rating of AAA/stable from CRISIL and India Ratings for its long-term debt programme and A1+ from CRISIL and India Ratings for its short-term debt programme which reflects its financial position and repayment ability of financial obligations.

BHFL ranks amongst the largest housing finance companies in India and aims to continue to expand its retail as well as commercial businesses. The Company is focused on building low-risk medium-return portfolio where home loans contribute 58% of portfolio. Of which, 92% pertains to lower risk segments of salaried and self-employed professional customers.

The Company aims to scale its retail home loan portfolio through: (i) leveraging developer ecosystem to acquire higher mix of home loans from the Developer Finance funded projects, (ii) expand distribution reach through structured framework with intermediaries for increased activation and higher penetration, (iii) deepen relationship in existing developer projects, and (iv) geographical expansion to increase footprint from present 174 locations to 250+ locations.

BHFL's developer finance portfolio has held well and delivered superlative portfolio metrics driven by the Company's underwriting practices and monitoring mechanism. It aims to expand its market share through: (i) deepening relationship with existing customers, (ii) onboarding new customers, and (iii) expanding operating locations to build granular portfolio while stabilising existing locations to reduce concentration risk.

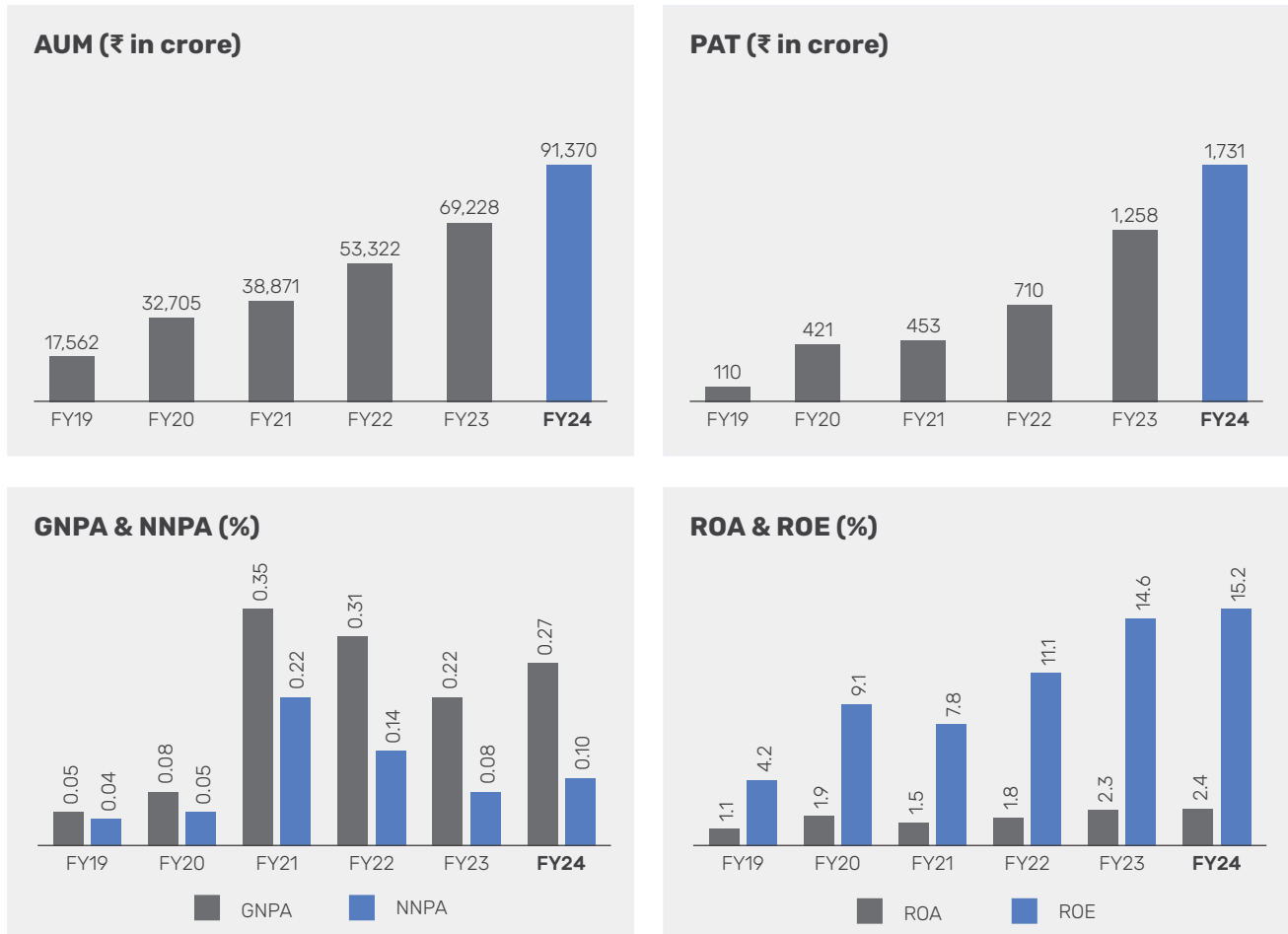
Commercial real estate portfolio has demonstrated immaculate portfolio performance since inception while continuing to maintain high growth and onboarding marquee customers. Business also offers construction finance for commercial real estate, a funnel for lease rental discounting product. The Company also offers lease rental discounting for build to suit warehousing properties to leverage growing opportunity in organised warehousing space.

The performance highlights for FY2024 are given below.

BHFL's Performance Highlights, FY2024

- Assets under management (AUM) grew by 32% to ₹ 91,370 crore
- Total income rose by 34% to ₹ 7,618 crore
- Net total income (NTI) increased by 19% to ₹ 2,925 crore
- Opex to NTI reduced from 25.7% of FY2023 to 24.0% in FY2024
- Pre-impairment operating profit increased by 22% to ₹ 2,222 crore
- Impairment on financial instruments were ₹ 61 crore as against ₹ 124 crore in FY2023
- Profit before tax (PBT) increased by 27% to ₹ 2,161 crore
- Profit after tax (PAT) increased by 38% to ₹ 1,731 crore
- Capital adequacy ratio as of 31 March 2024 was 21.28%, well above the regulatory norms

Chart C: Key metric trends of last 6 years



Competitive intensity through the year continued to remain elevated in the home loan space reflected in finer pricing, thrust of securing higher secured portfolio mix by scheduled commercial banks while the private banks continued to remain aggressive. BHFL aims to continue expanding its market share on disbursement front despite fierce competition.

FY2023 witnessed policy rate transmission in interest rates on assets side however lagged impact of transmission on liabilities side was visible in current year’s financial performance. This impact coupled with intense competitive intensity in acquisition pricing reflected into NIM compression.

BHFL delivered 32% YoY growth in terms of assets under management (AUM) driven by growth in its retail as well as commercial businesses. This growth was also aided by the pool purchase program which was started in March 2023 to partner with other HFCs, NBFCs and small finance banks.

BHFL continues to hold its portfolio performance with one of the lowest GNPA in the industry which stood at 0.27% as on 31 March 2024 driven by stringent underwriting standards and portfolio monitoring.

BHFL continues to maintain its diversification strategy in borrowing mix through active treasury management and addition of new funding sources like the NHB refinance. BHFL’s capital adequacy ratio stood at 21.28% as on 31 March 2024; above the regulatory requirement of 15%. The Company has further raised ₹ 2,000 crore in the first week of April 2024 through rights issue to fund its growth plans for FY2025.

Home Loans

BHFL offers home loans for ready to move in and under construction properties to mass affluent salaried, self-employed and professional customers through new purchase, resale and balance transfer propositions across 174 locations and average loan value remains ₹ 4.6 million. BHFL originates home loans through direct to customer strategy leveraging builder ecosystem and intermediary channels by dedicated teams with faster turnaround time. It follows micro-market approach and focuses on expanding distribution for customer origination. Home loans business AUM grew by 24% and stood at ₹ 52,819 crore as on 31 March 2024.

Loan Against Property (LAP)

BHFL serves loan against property product to SMEs, MSMEs, self-employed individuals and professionals and salaried customers against their residential and commercial properties. LAP business operates across 74 Locations with average loan value of ₹ 5.8 million. Sourcing mix comprises both direct as well as indirect channels with separate teams for dedicated focus on expanding both channels. LAP business AUM stood at ₹ 9,568 crore as on 31 March 2024 and grew by 22% against FY2023.

Lease Rental Discounting (LRD)

BHFL caters to the lease rental discounting needs of high net-worth individual (HNI), corporates and developers for their lease rental discounting needs with loan amounts ranging from ₹ 10 crore to ₹ 550 crore. LRD financing is backed by lease rental cashflows from prominent lessees of the mortgaged commercial properties which are backed by ESCROW mechanism and are continuously monitored by dedicated risk team. Business is present in 14 locations with focus on building granular portfolio and offers additional product suite of construction finance for commercial properties, lease rental discounting for warehouses and industrial properties. Business registered 57% YoY growth and AUM stood at ₹ 17,637 crore as on 31 March 2024.

Developer Loans

BHFL offers residential construction finance facility to developers who have a demonstrated track record of project delivery and timely repayments. To minimise execution risk, financing is linked with the stage of completion of project. Business operates in 13 locations with average loan value of ₹ 45 crore. Business is focused on building granular book while maintaining portfolio quality which is continuously monitored through dedicated risk function. BHFL also provides inventory finance against unsold inventory of the developers. These developer relationships act as sourcing channel to acquire low risk retail home loans which is leveraged by retail teams. AUM under this business stood at ₹ 9,599 crore as on 31 March 2024, growth of 69% over FY2023.

Partnerships and Services

In partnership with various financial service providers, BHFL offers life insurance, general insurance, health insurance, online primary healthcare assistance services and other financial services products to its customers. The Company received Corporate Agency licence from the IRDAI during the year with the aim of meeting the insurance needs of the customers while enhancing the fee income pool.

Borrowings

Borrowings as at 31 March 2024 stood at ₹ 69,129 crore as against ₹ 53,745 crore as at 31 March 2023. As a mix of overall borrowings, bank borrowings constituted 51%, non-convertible debentures (NCD) 35%, NHB Refinance 10% and commercial paper 4%. The Company received fresh sanction of ₹ 5,000 crore and availed loan from the NHB under various refinance schemes during the year thereby supporting ALM, broadening the Company's borrowing mix and maintaining the overall cost of funding.

During the year, the Company raised ₹ 9,900 crore from term loans, ₹ 8,602 crore from NCDs and ₹ 5,499 crore from NHB refinance.

The Company executes assignment transactions with other financial institutions where the Company continues to service the portfolio. The Company had assigned portfolio outstanding of ₹ 12,069 crore as on 31 March 2024.

Investments

The Board has constituted an investment committee as a sub-committee of ALCO. The Investment committee monitors the investment portfolio of the Company in line with investment policy limits.

The Company had outstanding investments (including cash and bank balances) of ₹ 2,003 crore as at 31 March 2024 in the form of Treasury bills/ government securities (₹ 1,938 crore), mutual funds (₹ 1 crore) and balances with banks (₹ 64 crore). The average return on liquid investments was 6.9% during the year. The Company invests in high quality liquid assets (HQLA) to maintain LCR requirement defined by the regulator.

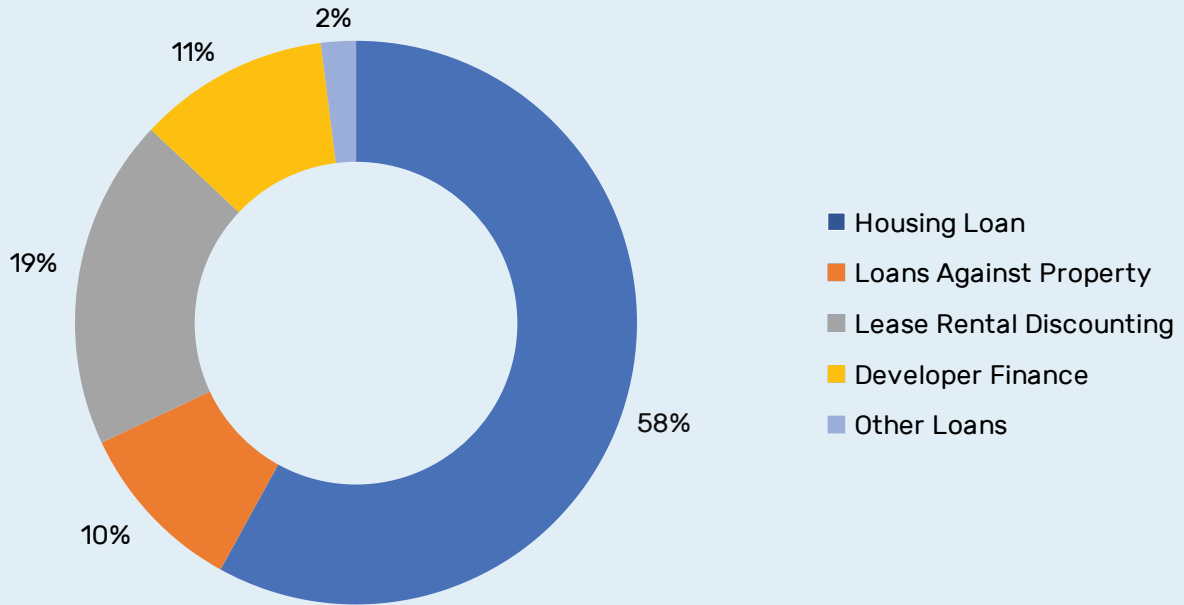
Table 2: BHFL's average return on investments

Particulars	Average Yield (%)
Government Securities	7.0
Mutual Funds	6.9
Fixed deposit with banks	6.4

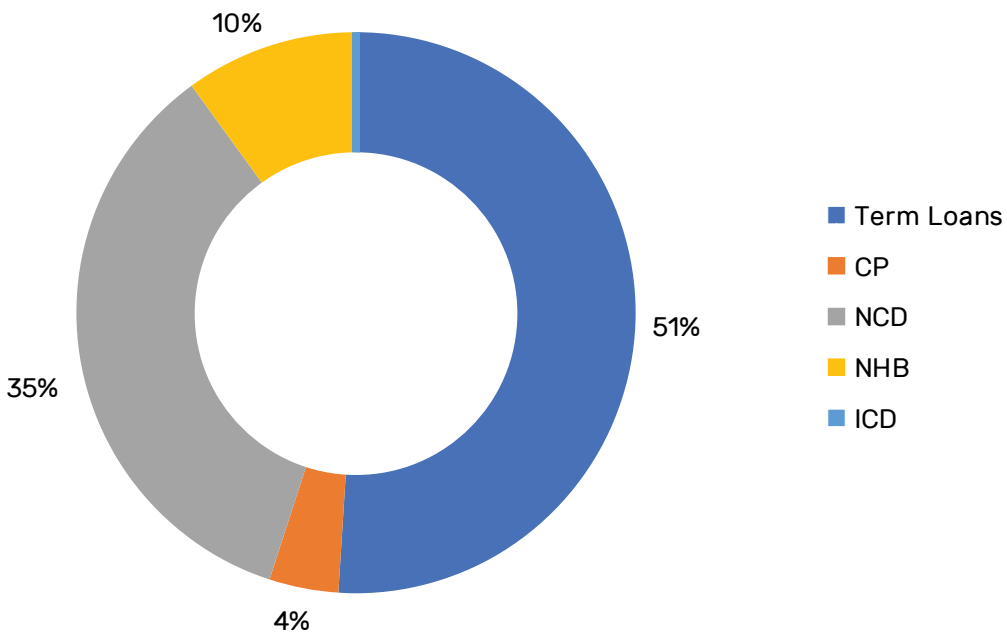
OUR PRODUCTS

	HOME LOAN	LOAN AGAINST PROPERTY	LEASE RENTAL DISCOUNTING	DEVELOPER FINANCE
Customers	<p>Salaried, professional and self-employed individuals</p> <p>Caters to the Mass Affluent & above segment</p>	<p>Salaried, professional and self-employed individuals</p>	<p>Primary comprising HNIs and developers</p> <p>The lessee base comprises major Indian corporations and MNCs</p>	<p>Residential and commercial real estate development</p>
End-Use	<p>Designed to provide finance for new home purchases, resales, and balance transfers</p> <p>Also provides the option to link Home Loans to external benchmarks, such as the repo rate</p>	<p>Designed to extend finance against a residential or commercial property as collateral</p> <p>Also provides a 'Flexi' facility, which allows customers to withdraw and make partial payments at their convenience</p>	<p>Designed to finance commercial properties with established lease rental cash flows from reputable tenants engaged in long-term lease agreements</p> <p>Focus remains on 'Grade A' commercial properties, encompassing premier developers, global private equity firms, listed REITs, and sovereign funds.</p>	<p>Designed to extend construction finance to developers with a proven record of on-time project completion, strong financial health, and consistent loan repayment practices</p>
Sourcing Strategy	<p>Employs a micro-market approach, utilizing both direct customer relationships and partnerships with intermediaries</p>	<p>Origination is conducted through direct-to-consumer and intermediary channels by teams dedicated to each channel</p>	<p>Acquisition is facilitated by our relationship management team, supported by comprehensive due diligence from our internal team and external legal and technical consultants</p>	<p>Employs a direct-to-consumer approach with dedicated sourcing teams across locations to track local market trends, monitoring new project launches and absorption rates</p>
Operational in	174 locations	74 locations	14 locations	13 locations
Loan Size (at origination)	46 Lakh	58 Lakh	100 Cr	45 Cr
Loan to Value ratio (at origination)	70%	55%	-	-
	76% customers have a bureau score >750	71% of the total book constitutes self-occupied residential property	237 customers	616 Active funded projects

Our portfolio comprises a full suite of mortgage solutions for a wide range of geographies and borrowers, offering competitive terms for individuals, developers, and enterprises, among others.



AUM Mix



Borrowing Mix

Financial Performance

Table 3 gives BHFL's standalone financial performance for FY2024 vis-à-vis FY2023.

Table 3: Standalone Financials

Particulars	(₹ in crore)		
	FY2024	FY2023	Change
Total income	7,618	5,665	34%
Interest and finance charges	4,693	3,211	46%
Net total income	2,925	2,454	19%
Total operating expenses	703	630	12%
Pre-impairment operating profit	2,222	1,824	22%
Impairment on financial instruments	61	124	(51%)
Profit before tax (PBT)	2,161	1,700	27%
Profit after tax (PAT)	1,731	1,258	38%
Other comprehensive income/ (expenses)	(1)	4	(125%)
Total comprehensive income	1,730	1,262	37%
Earnings per share (EPS) basic, in ₹	2.58	1.88	

Table 4: Key Ratios

Ratios	FY2024	FY2023
Net total income (NTI) to average loans	4.1%	4.5%
Total operating expenses to Net Total Income	24.0%	25.7%
Return on equity (ROE)	15.2%	14.6%
Capital to risk-weighted assets ratio (CRAR)	21.28%	22.97%
Tier I	20.67%	22.19%
Tier II	0.61%	0.78%
Gross NPA	0.27%	0.22%
Net NPA	0.10%	0.08%
Provisioning coverage ratio (PCR)	63.7%	63.6%
EPS - Basic (₹)	2.58	1.88
Diluted (₹)	2.58	1.88

Assets Under Management (AUM): Snapshot

Table 5 (a): Assets Under Management across major business verticals

Particulars	(₹ in crore)			
	FY2024	FY2023	Change	AUM Mix
Housing loans (including top ups)	52,819	42,707	24%	58%
Loan against property	9,568	7,817	22%	10%
Lease rental discounting	17,637	11,260	57%	19%
Developer finance	9,599	5,669	69%	11%
Other loans	1,747	1,775	(2%)	2%
Total	91,370	69,228	32%	100%

Table 5 (b): Assets Under Management as per regulatory criteria

(₹ in crore)

Particulars	FY2024			FY2023		
	AR	AUM	AUM Mix	AR	AUM	AUM Mix
Housing loans	41,949	43,832	48%	32,648	35,007	51%
Non-Housing loans	16,323	19,916	22%	13,818	16,935	24%
CRE-residential housing	8,095	8,095	9%	4,859	4,859	7%
CRE	12,934	19,527	21%	10,789	12,427	18%
Total	79,301	91,370	100%	62,114	69,228	100%
IHL PBC%	51.49%			50.74%		
Overall PBC%	61.43%			58.30%		

Risk Management and Portfolio Quality

The Company's risk governance framework for identification, evaluation and management of various risks includes credit risk, market, liquidity and interest rate risk, operational and reputational risk and technological risk. The Risk Management Committee (RMC) comprising directors and senior management team members reviews the performance quarterly.

Credit Risk

Credit risk is governed by various product policies. The Company has a Standard Operating Procedure (SOP) document in place that describing the due-diligence guidelines and includes credit evaluation, legal appraisal, technical appraisal, verification, valuation and documentation. Based on the structured and standardised credit approval process, the in-house underwriting teams carries out comprehensive credit appraisals of the sourced loan. Centralised underwriting in retail products enable the Company to maintain controllership, standardisation in decisioning and reduce turnaround time. The digitised credit processes with automated API driven verification process, system validations built in along with integration of Account Aggregator functionality seeks to make it robust and error free quick decision making without compromising on quality of underwriting and dilution in operational activities thereby reducing TAT.

The dedicated risk function of the Company carries out portfolio level monitoring to identify risks based on early warning signals and through-the-door monitoring enabled by digital tools which helps the Company to take real time corrective measures. Periodic review mechanism aids the Company to hold portfolio performance and implement incremental checks. Considering the dynamic and evolving market scenarios, risk polices, and processes are refreshed to include emerging risk metrics.

Thorough monitoring, early warning signals and instant actions enable the Company to maintain its portfolio quality. Gross NPA and Net NPA stood at 0.27% and 0.10% as at 31 March 2024 as against 0.22% and 0.08% as at 31 March 2023 respectively. The Company holds management overlay provision including macroeconomic overlay of ₹ 94 crore as on 31 March 2024 as against ₹ 237 crore as on 31 March 2023.

Table 6 depicts the stage wise loans of the Company

Table 6: Stage wise loans of the Company

(₹ in crore)

Particulars	Exposure at Default (EAD)	Expected Credit Loss (ECL)	ECL / EAD (%)	EAD Mix (%)
Stage 1	79,319	319	0.40%	99.37%
Stage 2	290	68	23.45%	0.36%
Stage 3	216	137	63.43%	0.27%
Total	79,825	524	0.66%	100.00%

Market risk, liquidity risk and interest rate risk

The Company evaluates market, liquidity and interest rate risks and macro-economic events through its monthly ALCO reviews to address any impending risks. Interest rate risk is managed by matching fixed and floating rate assets and liabilities, monitoring the duration of investment portfolio and through interest rate swaps as per the Board approved interest rate risk and currency risk hedging policy.

Operational and reputational risk

Operational Risks are governed through various transactional level internal process audits and supplemented by Internal Compliance Audit team. Such audits are conducted basis various automated reports to identify the risk and trigger based actions are taken to minimise the impact. The centralised service team continuously monitors customer requests and escalations on social media and regulatory channels to provide end-to-end resolution for seamless customer experience and avoid reputational risk to the Company.

Technological risk

BHFL has well defined Information security and cyber security framework to address risks. The Company has an IT Strategy Committee, IT Steering Committee and Information Security Committee for oversight over the Company's IT landscape. The Web Application Firewall (WAF) protects against attacks like DDoS. The Company has successfully upgraded ISO 27001-2022 certification to the latest standards for information security. A 24x7 Securities Operations Center (SOC) monitors security events and Data Leakage Prevention (DLP) protects critical data & customer personal information.

Asset Liability Management (ALM)

BHFL has Board level committee of Directors, Management level 'Asset Liability Committee (ALCO)' and a sub-committee to monitor its asset liability management. Management level committee meets every month to monitor mismatches and ensure adequate level of liquidity.

ALCO reviews macroeconomic indicators affecting the industry as well as the Company along with liquidity position, interest rate scenario, balance sheet growth and liability maturities and guides the treasury team on fund raising plan. The committee monitors the regulatory Liquidity Coverage Ratio (LCR) to ensure compliance as well as liquidity maintenance. The LCR stood at 192% as on 31 March 2024 as against regulatory requirement of 85%. Management level 'Investment Committee' also monitors investment position on monthly basis as per board approved investment policy.

Liquidity risk is being managed in accordance with liquidity risk management framework and Asset Liability Management Policy. The Company maintains minimum daily liquidity as per the LCR requirement which is kept in the form government securities, treasury bills and cash and bank balances. The Company also invests in liquid mutual funds to meet its liquidity requirements for business growth.

To manage the interest rate risk arising from mismatch of fixed rate liabilities and floating rate assets, the Company enters into interest rate swaps to convert notional amount of fixed rate liability into floating rate liability. The Company also monitors Interest rate risk by bucketing rate sensitive assets and liabilities under defined maturity buckets and monitors gap limits set by board through ALM policy.

The Company monitors its asset liability mismatches for defined maturity buckets as per regulations. Inflows are bucketed based on behaviouralisation of inflows from the loan book considering the past prepayments/foreclosure trends. Outflows are buckets based on the maturities of the borrowing as per their respective contractual maturity dates. Other assets and liabilities are considered basis past trend. The Company maintained cumulative positive ALM position with maturity up to 1 year bucket with cumulative inflow amounting to ₹ 29,759 crore and cumulative outflow amounting to ₹ 28,625 crore. Moreover, BHFL has positive ALM position in 1-7 days, 8-15 days and 15-31 days as against the extant RBI regulation which permits a negative ALM mismatch of up to 10%, 10% and 20% respectively.

Table 7 mentions the behavioural maturity pattern of BHFL's asset and liabilities reflecting careful ALM management.

Table 7: Behaviouralised ALM snapshot as on 31 March 2024

(₹ in crore)

Particulars	1 to 7 days (one month)	8 to 15 days (one month)	15 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
A. Inflows											
Cash and investments	65	6	10	99	-	587	732	-	504	-	2,003
Advances	718	827	677	1,678	1,615	4,708	7,990	22,756	13,730	24,602	79,301
Other Inflows	2,000	250	462	873	3,311	1,127	2,024	5,449	2,581	9,797	27,874
Total inflows	2,783	1,083	1,149	2,650	4,926	6,422	10,746	28,205	16,815	34,399	1,09,178
B. Cumulative total inflows	2,783	3,866	5,015	7,666	12,591	19,013	29,759	57,964	74,779	1,09,178	
C. Outflows											
Borrowings repayment	267	325	274	1,846	3,959	3,763	5,946	25,361	16,944	10,444	69,129
Capital reserves and surplus	-	-	-	-	-	-	-	-	-	12,234	12,234
Other outflows	770	751	854	770	939	2,450	5,711	8,725	459	6,386	27,815
Total outflows	1,037	1,076	1,128	2,616	4,898	6,213	11,657	34,086	17,403	29,064	1,09,178
D. Cumulative total outflows	1,037	2,113	3,241	5,857	10,755	16,968	28,625	62,711	80,114	1,09,178	
E. Gap (A - C)	1,746	7	21	34	28	209	(911)	(5,881)	(588)	5,335	
F. Cumulative gap (B - D)	1,746	1,753	1,774	1,808	1,836	2,045	1,134	(4,747)	(5,335)	-	
G. Cumulative gap (%) (F/D)	168%	83%	55%	31%	17%	12%	4%	(8%)	(7%)	-	
H. Permissible cum. gap (%)	(10%)	(10%)	(20%)								

Digitalisation

BHFL aims to enhance customer experience at each touchpoint and strives to deliver faster turnaround time with seamless processes, centralised hub-based underwriting and operations and adoption of digital tools and capabilities including AI & ML. In line with the Company's aim of digitising the customer journey, BHFL introduced customer onboarding platform 'Do it yourself' (DIY) where customer, company's salesforce as well as channel partners can login the loan application digitally from anywhere and upload required documents which directly flows to the centralised underwriting team. Our industry first digital initiatives implemented during the year like Aadhar OTP based e-agreement and OTP based e-sanction letter provides a unique and hassle-free experience to customers while reducing manual intervention.

To provide ease of transaction and service to its customers, the Company leverages multiple digital touchpoints. Through its website, the Company provides an array of quick solutions including "Call to Apply", "Call me back" and "Apply through WhatsApp" functionalities. The Company enhanced information accessibility with the vernacular functionality showcasing core pages across the website in seven different languages.

Underwriting

BHFL operates its retail underwriting function with centralised hub structure to enhance controllership and reduce approval time. To further streamline the underwriting process, Account Aggregator (AA) functionality was implemented during the year to pull various data points host to host directly and provide customised reports for data analysis thereby reducing the approval time.

Customer Service

Long tenor products like mortgage require customer engagement across the customers lifecycle. The customer service function of the Company plays vital role in addressing customer grievances and seeks to deliver a quality experience throughout the loan tenor resulting in brand recall.

The Company's customer portal and mobile app allows customers to raise any service request, access flexible options of payment like advance EMI, part pre-payment, missed EMI through ECMS, UPI and bill desk payment gateway. Customer is also provided with an option to access and download loan related documents through self-service mode along with an option to troubleshoot their queries through self-service form-based query. To enhance customer convenience for under construction home loans, customers and developers can raise request for tranche disbursement through the online customer portal.

The Company has a Grievance Redressal Mechanism with defined turnaround time and hierarchy for escalation in case of non-resolution or delay in resolution of any complaint.

The Company's Machine Learning (ML) capability for sentiment analysis of customer complaints ensures prioritisation and segregation of customer queries and complaints and provide personalised service to customers with timely response. The Company's in-depth data analytics and risk modelling help to predict customer behaviour and portfolio segmentation during customer lifecycle to retain them through personalised engagement model and assess customer need for additional funding.

Human Resources

Employees remain the key focus area for the Company as engaged workforce is required to build a sustainable and growing organisation. In line with this philosophy, the Company continued its focus on developing and retaining our in-house talent and bring diverse workforce through dedicated framework. To retain its inhouse workforce and support organisational growth, the Company strengthen its Employee Retention and engagement framework. Our internal job posting process for internal movements seeks to motivate employees to progress within the organisation.

The Company remains committed to smooth onboarding, performance enhancement as well as skill improvement of its employees through structured initiatives. As a part of onboarding activity, the Company offers a comprehensive induction program named 'STEPS' with detailed coverage on organisational overview, culture understanding, business policies, processes and practical training which enables new employees to understand nuances of the assigned role. Understanding the need of different leadership style required at different managerial role, the Company offers development programs across managerial roles which assist employees to enhance their leadership style as well as productivity metrics. The Company also offer skill-based learning platform to upskill its existing employees and cater specific functional needs based on individual development for respective role.

The Company recognises the importance of diversity and inclusion in workforce and hence continued to work on improving gender diversity during the year which resulted into enhanced mix of female employees in organisation. Inclusivity for the Company is not limited to employee, but it also extends to their families and the Company organises annual family day across locations to have enhanced connect with their families. The Company organises 'Reunion', an annual event where employees across businesses and functions come together to enhance cross-functional team building and celebrate recognition of exceptional performance.

As per the Company's philosophy of rewarding exceptional contribution by its employees, a reward and recognition program through monetary as well as non-monetary framework is in place. Throughout the year, a monthly, quarterly and annual reward program is being run across organisation to reward periodical performance.

As on 31 March 2024, BHFL had 2,372 employees.

Internal Control Systems and their Adequacy

BHFL had adequate internal control systems in place basis the nature, size and operations of business and processes. Internal audit is carried out as per risk based internal audit (RBIA) framework which provides an assurance on the quality and effectiveness of internal controls, risk management and governance related processes. Internal team carries the internal audit to evaluate the adequacy and effectiveness of internal control systems and processes of all businesses and functions. Significant audit observations are then reported to the board level Audit Committee along with follow-up actions on periodic basis. The Board level Audit Committee comprises four directors of which three are independent directors. The Audit Committee reviews the internal audit reports, adequacy and effectiveness of internal control on quarterly basis.

Fulfilment of the RBI and NHB's norms and standards

The Company is in compliance with the regulations and norms laid down by the RBI as well as the NHB relating to the income, recognition, asset classification, provision adequacy, capital adequacy and other norms. The Company has been classified as Upper Layer NBFC under the Scale Based Regulations of the RBI and accordingly has put in place all policies and processes to comply with the said regulations. The Company met the regulatory requirement of "Principal Business Criteria" to have minimum 60% of its assets towards housing finance and 50% of total assets towards individual housing finance by 31 March 2024. The Company has 61.43% of its assets towards housing finance and 51.49% of total assets towards individual housing finance as on 31 March 2024.

Cautionary Statement

Some statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

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Investment in Technology

Our lending platform is a comprehensive suite of business applications covering the entire process from lead management to loan origination, management and servicing, as well as sales mobile apps, customer and partner portals and our corporate website. The underwriting engines, supported by data analytics and machine learning, strengthen credit decisioning and fraud risk management.



Service, Simplified

With accessibility and convenience as our focus, customers have a range of options to contact us - be it through our Web Portal or App, or direct channels such as WhatsApp, Call, or Chatbot.

Our self-service offerings, available through the Web Portal and App, allow customers to manage their loan accounts and access essential documents, reducing the need for manual intervention.



A Home Loan Application That's 100% Digital from Application to Approval?

Possible.

Our DIY Home Loan form brings a journey that's digital from application to approval. With online document upload, bank verification, and eligibility assessment, you benefit from a self-service Home Loan application journey that is truly hassle-free.

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DIRECTORS' REPORT

Your directors present the sixteenth Annual Report along with the financial statements for FY2024.

Company Overview

Bajaj Housing Finance Ltd. ('BHFL' or 'the Company') is registered with National Housing Bank ('NHB') as a Housing Finance Company ('HFC') engaged in the business of mortgage lending since 2017-18. It is a wholly owned subsidiary of Bajaj Finance Limited ('BFL'/'Holding Company'). The Company offers financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. The Company's mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property ("LAP"); (iii) lease rental discounting; and (iv) developer financing. Furthermore, our primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, the financial products of the Company cater to every customer segment, from individual homebuyers to large-scale developers. It is also a registered intermediary within the meaning of Insurance Regulatory and Development Authority of India ('IRDAI') as a corporate agent.

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company is categorized as High Value Debt Listed entity ('HVD'). The Company has been classified as Upper Layer NBFC under the Reserve Bank of India ('RBI') Scale Based Regulations.

Financial results

The key highlights of the financial results for FY2024 are given below:

Particulars	(₹ in crore)		
	FY2024	FY2023	% change over FY2023
Total income	7,618	5,665	34%
Interest and Finance charges	4,693	3,211	46%
Net total income	2,925	2,454	19%
Total operating expenses	703	630	12%
Pre-impairment operating profit	2,222	1,824	22%
Impairment on financial instruments	61	124	(51%)
Profit before tax (PBT)	2,161	1,700	27%
Profit after tax (PAT)	1,731	1,258	38%
Retained earnings as at the beginning of the year	2,335	1,325	76%
Profit after tax	1,731	1,258	38%
Other comprehensive income on defined benefit plan	(1)	4	(125%)
Retained earnings before appropriations	4,065	2,587	57%
Appropriations			
Transfer to reserve fund u/s 29C of the NHB Act, 1987	346	252	37%
Retained earnings as at the end of the year	3,719	2,335	59%

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

Working results of the Company

- Asset Under Management (AUM) as on 31 March 2024 was ₹ 91,370 crore as compared to ₹ 69,228 crore as on 31 March 2023, representing an increase of 32 % over the previous year.
- Loan receivables as on 31 March 2024 was ₹ 79,301 crore as compared to ₹ 62,114 crore as on 31 March 2023, an increase of 28 % over the previous year.
- Total income during FY2024 increased to ₹ 7,618 crore from ₹ 5,665 crore during FY2023 registering a growth of 34 % over the previous year.
- Total operating cost to net total income has decreased to 24.0 % from 25.7 % in FY2024.

- Impairment on financial instruments was ₹ 61 crore. The Company holds management and macro-economic overlay of ₹ 94 crore as at 31 March 2024.
- The Company ended FY2024 with a Gross NPA of 0.27 % and Net NPA of 0.10 % as against 0.22 % and 0.08 % respectively for FY2023.
- Profit before tax for FY2024 was ₹ 2,161 crore as against ₹ 1,700 crore for FY2023, an increase of 27 % over the previous year.
- The profit after tax for FY2024 was ₹ 1,731 crore as compared to ₹ 1,258 crore for FY2023, an increase of 38 % over the previous year. This is mainly due to the Company's healthy net interest margin, operating efficiencies and prudent risk management.

Share capital

a. Increase in Authorised Share Capital of the Company

The Shareholders of the Company at their Extra Ordinary General Meeting held on 24 April 2024 have approved the increase in authorized share capital from ₹ 80,000,000,000 divided into 8,000,000,000 Equity shares of face value of ₹ 10/- each to ₹ 90,000,000,000 divided into 9,000,000,000 Equity shares of face value of ₹ 10/- each.

b. Allotment of Equity shares through Rights Issue

On 3 April 2024, the Special Committee for Rights Issue constituted by the Board of Directors has allotted, on rights basis, 1,107,419,709 equity shares of face value of ₹ 10/- each at premium of ₹ 8.06 per equity share, aggregating to ~ ₹ 2000 crore, to Bajaj Finance Limited.

Pursuant to the said allotment, the total issued and paid-up capital of the Company as on date is ₹ 7,819.57 crore comprising of 7,819,575,273 equity shares of face value of ₹ 10/- each fully paid-up.

During FY2024, the Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March 2024.

Dividend

Considering the capital-intensive nature of the business, the business plan of the Company and with a view to plough back the profits, your Board has not recommended dividend for consideration of the members at the ensuing Annual General Meeting ('AGM') in order to build a strong base for its long-term growth.

Transfer to Reserve Fund

Under section 29C of the National Housing Bank Act, 1987, Housing Finance Companies ('HFCs') are required to transfer a sum not less than 20% of their net profit every year to their reserve fund before declaration of any dividend. The Company has transferred a sum of ₹ 346.25 crore to reserve fund, which is 20% of its net profit.

Pursuant to provisions of Companies Act, 2013 (the 'Act') read with relevant rules thereunder, the Company, being an HFC, is exempt from creating a debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfil its obligations arising out of debentures. In case of secured debentures, an asset cover of at least 100% is maintained at all times.

Scale Based Regulations

The Reserve Bank of India issued a circular on "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs" on 22 October 2021 ('SBR Framework'). As per the SBR framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). The RBI has categorised Bajaj Housing Finance Limited as an NBFC - Upper Layer (NBFC-UL) vide its press release dated 30 September 2022 and subsequently on 14 September 2023.

Listing

Pursuant to press release dated 30 September 2022 issued by the Reserve Bank of India ("RBI"), the Company was classified by the RBI as an NBFC - Upper Layer, thereby necessitating a requirement for the Company to be mandatorily listed on or before September 30, 2025. In order to comply with the regulatory timelines stipulated under the regulations applicable to companies classified as NBFC - Upper Layer, the Board of Directors at their

meeting held on 24 April 2024 has given its approval for commencing the Initial Public Offering ('IPO') process including evaluation of various options subject to prevailing market conditions with respect to mandatory listing requirements by constituting an IPO Committee.

In view of the same, the Board of Bajaj Finance Ltd. ('BFL') at their meeting held on 25 April 2024 have also agreed to participate in the IPO through the Offer for Sale ('OFS') mechanism as per the SEBI Regulations. The quantum and percentage of OFS to be offered is under evaluation and will be determined in consultation with the Board of BHFL, merchant bankers and other market intermediaries, based on various strategic considerations and market conditions.

Operations of the Company

Details regarding the operations of the Company and its state of affairs are covered in the 'Management Discussion and Analysis Report'.

Corporate Agent

The Company has received Certificate of Registration from the Insurance Regulatory and Development Authority of India ('IRDAI') to act as Corporate Agent (Composite) with validity of three years from 22 December 2023 to 21 December 2026.

Borrowings

The overall borrowing limit of the Company has been increased to ₹ 1,00,000 crore by the shareholders at their Extra Ordinary General Meeting held on 19 May 2023.

As on 31 March 2024, the borrowings of the Company stood at ₹ 69,129 crore. During FY2024, the Company has issued non-convertible debenture (NCDs) to the tune of ₹ 8,602 crore (face value) and redeemed NCDs to the tune of ₹ 4,300 crore (face value). Further, Company has also issued Commercial Papers (CPs) to the tune of ₹ 7,600 crore (face value) and redeemed CPs to the tune of ₹ 5,275 crore.

As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions 2023, the Company was required to maintain a minimum Liquidity Coverage Ratio (LCR) of 85% from 1 December 2023 onwards. The daily average LCR of the Company during Q4 and for FY2024 stood at 142.62% and 131.38% respectively.

Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associates, or joint ventures. Accordingly, the requirement of attaching form AOC-1 is not applicable to the Company.

SEBI vide its notification dated 7 September 2021 has amended the SEBI Listing Regulations requiring High Value Debt Listed Companies to adopt a policy for determining material subsidiaries.

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at https://www.bajajhousingfinance.in/documents/37350/53075/annexure_32_policy_for_determining_material_subsidaries.pdf

Further, the net worth of the Company exceeds 10% of the consolidated net worth of the immediately preceding accounting year of both Bajaj Finance Ltd. ('BFL') and Bajaj Finserv Ltd. ('BFS'); and therefore, it is classified as material subsidiary of both the Companies.

Directors and Key Managerial Personnel (KMP)

As on 31 March 2024, the Board consisted of six Directors of whom three are Independent Directors. On 1 April 2024, two of the Independent Directors are also an independent director on the Board of the holding company viz., BFL.

A. Change in Directorate:

i. Appointment

Jasmine Chaney (DIN: 07082359)

On recommendation of the Nomination and Remuneration Committee ('NRC'), the Board has appointed Jasmine Chaney as a Woman Independent Director of the Company for a period of 5 consecutive years effective from 1 April 2023. The same has been approved by the members vide their special resolution dated 19 May 2023.

The Board is of the opinion that Jasmine Chaney is a person of integrity, expertise, and possess competent experience and proficiency to serve the Company as an independent director that can strengthen the overall composition of the Board.

Jasmine Chaney has successfully completed the online proficiency self-assessment test as required under the provisions of rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

She is a member of the Audit Committee, Risk Management Committee and IT Strategy Committee.

B. Directors liable for rotation:

Rajeev Jain, (DIN: 01550158) retires by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment as a Non-Executive Director.

Brief details of Rajeev Jain, who is seeking re-appointment, are given in the Notice of sixteenth AGM.

C. Key Managerial Personnel (KMP):

During FY2024, there was no change in KMP.

D. Continuation of non-retiring director:

SEBI vide its notification dated 14 June 2023, amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 15 July 2023. Pursuant to said notification a new sub-regulation 17(1D) was inserted which provided that with effect from 1 April 2024, the continuation of a director serving on the Board of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years.

Further, any Director serving on the board as on 31 March 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after 31 March 2024.

The shareholders at their meeting held on 15 June 2022 have appointed Sanjiv Bajaj (DIN: 00014615), Non- Executive Director as a director not liable to retire by rotation pursuant to provisions of the Companies Act, 2013. He continues on the Board as a non-executive director not liable to retire by rotation.

A brief profile of directors is available on the website of the Company at <https://www.bajajhousingfinance.in/directors-board>.

Declaration by Independent Directors

All the Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act read with regulation 16 of the SEBI Listing Regulations, as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of Independent Directors.

The Board took on record the declaration and confirmation submitted by the Independent Directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

Remuneration Policies

a. Policy on Directors' Appointment and Remuneration

Pursuant to Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, the Board has framed a remuneration policy. This policy, *inter alia*, lays down:

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

In view of detailed RBI Guidelines for NBFCs concerning compensation of Key Managerial Personnel and Senior Management ('SMT'), the Company has adopted a specific policy to this effect. Accordingly, this remuneration policy has to be read along with the specific policy adopted pursuant to RBI Guidelines as regards compensation of KMPs and SMTs, which is detailed below.

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

The RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to Scale Based Regulatory Framework. Accordingly, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. This policy lays down detailed framework, *inter alia*, encompassing the following:

- Principles of Compensation;
- Compensation Components;
- Principles of Variable pay;
- Deferral of variable pay;
- Compensation for Control and assurance function personnel;
- Provisions for Malus and Clawback and circumstances under which application of Malus and Clawback is to be considered.

The Board at its meeting held on 24 April 2024 amended the policy to provide the reference of the Company's ESOP scheme.

The aforesaid policies can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/Remuneration+Policy+-+Companies+Act.pdf> and <https://www.bajajhousingfinance.in/documents/37350/53075/Remuneration+policy+-+RBI.pdf>.

During FY2024, there were no pecuniary relationship/transactions of any of the Non-Executive Directors with the Company apart from sitting fees and profit linked Commission, payable to them as directors.

Formal annual evaluation of the performance of the Board, its Committees and Directors

Pursuant to Section 178 of the Act, the Board decided that the evaluation shall be carried out by the Board and the NRC shall only review its implementation and compliance.

Further as per Schedule IV of the Act and provisions of the SEBI Listing Regulations, the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated, on the basis of performance and fulfillment of criteria of independence and their independence from management.

Based on the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of Independent Director.

Accordingly, the Board has carried out an annual performance evaluation of its own performance, that of its Committees, Chairperson and Individual Directors.

The manner in which formal annual evaluation of performance was carried out by the Board for FY2024 is given below:

- The NRC at its meeting held on 15 March 2024, reviewed the criteria for performance evaluation.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors. As advised by the NRC and Board, an option for qualitative feedback, was introduced.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the year 2023-24 and a consolidated report thereof was arrived at.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 15 March 2024.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 15 March 2024.
- Based on the report and evaluation, the NRC and Board at their respective meetings held on 15 March 2024, determined that the appointment of all Independent Directors may continue.

- Details on the evaluation of Board, Non-Independent Directors and Chairperson of the Company as carried out by the Independent Directors at their separate meeting held on 15 March 2024 have been furnished in a separate paragraph elsewhere in this report.
- During FY2024, the process followed by the Company was reviewed by the NRC, which opined these to be in compliance with the applicable provisions and found it to be satisfactory.

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

Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of the Act, and Regulation 25(3) of SEBI Listing Regulations, the Independent Directors shall hold at least one meeting in a financial year without the presence of Non-Independent Directors and members of the management. The meeting of Independent Directors of the Company was held on 15 March 2024. Anami N Roy chaired the said meeting.

The Independent Directors at the meeting, *inter alia*:

- noted the report of performance evaluation of the Board & its Committees for the year 2023-24.
- reviewed the performance of Non-Independent Directors and the Board as a whole.
- reviewed the performance of the Chairman of the Board taking into account the views of executive directors and non-executive directors; and
- assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Number of Board Meetings

The Board met five times during FY2024 on 24 April 2023, 24 July 2023, 16 October 2023, 25 January 2024 and 15 March 2024. The gap between any two consecutive meetings was less than one hundred and twenty days.

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values pursuant to the provisions of the Act and guidelines issued by the SEBI/RBI/NHB. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy. These form a part of the notes to the financial statements.

In accordance with the provisions of section 134(3)(c) of the Act, the Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2024;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Audit Committee

The Company has an Audit Committee fulfilling the requirements under the Act, RBI Master Direction –Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI Regulations”) and SEBI Listing Regulations.

The Committee comprises of Anami N Roy (DIN: 01361110), Chairman, Dr. Arindam Kumar Bhattacharya (DIN: 01570746), Rajeev Jain (DIN: 01550158), Jasmine Chaney (DIN: 07082359).

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations, and RBI Regulations of having a minimum of two-thirds of Independent Directors, including the Chairman. All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

All recommendations of the Audit Committee were accepted by the Board.

The composition, brief terms of reference and attendance record of members are given in the Corporate Governance Report.

Nomination and Remuneration Committee

The Company has a Nomination and Remuneration Committee fulfilling the requirements prescribed under the Act, RBI Regulations and SEBI Listing Regulations.

The Committee comprises of Dr. Arindam Kumar Bhattacharya (DIN: 01570746), Chairman, Anami N Roy (DIN: 01361110), Rajeev Jain (DIN: 01550158).

The composition, brief terms of reference and attendance record of members are given in the Corporate Governance Report.

Risk Management Committee

The Company has a Risk Management Committee fulfilling the requirements prescribed under the Act, RBI Regulations and SEBI Listing Regulations.

The Committee comprises of Dr. Arindam Kumar Bhattacharya (DIN: 01570746), Chairman, Sanjiv Bajaj (DIN:00014615), Anami N Roy (DIN: 01361110), Rajeev Jain (DIN: 01550158), Atul Jain (DIN:09561712), Jasmine Chaney (DIN: 07082359), Niraj Adiani, Gaurav Kalani, Vijay Solanki and Ajita Kakade.

The composition of Risk Management Committee is as per the requirement prescribed under the SEBI Listing Regulations, and the RBI Regulations. The Committee consists of ten members with majority of them being members of the Board of Directors, including an Independent Director. The Chairperson of the Committee is a member of the Board of Directors.

The Board of Directors have adopted a risk management policy for the Company under which management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

The composition, brief terms of reference and attendance record of members are given in the Corporate Governance Report.

Particulars of Loans, Guarantees and Investments

The Company, being a housing finance company registered with the NHB and engaged in the business of providing loans in ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to loans. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

Employee Stock Options ('ESOP')

The Board of your Company at its meeting held on 24 April 2024 approved the first ever Employee Stock Option Scheme of the Company. Thereafter, the shareholders at its meeting dated 24 April 2024 through special resolution approved the said scheme.

Through the scheme, the Company offers stock options to eligible employees of the Company. Because of their nature, stock options help to build a holistic, long- term view of the business and a sustainability focus among the Senior Management team. Options are granted to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. Grant of stock options also allows

the Company to maintain the right balance between fixed pay, short-term incentives and long-term incentives to effectively align with the risk considerations and build the focus on consistent long-term results.

Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

Conservation of Energy

Though the operations of the Company are not energy intensive, the Company implements various energy conservation measures across all its functions, verticals and value chain partners. Key initiatives of the Company include the following:

- Switching from conventional lighting system to LED lights at most of the branches in metro areas;
- Selecting and designing offices to facilitate maximum natural light utilization; and
- Use of cloud based virtual servers to increase energy efficiency and data security.
- The company has adopted strategy to minimize usage of non-production workload during night hours which helps in cost optimization and reduce greenhouse effect.

Technology Absorption

The Company adopts technologies for acquisition and servicing. The Company host entire enterprise IT ecosystem on cloud leading to flexible architecture for its business applications, data warehousing and analytics. It enables performance, scalability, cost effective and secure architecture. The Company has improvised its stack of web-based applications compatible across computing devices enabling mobility along with API gateways for seamless integration.

The company continues to strengthen Information Security posture through increased monitoring over attack surface, fine tuning processes and by proactively mitigating identified gaps.

The Company has also improvised productivity in areas of business operations and customer service by leveraging robotic process automation and artificial intelligence coupled with machine learning.

Foreign Exchange Earnings and Outgo

During FY2024, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow amounted to ₹ 20.18 lakh.

Corporate Social Responsibility (CSR)

The CSR Committee comprises of three directors viz. Anami N Roy (Chairman) (DIN: 01361110), Sanjiv Bajaj (DIN: 00014615) and Rajeev Jain (DIN: 01550158).

The CSR interventions for the year focused on youth skilling for employment, livelihood initiatives, child education, child health, child protection and inclusion for persons with disability. The salient features of the CSR Policy and impact assessment report forms part of the Annual Report on CSR activities. The CSR policy has been hosted on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/5324874/CSR+Policy.pdf>.

‘Bajaj Beyond’ is the Group’s new identity for all its Corporate Social Responsibility and charitable programmes with focus on youth skilling. The initiatives aim to benefit the youth and enable them to take advantage of employment and entrepreneurial opportunities offered by India’s growing economy in the years to come. Pursuant to Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed to this Report.

The CSR obligation of the Company for FY2024 is ₹ 20.67 crore. As on 31 March 2024, the Company has fully spent the CSR obligation for FY2024.

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2024.

Annual Return

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>

Risk Management

The Board of Directors have adopted a Risk Management Policy for the Company which provides for identification of key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

This framework, *inter alia*, provides the set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organization. It covers principles of risk management, risk governance with roles and responsibilities, business control measures, principle risks and business continuity plan. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

The RBI, vide its circular dated 22 October 2020, reviewed the regulatory framework for HFCs wherein, all non-deposit taking HFCs with asset size of more than ₹ 100 crore shall pursue liquidity risk management which, *inter alia*, should cover adherence to gap limits. The Board has in place a Liquidity Risk Management framework encompassing, *inter alia*, strategies and practices, internal controls, maturity profiling, liquidity coverage ratios and high-quality liquid assets.

Pursuant to RBI Scale based framework, NBFCs are required to have an Internal Capital Adequacy Assessment Process ('ICAAP') in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed a ICAAP policy. This policy is developed considering the requirements of the SBR and is based on the Pillar -2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision (BCBS).

The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on Company's ICAAP and Company's approach to capital management.

In terms of NHB Circular on Risk Management System – Appointment of Chief Risk Officer dated 29 May 2019, the Committee also has an independent meeting with the Chief Risk Officer without the presence of management.

More detailed discussion on the Company's risk management and portfolio quality is covered in the Management Discussion and Analysis Report.

Significant and Material Orders Passed by the Regulators and Courts

During FY2024, there were no significant or material orders passed by any regulator or court or tribunal impacting the going concern status or the Company's operations in future.

Internal Audit

Internal Audit function provides an independent view to Audit Committee on the quality and efficacy of the internal controls, governance systems and processes.

In line with the RBI's guidelines on Risk Based Internal Audit (RBIA), the Company has adopted a Risk Based Internal Audit policy.

Pursuant to RBIA framework, Internal Audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on quality and effectiveness of the internal controls, and governance related systems and processes.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The Audit Committee regularly reviews the internal audit reports along with the corrective and preventive actions thereon. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

The Committee also has an independent meeting with the internal auditor without the presence of management. As per RBI guidelines, quality assurance and improvement program ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP was carried out by an external agency for FY2023 to assess functioning of the internal audit function, adherence to the internal audit policy, objectives and expected outcomes. Similarly, QAIP for FY2024 will be carried out by an external auditing partner.

Internal Financial Controls

The Company has in place Internal Financial Control considering the essential components of various critical processes, physical and operational, which also includes its design, implementation, and maintenance along with periodical internal review of operational effectiveness and sustenance. The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations. These have been designed with the aim to provide reasonable assurance regarding recording and providing financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors.

The Audit Committee and Board reviewed the Internal Financial Control and are of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively.

Information System Audit

In terms of RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November 2023, the Company is required to put in place IS Audit Policy which shall *inter alia* contain a clear description of its mandate, purpose, authority, audit universe, periodicity of audit etc. Accordingly, the Company has adopted a Board approved IS Audit Policy at its meeting held on 15 March 2024.

During the year under review, an IT system audit was conducted by a CERT-in empaneled audit firm (Ernst & Young). The areas audited were IT General Controls, Cyber Security Controls and Information Security Controls aligned with ISO 27001 and the regulatory framework applicable to the Company.

Audit revealed no major observations. Necessary continuous improvement actions have been taken in line with the audit observations. ISO transition and re-certification audit with latest ISO standard was conducted by BSI. We have successfully re-certified with latest ISO standard and received ISO 27001-2022 certificate.

Information Technology Governance, Business Continuity and Cyber Security

The RBI has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November 2023 effective 1 April 2024. In line with said Directions, the terms of reference of the IT Strategy Committee were revised during the year. The same, *inter alia*, includes the following:

- Review at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management;
- Review the assessment of IT capacity requirements and measures taken to address the issues;
- Approve documented standards and procedures for access to information assets; and
- Decide constitution of Information Security Committee (ISC), with Chief Information Security Officer (CISO) and other representatives from business and IT functions, etc.

Detailed terms of reference can be accessed at <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>.

The IT Strategy Committee met thrice during the year under review.

In terms of the aforementioned Directions, w.e.f. 1 April 2024 Committee shall meet at least on a quarterly basis.

Pursuant to the said Directions, the Company has appointed a Chief Information Security Officer (CISO) who shall be responsible for driving cyber security strategy and ensuring compliance to the extant regulatory/statutory instructions on information/cyber security and other roles and responsibilities as stipulated therein.

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

The IT Strategy Committee has also constituted the IT Steering Committee and Information Security Committee consisting of senior executives of the Company in accordance with the RBI Directions. The role of IT Steering Committee is to assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs, ensuring implementation of a robust IT architecture meeting statutory and regulatory compliance. The Information Security Committee is constituted for managing cyber/information security under the oversight of IT Strategy Committee comprising of Chief Information Security Officer (CISO) and other representatives from business(es), finance and IT functions headed by personnel from risk management vertical.

To enable user to work from home in secure manner, the Company implemented VPN functionality. The Company also enabled remote access for identified partners to enable full resources for user support, cloud support, application maintenance and testing using privilege access management technology connecting to the Company servers. Cloud infrastructure has been built with DR capabilities and is capable of running applications during any disaster situation.

The Company's cloud first IT strategy helps to manage the demand with elastic scalability and rapid provisioning while reducing total cost of ownership and turnaround time.

The Company's Cyber security strategy consists of a plan of actions designed to improve the security and resilience of cloud infrastructures and services. It is a high-level top-down approach to cyber security that establishes a range of organization objectives and priorities that should be achieved in a specific timeframe. As a critical component in cyber security, the Company is working on improving awareness among employees using a learning platform and simulation exercises.

The Company has a documented Business Continuity Management Policy which has been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to manage business and technology interruption risk, minimize interruptions in operations and service to customers.

During the year under review, the Directors were briefed and appraised on cyber security. These, *inter alia*, involved understanding of cyber security incidents and industrialization of cybercrime operations, assessing new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, Board's responsibility in the events of change management, Board oversight responsibility for cyber security, etc. Further, on an annual basis, the senior management of the Company have undergone IT security trainings.

Whistle-Blower Policy/ Vigil Mechanism

The Company has a whistle-blower policy encompassing vigil mechanism pursuant to the requirements of the Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The whistle-blower framework has been introduced with an aim to provide employees, directors and value chain partners with a safe and confidential channel to share their inputs about such aspects which are adversely impacting operations of the Company. The policy/vigil mechanism enables directors, employees and value chain partners to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

Concerns may be reported anonymously either through e-mail or through a 'Confidential Feedback Mechanism', which is reviewed by a Whistle-Blower Committee comprising senior management from within and outside the organization. The Audit Committee reviews the functioning of the vigil mechanism/whistleblower policy once a year. It provides safeguards against victimization of directors/employees/ value chain partners who avail the mechanism and allows for direct access to the Chairperson of the Audit Committee by writing to bhflacchairperson@bajajfinserv.in.

Policy has been hosted on the Company's website and can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/vigil_mechanism_policy.pdf

Employees of the Company are required to undergo mandatory online learning module on code of conduct which includes whistle-blower policy and affirm that they have understood and are aware of vital aspects of the policy.

During FY2024, no person was denied access to the Audit Committee or its chairperson under this policy and 4 complaints were received under the vigil mechanism of the Company which have been investigated and addressed as per the policy of the Company.

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to the SEBI circular dated 10 May 2021 and amendment in SEBI Listing Regulations, top 1000 listed entities based on market capitalisation are required to submit Business Responsibility and Sustainability report with effect from FY2023. The Company has voluntarily prepared BRSR for FY2024 and obtained limited assurance on BRSR and GHG data. The Company has appointed DNV Business Assurance India Pvt. Ltd. as an assurance provider for carrying out the limited assurance for BRSR (including GHG data) for FY2024. The Company has adopted a Policy for Responsible and Sustainable Business Conduct which covers all the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC). The BRSR in the format prescribed by SEBI is annexed to the Annual Report. The detailed ESG Report describing various initiatives, actions, and process of the Company towards the ESG endeavour can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

Changes to the Constitutional Documents

a. Memorandum of Association

The members vide special resolution dated 19 May 2023 had approved an amendment to the Memorandum of Association ('MoA') by insertion of Clause 7A. The clause provides for carrying on the business of advertising contractors and agents to acquire and dispose of advertising time, space or opportunities in any media, to undertake advertising and promotional campaigns of every nature, to acquire and provide promotional requisites.

The Members also vide ordinary resolution dated 24 April 2024 had approved an increase in authorised share capital of the Company from ₹ 8000 crore to ₹ 9000 crore. Consequent to the increase in authorised share capital, the clause V of Memorandum of Association stands altered to reflect the change in authorised share capital.

b. Articles of Association

Securities and Exchange Board of India (SEBI) vide its notification dated 2 February 2023 amended SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 by inserting sub-regulation (6) in regulation 23 which mandates an issuer to ensure that its Articles of Association ('AoA') require its Board of Directors to appoint a person nominated by the Debenture Trustee ('DT') upon occurrence of any of the events of default as per regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993 ('DT Regulations'). In order to comply with above requirements, the AOA of the Company was amended to enable DT to appoint their Nominee on the Board upon occurrence of any of the event specified in regulation 15(1)(e) of the DT Regulations vide special resolution passed by shareholders on 24 July 2023.

Corporate Governance

In terms of the SEBI Listing Regulations, a separate section titled 'Report on Corporate Governance' has been included in this Annual Report, along with the Management Discussion and Analysis Report and General Shareholder Information.

The Managing Director and the Chief Financial Officer have certified to the Board in relation to the financial statements and other matters as specified in the SEBI Listing Regulations.

A certificate from Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Secretarial Standards

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars.

Auditors and Auditors' Report

Statutory auditors

In line with the RBI guidelines, the Board of Directors, based on the recommendation of the Audit Committee at its meeting held on 25 October 2021, approved appointment of M/s. Khandelwal Jain & Co. (Firm Registration No. 105049W) and M/s. G D Apte & Co. (Firm Registration No. 100515W) as Joint Statutory Auditors of the Company for a consecutive period of three years to conduct audit of the financial statements of the Company for the financial years 2022, 2023 and 2024. The said appointment was also approved by the shareholders.

The audit report by M/s. Khandelwal Jain & Co. and M/s. G D Apte & Co., for FY2024 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

In terms of the Master Direction - Non Banking Financial Company - Housing Finance Company (Reserve Bank) Direction, 2021, Joint Statutory Auditors have submitted an additional report dated 24 April 2023 and 24 April 2024, for FY2023 & FY2024 respectively. There were no comments or adverse remarks in the said report.

In line with the RBI guidelines, the Board of Directors, based on the recommendation of the Audit Committee at its meeting held on 24 April 2024, approved appointment of M/s. Mukund M. Chitale & Co. (Firm Registration No. 106655W) and M/s. Singhi & Co. (Firm Registration No. 302049E) as joint statutory auditors of the Company for a consecutive period of three years.

At the ensuing AGM, approval of the members is being sought for their appointment as Joint Statutory Auditor for term of three years from the conclusion of the 16th AGM till the conclusion of the 19th AGM to audit the accounts of the Company i.e., for the financial year ending 31 March 2025, 31 March 2026 and 31 March 2027.

Secretarial auditor

Pursuant to the provisions of section 204 of the Act, the Board has appointed Shyamprasad D Limaye, practicing company secretary (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company. A report from the secretarial auditor in the prescribed Form MR-3 for the year ended 31 March 2024 is annexed to this Report.

Pursuant to Regulation 24A (2) of SEBI Listing Regulations, a report on secretarial compliance for FY2024 has been issued by Shyamprasad D Limaye and the same has been submitted with the stock exchange within the prescribed timelines. The said report is available on the website of the Company.

There are no observations, reservations, qualifications or adverse remark in any of the aforesaid report. The auditors, i.e., Statutory Auditors and Secretarial Auditors, have not reported any matter under section 143 (12) of the Act, and therefore, no detail is required to be disclosed under section 134(3) (ca) of the Act.

Other Statutory Disclosures

- There is no change in the nature of business of the Company during FY2024.
- The provisions of section 148 of the Act relating to cost accounts and cost audit are not applicable to the Company.
- During FY2024, no amount has remained unclaimed pursuant to debentures redeemed during the year.
- During FY2024, debentures of the Company were not suspended from trading on account of any corporate action or otherwise.
- Pursuant to Rule 2A of the Companies (Specification of Definitions Details) Rules, 2014, public companies which have not listed their equity shares on a recognized stock exchange but have listed their non-convertible debt securities issued on private placement basis in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, shall not be considered as listed company in terms of the Act. Hence, Section 197 (12) read with rules 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable.
- Atul Jain, Managing Director is also eligible for grant of ESOPs of Bajaj Finance Limited, holding company and Bajaj Finserv Limited, ultimate holding company (herein after referred to as 'holding companies'), as per applicable SEBI regulations, performance criteria and compensation practices.
- The Company being a non-deposit accepting housing finance company, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. The Board has also passed a resolution confirming non-acceptance of public deposits.
- The Company has no transaction that qualify under the contracts and arrangements with related parties referred in Section 188 (1) of the Act.
- For the details about the policy developed and implemented by the Company on CSR initiatives taken during the year, refer the Annual Report on CSR activities annexed to the Report.
- The Company has a policy on prevention of sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of

Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The number of complaints received, disposed off and pending during FY2024 is given in the annexed 'Corporate Governance Report'.

- The Company has not defaulted in repayment of loans from any banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- SEBI vide its circular SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated 8 November 2023 ('the Circular'), has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for claiming unclaimed amounts with respect to Non-Convertible Debentures from Escrow Account' has been framed by the Company. The policy can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/BHFL_Policy+for+unclaimed+amounts-NCDs+%281%29.pdf. The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on 31 March 2024, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- During FY2024, there was no instance of one-time settlement with Banks or Financial Institutions
- The Company has issued a formal letter of appointment to Independent Directors in the manner provided under the Act.
- Disclosures pursuant to the RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements and Report on Corporate Governance.
- For FY 2024, the Company did not have any ESOP scheme. Being subsidiary of Bajaj Finance Limited, holding company and Bajaj Finserv Limited, ultimate holding company (herein after referred to as 'holding companies'), employees of the Company are eligible for stock options of holding companies.
- The Company has complied with Section 62(1)(a) of Companies Act, 2013 and applicable rules thereunder while issuing fresh equity shares under Rights issue.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013, SEBI Regulations, RBI/NHB Directions and other regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The Report on Corporate governance contains web-link for policies hosted on website.

Acknowledgement

The Board places its gratitude and appreciation for the support and co-operation from its members, the Reserve Bank of India, the National Housing Bank, the IRDAI and other regulators, banks, financial institutions and trustees for debenture holders.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company.

On behalf of the Board of directors

Sd/-

Sanjiv Bajaj

Chairman

DIN: 00014615

Date: 24 April 2024

Annual Report on CSR activities for the financial year ended 31 March 2024

1. Brief outline of Company's CSR Policy

Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us work towards 'Activating Lives'.

'Bajaj Beyond' is the Bajaj Group's new identity for all its CSR and charitable programmes with focus on youth skilling. The initiatives will benefit the youth and enable them to take advantage of employment and entrepreneurial opportunities offered by India's growing economy in the years' to come.

Guiding principles:

The Bajaj Group believes that social investments should:

- **Benefit Generations:** The Company believes in 'Investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote Health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be Focused:** Activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 (the 'Act') and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially w.e.f. 22 January 2021. Accordingly, the CSR Policy which was framed by the Company on 16 July 2018 has got amended on 26 April 2021, with approvals of the CSR Committee and Board of Directors.

The Policy, inter-alia, covers the following:

- Philosophy, Approach & Direction;

- Guiding Principles for selection, implementation and monitoring of activities;
- Guiding Principles for formulation of Annual Action Plan;

2. Composition of CSR Committee

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee entitled to attend during the year	Number of meetings of CSR Committee attended during the year
1	Anami N Roy	Chairman	2	2	2
2	Sanjiv Bajaj	Member		2	2
3	Rajeev Jain	Member		2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the Website of the Company : Composition- <https://www.bajajhousingfinance.in/composition-board-of-committees>
CSR Policy and projects- <https://www.bajajhousingfinance.in/documents/37350/5324874/CSR+Policy.pdf> and <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+-+FY25+Annual+Action+Plan+Projects.pdf>
4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : Not Applicable
5. (a) Average net profit of the Company as per section 135(5) : ₹ 1033.33 crore
(b) Two percent of average net profit of the company as per section 135(5) : ₹ 20.67 crore
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
(d) Amount required to be set off for the financial year, if any : ₹ 0.64 crore
(e) Total CSR obligation for the financial year (5b+5c-5d) : ₹ 20.03 crore
6. (a.i.) Details of CSR amount spent against ongoing projects for the financial year: ₹ 20.86 crore.
(a.ii.) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 0.30 crore.
(b) Amount spent in Administrative Overheads : Nil
(c) Amount spent on Impact Assessment, if applicable : Nil
(d) Total amount spent for the financial Year (6a+6b+6c) : ₹ 21.16 crore
(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
21.16	Not applicable, since there is no unspent amount				

(f) Excess amount for set off, if any

Sr. No. Particulars	Amount (₹ in crore)
(i) Two percent of average net profit of the company as per section 135(5)	20.03*
(ii) Total amount spent for the Financial Year	21.16
(iii) Excess amount spent for the financial year [(ii) - (i)]	1.13
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v) Amount available for set off in succeeding financial years [(iii) - (iv)]	1.13

*Net of excess contribution from previous year set-off in the current financial year

7. Details of Unspent CSR amount for the preceding three financial years:

Not Applicable as the Company does not have any unspent CSR amount for the preceding three financial years.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

Sd/-

Atul Jain

Managing Director

DIN: 09561712

Pune, 24 April 2024

Sd/-

Anami N Roy

Chairman, CSR Committee

DIN: 01361110

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Bajaj Housing Finance Limited

1. We, G. D. Apte & Co, Chartered Accountants and Khandelwal Jain & Co., Chartered Accountants, are the Joint Statutory Auditors of Bajaj Housing Finance Limited (the "Company") and have been requested by the Management of the Company to examine the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2024, as stipulated in Regulations 17 to 27 and clauses (a) to (i) of Regulation 62(1A) and paragraph C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Management's Responsibility

2. The Management is responsible for ensuring that the Company complies with the conditions of Corporate Governance. This responsibility also includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by ICAI.

Opinion

7. Based on our examination of the relevant records of the Company and to the best of the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (a) to (i) of Regulation 62(1A) and paragraph C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.
8. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

9. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. 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 certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Certificate for any events or circumstances occurring after the date of this Certificate.

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

For Khandelwal Jain & Co.

Chartered Accountants

Firm Registration Number: 105049W

Umesh S. Abhyankar

Partner

Membership Number: 113053

UDIN: 24113053BKBF9554

Manish Kumar Singhal

Partner

Membership Number: 502570

UDIN: 24502570BKFBPX2929

Pune, April 24, 2024

Pune, April 24, 2024

REPORT ON CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interest while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Housing Finance Ltd. (the 'Company', 'Bajaj Housing' or 'BHFL') for FY2024.

This report outlines compliance with requirements of the Companies Act, 2013, (the 'Act'), the SEBI Listing Regulations as amended and the Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (the 'HFC Regulations'), as applicable to the Company.

Philosophy

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day-to-day business practices, leading to value driven growth. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj group. The Company maintains the same tradition and commitment to foster the sustainable growth and resilience in ever-evolving business landscape through constant awareness about its responsibility in relation to stakeholders, customers, government, employees and society at large.

Key elements of Bajaj Housing Corporate Governance

- Compliance with applicable laws.
- Proactive adherence to regulations.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management, as required.
- Independent Directors with strong track records and reputations.
- Pre-Audit Committee meetings of the Committee's Chair on a quarterly basis with statutory auditors, internal auditor and members of executive management who are the process owners.
- Pre-Risk Management Committee meetings of the Committee's Chair on a quarterly basis with Chief Risk Officer and other senior executives.
- Separate meeting of Independent Directors without presence of Non-Independent Directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Presentations by senior management ('SMP') of the Company to familiarize the directors with key elements of each of the businesses.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Independent discussions by the Audit Committee members with Internal Auditor and Chief Compliance Officer without presence of Managing Director and senior management on a quarterly basis.
- Independent discussions by the Risk Management Committee members with Chief Risk Officer without presence of Managing Director and senior management on a quarterly basis.

Board of Directors

The Board of Directors ('Board') and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

Keeping with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of Independent and Non-Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The responsibilities of the Board, *inter alia*, include formulation of overall strategy for the Company, reviewing major plan of actions, setting performance objectives, laying down the code of conduct for all members of the Board and senior management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the stakeholders, the community and environment.

The Board has constituted several Board sub-Committees. The remit of these Committees is governed by the regulations, business exigencies and such other matters warranting special and expert attention.

Composition of the Board

In compliance with the provisions of the SEBI Listing Regulations, the Company has an optimum combination of Executive and Non-Executive Directors with a woman Independent Director. The Company has a Non-Executive Chairman.

As on 31 March 2024, the Board of the Company consisted of six directors, of whom one is Executive (Managing Director), three Non-Executive Independent (including one-woman Independent Director) and two Non-Executive Non-Independent. The Board does not have any institutional Nominee Director.

The Company is in compliance with the applicable SEBI Listing Regulations.

Number of Meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year. Besides the quarterly Board meetings, meetings are also scheduled in the month of March every year to facilitate the Board to devote additional time on annual operating plan and strategic matters.

The Board met five times during FY2024 viz. on 24 April 2023, 24 July 2023, 16 October 2023, 25 January 2024 and 15 March 2024. The gap between two consecutive meetings was less than one hundred and twenty days.

Table 1: Summary of composition of Board, number of meetings held, attendance record, total compensation for FY2024, and shareholding in the Company is provided below.

Sr. No.	Name of Director, DIN and capacity/ category	Director since	No. of Board Meetings	No. of Director ships (Including the Company)	Remuneration (₹in crore)			No. of Shares held in the Company	Attendance at the last AGM held in July 2023
			Entitled to Attend/ Attended (out of 5 held)		Salary and other compensation	Sitting Fee	Commission		
1	Sanjiv Bajaj (DIN: 00014615) Chairman - Non-Executive Non-Independent Director	22.01.2018	5/5	18	-	0.13	0.26	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)	√
2	Rajeev Jain (DIN: 01550158) Vice Chairman Non-Executive Non-Independent Director	10.11.2014	5/5	2	-	0.21	0.42	100 (Bajaj Finance Limited jointly with Rajeev Jain)	√

Sr. No.	Name of Director, DIN and capacity/ No. category	Director since	No. of Board Meetings	No. of Director ships (Including the Company)	Remuneration (₹ in crore)			No. of Shares held in the Company	Attendance at the last AGM held in July 2023
			Entitled to Attend/ Attended (out of 5 held)		Salary and other compensation	Sitting Fee	Commission		
3	Anami N Roy (DIN: 01361110) Non-Executive - Independent Director	19.05.2020	5/5	11	-	0.18	0.36	Nil	-***
4	Dr. Arindam Kumar Bhattacharya (DIN: 01570746) Non-Executive - Independent Director	01.05.2022	5/5	6	-	0.20	0.40	Nil	-***
5	Jasmine Chaney* (DIN: 07082359) Non-Executive - Independent Director	01.04.2023	5/5	3	-	0.17	0.34	Nil	-
6	Atul Jain (DIN: 09561712) Managing Director	01.05.2022	5/5	2	14.08**	-	-	100 (Bajaj Finance Limited jointly with Atul Jain)	√

*Jasmine Chaney (DIN: 07082359) was appointed as an Independent Director w.e.f. 01 April 2023.

**excluding the fair value of ESOPs granted as per black scholes model by Bajaj Finance Limited for FY2024.

***Shri Rajeev Jain, member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee was authorised to answer queries on behalf of Shri Anami N Roy, Chairman of Audit Committee and Stakeholders Relationship Committee and Shri Arindam Kumar Bhattacharya, Chairman of Nomination & Remuneration Committee.

There is no relationship between directors *inter se*.

The Company has not issued any convertible instruments.

Changes in Composition of Board During FY2024 and FY2023

Details of change in composition of the Board during the current and previous financial year i.e., from 1 April 2022 to 31 March 2024 is given below:

Sr. No.	Financial Year	Name of Director	Capacity	Nature of Change	Effective Date
1	FY2023-24	Jasmine Chaney	Independent Director	Appointment*	1 April 2023
2	FY2022-23	Lila Poonawalla	Independent Director	Cessation	21 January 2023
3	FY2022-23	Dr. Arindam Kumar Bhattacharya	Independent Director	Appointment	1 May 2022
4	FY2022-23	Rajeev Jain	Vice-Chairman and Non-Executive Director	Change in designation	1 May 2022
5	FY2022-23	Atul Jain	Managing Director	Appointment	1 May 2022

*The Board of Directors at its meeting held on 16 March 2023 appointed Jasmine Chaney (DIN: 07082359) as an Additional & Independent Director w.e.f. 1 April 2023. Members at their meeting dated 19 May 2023 approved the appointment of Jasmine Chaney as an Independent Director for a term of 5 consecutive years effective 1 April 2023.

Resignation of independent director during FY2024

No resignation was tendered by independent directors during the FY2024.

Board Diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, to serve the governance and strategic needs of the Company. The present composition broadly meets this objective.

The directors are persons of eminence in areas such as financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, color, religion, gender or nationality.

Core skills/ expertise/ competencies

A brief profile of directors is available on the website of the Company at <https://www.bajajhousingfinance.in/directors-board>

As stipulated under Schedule V to the SEBI Listing Regulations, core skills/ expertise/ competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The chart/ matrix of such core skills/ expertise/ competencies, along with the names of directors who possess such skills is given below:

Sr. No.	Core Skills/ Expertise/ Competencies	Sanjiv Bajaj	Rajeev Jain	Atul Jain	Anami N Roy	Dr. Arindam Kumar Bhattacharya	Jasmine Chaney
1	Management & Governance	√	√	√	√	√	√
2	Financial Services	√	√	√	√	-	√
3	Consumer behaviour, Sales, Marketing and Customer Experience	√	√	√	-	-	√
4	Real Estate	√	√	√	√	√	-
5	Technology and Innovation	√	√	√	-	√	-
6	Understanding of Accounting and financial statements	√	√	√	√	√	√
7	Risk, Assurance and Internal Controls	√	√	√	√	√	√
8	Regulatory, Public Policy and Economics	√	√	√	√	√	√
9	Human Resource	√	-	√	√	√	-
10	Business Transformation & Strategy	√	√	√	-	√	√

Opinion of the Board

The Board hereby confirms that, in its opinion, the Independent Directors fulfil the conditions specified under the SEBI Listing Regulations & the Act and that they are independent of the management of the Company.

Non-Executive Directors' Compensation

The Company believes that Non-Executive Directors (including Independent Directors) compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. The payment is proportionate to attendance and ensures directors' remuneration is commensurate with their time, effort, attendance and participation.

The members of the Company vide Special Resolution passed at the 14th Annual General Meeting (AGM) of the Company held on 15 June 2022 have approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Director) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the five years commencing from 1 July 2022.

During FY2024, the Non-Executive Directors (NEDs) of the Company were entitled to a commission at the rate of ₹ 2,00,000 per meeting of the Board and/or its committees attended by them. The total commission payable to all Non-Executive Directors will be within the maximum permissible ceiling prescribed under Companies Act, 2013.

The commission is paid to the Directors after the adoption of financial statements by the members at the AGM.

The Directors are also entitled to sitting fee at ₹ 1,00,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them.

For FY2024, the Company does not have a stock option programme for any of its directors other than the Managing Director who is also eligible for grant of ESOPs of Bajaj Finance Limited, holding company and Bajaj Finserv Limited, ultimate holding company (herein after referred to as 'holding companies'), as per applicable SEBI regulations, performance criteria and compensation practices.

Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

The Company has also in place Board approved calendar of reviews to determine the agenda items and the periodicity thereof, such that there is adequate focus on matters of strategy, finance, treasury and resource planning, risk, customer service, information technology and cyber security, human resources and compliance and governance matters.

Independent Directors of the Company at its meeting held on 15 March 2024 expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and Board, that is necessary for them to effectively and reasonably perform their duties.

Pursuant to the applicable regulatory requirements, the Board is periodically briefed on the following:

- Business plans, forecast and strategic initiatives.
- Changes in regulatory landscape including impact of the RBI's Scale Based Regulations, and Company's preparedness.
- Capital expenditure and updates.
- Internal financial controls.
- Succession planning and organization structure.
- Risk management system, risk management policy and strategy followed.
- Minutes of meetings of various Committees including Audit, Risk Management, Asset-Liability and IT Strategy.
- Compliance with corporate governance standards and fair practices code.
- Functioning of customer grievance redressal mechanism.
- Regulatory/supervisory observations, show-cause notices issued by the regulators or any government authority, if any.
- Action taken by the management on the advisories/observations issued by the regulators.
- Review of various policies framed by Company from time to time covering, *inter alia*, Code of Conduct for Directors and Senior Management, Whistle-blower policy, Fair Practices Code, Corporate Governance policy, Calendar of reviews, IT related policies, Risk Management policy, etc.
- Awareness on cyber security.

The Board also periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Directors and Officers Liability Insurance (D&O policy)

The Directors of the Company are covered under group D&O policy which is renewed every year. It covers directors (including Independent Directors) of the Company. The Board is of the opinion that quantum and risk presently covered is adequate.

Orderly Succession to Board and Senior Management

One of the key functions of the Board of Directors is selecting, compensating, monitoring, and when necessary, replacing key managerial personnel and overseeing succession planning.

Pursuant to Regulation 17(4) of the SEBI Listing Regulations, the framework of succession planning for appointment of Directors/Management is placed before the Board for its review from time to time.

Succession planning is a critical element of the human resources strategy of the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on grooming internal talent.

Directorships and Memberships of Board Committees

Table 2: Number of directorship/committee positions of directors as on 31 March 2024 (including the Company)

Name of the Director	Directorships			Committee position in listed and unlisted public companies	
	In Equity listed Companies	In Unlisted public companies	In Private limited companies	As Member (including as chairperson)	As Chairperson
Sanjiv Bajaj	5	5	8	7	-
Rajeev Jain	1	1	-	2	-
Dr. Arindam Kumar Bhattacharya	4	1	1	6	-
Anami N Roy	7	3	1	10	5
Atul Jain	-	2	-	-	-
Jasmine Chaney	-	2	1	1	-

Note: For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. Only the Audit Committee, and the Stakeholders' Relationship Committee, are considered for the purpose of reckoning committee positions.

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included. For reckoning limit of directorship; dormant and Section 8 companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, no director serves as an Independent Director in more than seven equity listed companies or in more than three equity listed companies if he/she is a Whole-Time Director/Managing Director in any listed company. The Independent Directors also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with the RBI Scale Based Regulations.

Pursuant to RBI Scale Based Regulations, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary and NBFC-BL. Atul Jain, Managing Director, (DIN: 09561712) has been appointed nominee director on behalf of Bajaj Finance Limited w.e.f. 2 March 2024 on the Board of RMBS Development Company Limited, a Company floated by National Housing Bank (NHB) to promote and develop residential-mortgage-backed-security (RMBS) market by investing in RMBS, facilitating investment/issuance/trade of RMBS, extend credit enhancement (including second loss credit enhancement) for RMBS transactions, provide liquidity support in the secondary market for RMBS transactions.

None of the directors was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

Notwithstanding the number of directorships, as highlighted herein, the outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Directorship in Listed Companies (Including Debt Listed Companies)

Table 3: Name of listed entities where directors of the Company held directorships as on 31 March 2024 (including the Company)

Sr. No.	Name of Director	Name of Listed Entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Limited	Non-Executive, Non-Independent Director
		Bajaj Finance Limited	Chairman, Non-Executive, Non-Independent Director
		Bajaj Holdings and Investment Limited	Managing Director and CEO, Executive
		Bajaj Finserv Limited	Chairman and Managing Director, Executive
		Maharashtra Scooters Limited	Chairman, Non-Executive, Non-Independent Director
		Bajaj Housing Finance Limited	Chairman, Non-Executive, Non-Independent Director
2.	Rajeev Jain	Bajaj Finance Limited	Managing Director, Executive
		Bajaj Housing Finance Limited	Vice Chairman, Non-Executive - Non-Independent Director
3.	Anami N Roy	GlaxoSmithKline Pharmaceuticals Limited	Non-Executive, Independent Director
		Bajaj Auto Limited	
		Bajaj Finserv Limited	
		Bajaj Holdings and Investment Limited	
		Bajaj Finance Limited	
		Finolex Industries Limited	
		Bajaj Housing Finance Limited	
4.	Dr. Arindam Kumar Bhattacharya	Lemon Tree Hotels Limited	Non-Executive, Independent Director
		Bajaj Holdings & Investment Limited	
		Info Edge (India) Limited	
		Bajaj Housing Finance Limited	
		Bajaj Finance Limited	
5.	Jasmine Chaney	Bajaj Housing Finance Limited	Non-Executive, Independent Director
6.	Atul Jain	Bajaj Housing Finance Limited	Managing Director, Executive

Certificate on qualification of Directors

The Company has received a certificate from Shyamprasad D. Limaye, Practicing Company Secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/Ministry of Corporate Affairs or such other statutory/regulatory authority. The said certificate forms a part of this Annual Report.

Review of legal compliance reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management. The Company Secretary, Chief Compliance Officer and other senior management personnel heading functions provides detailed compliance report to the Board on a periodic basis.

Code of Conduct

The SEBI Listing Regulations requires listed companies to lay down a code of conduct for its directors and senior management, incorporating duties of directors prescribed in the Act.

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The Code is reviewed by the Board every year. The Code has been placed on the Company's website and can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/annexure_33_code_of_conduct_for_directors_and_senior_management.pdf

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

Maximum Tenure of Independent Directors

In terms of the Act, Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The tenure of the Independent Directors is in accordance with the provisions of the Act.

Formal Letter of Appointment to Independent Directors

The Company issued a formal letter of appointment/re-appointment to Independent Directors in the manner provided in the Act. As per regulation 62 (1A) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of Independent Directors are placed on the Company's website and can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/appointment_letter_-_independent_director.pdf

Familiarisation Programme

On an ongoing basis, the Company endeavours to keep the Board including Independent Directors abreast with matters relating to the industry in which Company operates, its business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities, updates on the Company, group etc.

The Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Details of familiarization programmes are placed on the Company's website and can be accessed at: https://www.bajajhousingfinance.in/documents/37350/53075/familiarisation_programme.pdf

Whistle-Blower Policy/Vigil Mechanism

The details are covered under Directors' Report.

Loans and Advances

There are no loans or advances in nature of loans to firms/companies in which directors of the Company are interested.

Utilization of funds raised through Preferential Allotment/Qualified Institutions Placement

The Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutions placement during FY2024.

Related Party Transactions

All related party transactions entered during FY2024 were on an arm's length basis and in the ordinary course of business under the Act and were not material under the Act and SEBI Listing Regulations.

All related party transactions during FY2024 were entered with the prior approval of the Audit Committee pursuant to provisions of the Act, SEBI Listing Regulations and RBI guidelines. Details of such transactions were placed before the Audit Committee for its noting/review on a quarterly basis.

A statement containing disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more shareholding in the Company is set out separately in this Annual Report. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and are of repetitive nature. Pursuant to the said omnibus approval, the details of transactions entered are also reviewed by the Audit Committee on a quarterly basis.

Disclosures relating to related party transactions are filed with the stock exchanges on a half-yearly basis.

Details of transactions with related parties during FY2024 are provided in the notes to the financial statements. There were no transaction requiring disclosure under Section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

The Company has a Policy on Materiality of & dealing with Related Party Transactions. The policy is available on the website of the Company at: https://www.bajajhousingfinance.in/documents/37350/53075/rpt_policy.pdf and reproduced below:

Policy on materiality of and dealing with related party transactions

Background

Pursuant to erstwhile "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" ('NHB Directions') the Board of Directors of Bajaj Housing Finance Ltd ('the Company') at its meeting held on 20 March 2017 had approved a Policy on Materiality of & dealing with Related Party Transactions.

Pursuant to Fifth amendment to the SEBI Listing Regulations, certain corporate governance provisions under Chapter IV of the SEBI Listing Regulations have been extended to "High Value Debt" Listed Entities. High Value Debt listed entities are those entities which have listed its Non-Convertible Debt Securities and the outstanding value of such Non-Convertible Debt Securities is ₹ 500 crore (Rupees Five Hundred Crore) or more.

Accordingly, the Company being one such entity is required to comply with Regulation 17(5) of the SEBI Listing Regulations, 2015.

SEBI, vide circular dated 9 November 2021, has notified further amendments necessitating changes to be made in the policy, which will be effective from 1 April 2022, unless stated otherwise.

Policy:

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions (RPT), which is to be read together with Regulation 23 of the said Regulations and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided therein. For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:
 3. Material modification will mean & include any modification to an existing RPT having variance of 20% of the existing limit or ₹ 1 crore whichever is higher, as sanctioned by the Audit Committee/Shareholders, as the case may be.

Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:

 - i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 and rules made thereunder or the SEBI Listing Regulations, as may be applicable;
 - ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
 - iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
 - iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
4. Notwithstanding the above, approval of the Board & Shareholders would be necessary, where the RPTs exceed the following threshold limits:

Sr. No. Description	Threshold limits (₹ in crore)
1. Sale, purchase or supply of any goods or materials or securities	
2. Borrowing	
3. Selling or otherwise disposing off or buying of any property including by way of leave and license arrangement	1,000
4. Availing or rendering of any services including lending	

The Chairman of Board and Audit Committee are jointly authorised to make changes to this Policy as they may deem fit and expedient, taking into account the law for the time being in force.

The above policy is subject to review from time to time and at least once in every three years.

Details of Material Subsidiary

The Company does not have any Subsidiary Company. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at https://www.bajajhousingfinance.in/documents/37350/53075/annexure_32_policy_for_determining_material_subsidiaries.pdf.

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee, meeting the composition prescribed thereunder with a minimum of two-third of its members (including Chairman) being Independent Directors. All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

The Board reviews the working of the Committee from time to time to bring greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI Listing Regulations and RBI Regulations.

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances, review of systems and controls, approval or any subsequent modification of transactions with related parties, review of compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

Brief terms of reference are available on website at: <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

Meetings and Attendance

During FY2024, the Committee met 5 times viz. on 24 April 2023, 24 July 2023, 16 October 2023, 25 January 2024 and 15 March 2024. The meetings were scheduled in advance and not more than one hundred and twenty days elapsed between two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, representative of Statutory Auditors and other senior executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the Secretary to the Audit Committee.

Table 4: Composition of the Audit Committee and attendance record of the members for FY2024

Name of director	Member of the Committee since	Capacity	No. of meetings attended during FY2024 (Out of 5 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Anami N Roy*	01.06.2021	Chairman, Non-Executive and Independent	5	5	-
Rajeev Jain	01.05.2022	Non-Executive and Non-Independent	5	5	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Dr. Arindam Kumar Bhattacharya	01.05.2022	Non-Executive, Independent	5	5	-
Jasmine Chaney**	01.04.2023	Non-Executive, Independent	5	5	-

*Anami N Roy was designated as Chairman of the Committee w.e.f. 1 April 2023.

** Jasmine Chaney was inducted as member of Audit Committee w.e.f. 1 April 2023.

During FY2024, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has constituted a Nomination and Remuneration Committee (NRC).

The terms of reference of the Committee, *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of Independent Directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by Companies Act, SEBI Listing Regulations and RBI Regulations.

Brief terms of reference are available on website at: <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

Meetings and Attendance

During FY2024, the Committee met three times viz. 24 April 2023, 25 January 2024 and 15 March 2024.

Table 5: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY2024.

Name of director	Member of Committee Since	Capacity	No. of meetings attended during 2024 (Out of 3 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Kumar Bhattacharya	22.01.2023	Chairman, Non-Executive and Independent	3	3	-
Anami N Roy	19.05.2020	Non-Executive and Independent	3	3	-
Rajeev Jain	01.05.2022	Non-Executive and Non-Independent	3	3	100 (Bajaj Finance Limited jointly with Rajeev Jain)

During FY2024, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairman and Directors. The criteria for evaluation of Independent Directors, *inter alia*, includes attendance and participation, acting in good faith, openness to ideas, independent views & judgment, pro-active and positive approach with regard to Board and Senior Management.

Risk Management Committee

Pursuant to the RBI Regulations and SEBI Listing Regulations, the Company has constituted a Risk Management Committee (RMC).

SEBI, vide its notification dated 5 May 2021, has introduced roles and responsibilities of Risk Management Committee. Brief terms of reference *inter alia*, include, managing the integrated risk, laying down procedures to inform the Board about risk assessment and mitigation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company including cyber security.

The Company has a risk management framework duly approved by its Board. The details of Risks Management and various mitigants are covered in detail in Management and Discussion Analysis Report.

Brief terms of reference are available on website at <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

Niraj Adiani is the Chief Risk Officer of the Company.

Meetings and Attendance

During FY2024, the Committee met four times viz. on 24 April 2023, 24 July 2023, 16 October 2023 and 25 January 2024.

Table 6: Composition of the Risk Management Committee and attendance record of the members for FY2024

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2024 (Out of 4 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Kumar Bhattacharya*	01.05.2022	Chairman, Non-Executive and Independent	4	4	-
Sanjiv Bajaj	16.05.2018	Non-Executive and Non-Independent	4	4	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
Rajeev Jain	20.03.2017	Non-Executive and Non-Independent	4	4	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Atul Jain	22.09.2017	Managing Director	4	4	100 (Bajaj Finance Limited jointly with Atul Jain)
Jasmine Chaney**	01.04.2023	Non-Executive and Independent	4	4	-
Anami N Roy	01.05.2022	Non-Executive and Independent	4	4	-
Niraj Adiani	22.10.2018	Chief Risk Officer	4	4	-
Gaurav Kalani	01.05.2022	Chief Financial Officer	4	4	-
Vijay Solanki	01.05.2022	Treasurer	4	4	-
Ajita Kakade	01.05.2022	Executive Vice President - Credit Operations & HR	4	4	-

*Dr. Arindam Kumar Bhattacharya was appointed as Chairman of the Committee w.e.f. 1 April 2023.

**Jasmine Chaney was inducted as member of the Committee w.e.f. 1 April 2023

During FY2024, the Board accepted all recommendations of the Committee.

Stakeholders' Relationship Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee.

This Committee shall specifically look into the grievances of debt security holders of the Company.

Brief terms of reference are available on website at <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

Meetings and Attendance

During FY2024, the Stakeholders' Relationship Committee meeting was held on 15 March 2024.

Table 7: Composition of the Stakeholders' Relationship Committee and attendance record of the Members for FY2024

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2024 (Out of 1 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Anami N Roy	17.01.2022	Chairman, Non-Executive Independent	1	1	-
Sanjiv Bajaj	17.01.2022	Non-Executive and Non-Independent	1	1	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
Rajeev Jain	17.01.2022	Non-Executive and Non-Independent	1	1	100 (Bajaj Finance Limited jointly with Rajeev Jain)

During FY2024, the Board had accepted all recommendations of the Committee.

Table 8: Details of investor complaints received during FY2024

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of investor	No. of complaints solved	No. of complaints pending at the end of year
Nil	Nil	Nil	Nil	Nil

Atul Patni, Company Secretary acts as the compliance officer.

Information Technology (IT) Strategy Committee

Pursuant to Master Direction – Information Technology Framework issued by RBI for NBFC sector, the Company has in place an IT Strategy Committee.

Meetings and Attendance

During FY2024, the Committee met three times viz. on 24 April 2023, 24 July 2023 and 25 January 2024.

Table 9: Composition of IT Strategy Committee and attendance record of the Members for FY2024

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2024 (Out of 3 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Kumar Bhattacharya*	01.05.2022	Chairman, Non-Executive and Independent	3	3	-
Jasmine Chaney**	01.04.2023	Non-Executive and Independent	3	3	-
Sanjiv Bajaj	16.07.2018	Non-Executive and Non- Independent	3	3	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
Rajeev Jain	16.07.2018	Non-Executive and Non- Independent	3	3	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Atul Jain	16.07.2018	Managing Director	3	3	100 (Bajaj Finance Limited jointly with Atul Jain)
Gaurav Kalani	16.07.2018	Chief Financial Officer	3	3	-
Niraj Adiani	16.07.2018	Chief Risk Officer	3	3	-
Anurag Jain	16.07.2018	Chief- Information Technology	3	3	-

*Dr. Arindam Kumar Bhattacharya has been designated as Chairman of the Committee w.e.f. 1 April 2023.

**Jasmine Chaney was inducted as member of IT Strategy Committee w.e.f. 1 April 2023

Brief terms of reference are available on website at <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

During FY2024, the Committee was apprised, *inter alia*, on IT Infrastructure Projects, Information Security Projects, new business applications, data analytics, strengthening of data control, data recovery drills, application security framework, security incident monitoring overview, threat functioning and forensics, and information system audit.

In terms of RBI Guidelines, the terms of reference of the Committee were amended during the year under review. The same, *inter alia*, includes effectiveness and efficiency of IT & IS governance structure, evaluation of risks related to cyber security/information security and review of Business Continuity and Disaster Recovery (DR) plan. The updated terms of reference of the Committee can also be accessed at <https://www.bajajhousingfinance.in/documents/37350/5324874/Terms+of+Reference.pdf>

During FY2024, the Board had accepted all recommendations of the Committee.

Board Sub-committee

The Company has in place a Board sub-committee comprising of Sanjiv Bajaj, Chairman and other members being Rajeev Jain and Anami N Roy.

The role of the Committee is to sanction credit cases beyond the delegated authority of joint approval of Vice-Chairman & Managing Director and upto exposure limits mentioned in the ICAAP Policy of the Company.

Review Committee Under the Mechanism for Identification and Reporting of Wilful Defaulters (Review Committee)

In line with RBI/NHB Guidelines, HFCs have to provide for a mechanism for identification and reporting of wilful defaults of ₹ 25 lakh and above. The said guidelines *inter alia* provided that evidence of a wilful default on the part of the borrowing company and its promoters/whole-time director, should be examined by an Identification Committee. The Order of the Identification Committee constituted under the said mechanism should be reviewed by a "Review Committee" constituted under the said mechanism.

The Committee comprises of Sanjiv Bajaj – Chairman and other members being Rajeev Jain, Anami N Roy and Dr. Arindam Kumar Bhattacharya. The function of the Committee is to review the order passed by the identification committee.

During FY2024, there have been no instances of declaration of any borrower as a wilful defaulter.

Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place a Committee of Directors for Asset Liability Management. It comprises of Chairman and Vice-Chairman and meets on quarterly basis.

The Company has also in place an Asset Liability Management Committee comprising Vice-Chairman, Managing Director and other senior executives of the Company. The said committee meets on monthly basis.

The role of the Committees is to oversee Asset Liability Management system and review its functionality in accordance with Board approved ALM policy.

The minutes of the Committee meetings are placed before the Board for their noting and review.

Investment Committee

Pursuant to the RBI Guidelines, the Company has in place an Investment Committee. The Committee comprises of senior executives of the Company and meets on monthly basis. The Managing Director chairs the meetings of the Committee.

The role of the Committee is to review the investment strategy, asset allocation, investment decision and other operating guidelines, monitor the changing environment in the money market/capital market and accordingly, recommend changes to the investment strategy for execution and also review the audit reports on Treasury operations and provide directions for corrective actions, if any.

The minutes of the Committee meetings are placed before the Board for their noting and review.

Particular of Senior Management including changes since the close of previous financial year:

The details of Senior Management comprises of following persons:

Name	Designation
Pawan Bhansali	Senior Executive Vice President – Near Prime & Affordable
Ajita Kakade	Executive Vice President – Credit, Operations and Human Resources
Amit Sinha	Executive Vice President – Home Loans
Vipin Arora	Executive Vice President – CRE and LAP
Niraj Adiani	Chief – Risk Officer
Gaurav Kalani	Chief – Financial Officer
Vijay Solanki	Treasurer
Naman Agarwal	Head – Corporate Audit Services
Amit Kumar Yadav	Chief Compliance Officer
Sayantani Dutta	Chief – Human Resources and Administration
Atul Patni	Company Secretary
Rajendra Daf	Chief Information Security Officer

Changes during the FY2024

a. Appointments:

- Pursuant to RBI Circular dated 7 November 2023, Non-Banking Financial Companies are required to appoint a Chief Information Security Officer (CISO). In compliance with the said circular, the Company has appointed Rajendra Daf, as CISO.
- Pawan Bhansali joined the Company as Senior Executive Vice President - Near Prime & Affordable.
- Sayantani Dutta joined the Company as Chief - Human Resource & Administration.

b. Cessation:

- During the period there were no cessation among the Senior Management team.

Remuneration of Directors

Pecuniary relationship/transaction with Non-Executive Directors

During FY2024, there were no pecuniary relationship/transactions of any Non-Executive Directors with the Company, other than sitting fees and profit linked Commission, payable to them as directors.

Criteria of Making Payments to Non-Executive Directors

Non-Executive Directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgement. They also oversee the corporate governance framework of the Company.

Apart from sitting fees of ₹ 1,00,000 per meeting of the Board and/or its Committees attended (of which they are members) by them, no other remuneration is paid to Non-Executive Directors. During FY2024, the Non-Executive Directors of the Company were entitled to a commission at the rate of ₹ 2,00,000 per meeting of the Board and/or its committees attended by them.

The members of the Company vide Special Resolution passed at the Annual General Meeting (AGM) of the Company held on 15 June 2022 have, approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Director) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the five years commencing from 1 July 2022.

The Commission is paid to the Directors after the adoption of financial statements by the members at the AGM.

Details of Remuneration of Directors

Remuneration payable to Non-Executive Directors are as per the details provided in the Form MGT-7 ('annual return') which is hosted on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>

Managing Director

During FY2024, the Company paid remuneration to Atul Jain, Managing Director as mentioned in the annual return. He is also entitled to the other perquisites and benefits mentioned in the agreement entered into with the Company. He has been granted 46,882 stock options of Bajaj Finance Limited at a grant price of ₹ 6075.25/- during the year.

Management Discussion and Analysis Report

This is given as a separate section in the Annual Report.

Disclosure of Material Transactions

Pursuant to the SEBI Listing Regulations, senior management is required to make disclosures to the Board relating to all material, financial and commercial transactions, where they had or were deemed to have personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the senior management, there were no such transactions during FY2024.

Compliances Regarding Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, ('SEBI PIT Regulations') the Company has a Board approved code of conduct to regulate, monitor and report trading by designated persons ('Code of Conduct') and a code of practices and procedures for fair disclosure of unpublished price sensitive information ('Code of Fair Disclosure').

By frequent communications, the Company also makes aware the designated persons of their obligations under the SEBI PIT Regulations.

The Audit Committee and the Board annually reviews the compliance in terms Regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to SEBI PIT Regulations are adequate and are operating effectively.

Means of Communication

Quarterly, half-yearly and annual financial results are published in the Business Standard and uploaded on the Stock Exchange website.

The Company's website <https://www.bajajhousingfinance.in/> under the section of 'investor relations', contains all important public domain information including financial results, various policies framed/approved by the Board, presentations made to the investors, details of the contact persons, etc.

Information on General Body Meetings and Details of Special Resolution(s) Passed

Table 11: Details of the General Meetings held during last three years:

Type of Meeting	Date, Time and Place of AGM/EGM	Details of special resolution(s) passed	Voting percentage of shareholders participate		
			Particulars	% Favour	% Against
15th AGM	24 July 2023 9:05 am Pune	-Issue of Non-Convertible Debentures through Private Placement -Alteration of Articles of Association of the Company	All Shareholders	100	0
EGM	19 May 2023 9:30 am Pune	-Increase in the Borrowing Powers of the Company and creation of charge/security on the Companies asset -Issue of Non-Convertible Debentures through Private Placement -Appointment of Ms. Jasmine Arish Chaney (DIN: 07082359) as the Independent Director -Alteration to the Object Clause of the Memorandum of Association of the Company.	All Shareholders	100	0
14th AGM	15 June 2022 4:00 pm Pune	-Issue of Non-Convertible Debentures through Private Placement -Increase in Borrowing powers of the Company and creation of charge/security on company's asset -Appointment of Atul Jain (DIN: 09561712) as a Managing Director -Appointment of Dr. Arindam Kumar Bhattacharya (DIN: 01570746) as the Independent Director	All Shareholders	100	0
13th AGM	19 July 2021 1:30 pm Pune	-Issue of Non-Convertible Debentures through Private Placement	All Shareholders	100	0

Note: All the AGMs and EGM were held at Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014

There are no special resolutions proposed to be conducted through postal ballot.

Details of Non-Compliance, if any

The Company has complied with all applicable legal requirements of the Companies Act, 2013 including accounting and secretarial standards.

Details of capital market non-compliance, if any

BSE has levied fine of Rs. 10,000 as per SEBI circular dated 29 July 2022, for delayed compliance under regulation 60(2) pertaining to Record Date Intimation for ISIN - INE377Y07318. The Company has paid the requisite fine. There has been no delay or default in the payment of interest or principal to the debenture holders.

Apart from aforesaid penalty, no other penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI, or any other statutory authority, in any matter related to capital markets, during the last three years.

Compliance with covenants

During the year under review, the Company has complied with the all covenants relating to loans availed and debt securities issued.

Details of Penalties and Strictures

The statutory inspection of the Company was conducted by the National Housing Bank with reference to its financial position as on 31 March 2022. Reserve Bank of India ('RBI') in exercise of the powers vested with it under the provisions of the National Housing Bank Act, 1987 has imposed penalty of ₹ 5.00 lakh vide its order dated 29 January 2024 received by the Company on 2 February 2024, on account of contravention of para 45.3 of Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 which requires prior written permission from RBI for change in management resulting in change in more than 30% of the Non-Independent Directors. The Company has duly deposited the said penalty.

Compliance Certificate

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on Corporate Governance

This report read together with the information given in the 'Directors' Report', the section on 'Management Discussion and Analysis' and 'General Shareholder Information', constitute the compliance report on Corporate Governance during FY2024. Pursuant to Fifth amendment to the SEBI Listing Regulations dated 7 September 2021, certain corporate governance provisions under Chapter IV of the SEBI Listing Regulations have been extended to "High Value Debt" Listed Entities. The Company being a High Value Debt Listed entity, the corporate governance requirements are applicable on a comply or explain basis till 31 March 2025. SEBI at its Board meeting held on 15 March 2024 has approved the extension of timeline for complying with corporate governance provisions till 31 March 2025 for High Value Debt Listed entities.

Accordingly, the Company being one such entity is required to comply with Regulations 27(2) of SEBI Listing Regulations. The Company submit the quarterly corporate governance compliance report to the stock exchange within prescribed timelines.

Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during FY2024	0
Number of complaints disposed of during FY2024	0
Number of complaints pending at the end of FY2024	0

Fees Paid to Statutory Auditors

Fees paid by the Company to the joint statutory auditors including all entities in their network firm/entity of which they are a part, is given below:

A. Khandelwal Jain & Co:

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	15.00
2	Fees for other services*	10.50
Total		25.50

*above fee excludes out of pocket expenses and applicable taxes

B. G D Apte & Co:

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	15.00
2	Fees for other services*	6.50
Total		21.50

*above fee excludes out of pocket expenses and applicable taxes

Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations.

This certificate is annexed to the Directors' Report.

Compliance of Discretionary Requirements

During the financial year under review, the Company has complied with all the mandatory requirements of the SEBI Listing Regulations as applicable to the Company.

The Company has also complied with the discretionary requirements as under:

1. Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

2. Separate posts of Chairperson and the Managing Director

The positions of Chairperson and Managing Director are held by two different persons who are not related to each other.

GENERAL SHAREHOLDER INFORMATION

16th Annual General Meeting

Day and Date	22 July 2024
Time	5.00 p.m. IST
Venue	Bajaj Finserv Corporate Office, Off Pune–Ahmednagar Road, Viman Nagar, Pune - 411 014

Financial Year

The Company follows the financial year starting from 1 April to 31 March every year.

Dividend and date of Payment

Board has not recommended any dividend for FY2024 for consideration of the members at the ensuing Annual General Meeting (AGM).

Listing on Stock Exchange and Stock Code

Name	Code for Securities	Address
BSE	The Company is not equity listed and issues privately placed NCDs (secured/unsecured) from time to time basis. For each issue of NCDs separate ISIN and scrip code is generated. Issuer Code 377Y	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The non-convertible debentures and commercial papers are listed on the wholesale debt market (WDM) of BSE. Annual listing fees, as prescribed, have been paid to BSE Ltd. up to 31 March 2025.

Registrar and Share Transfer Agent

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') KFin Technologies Ltd. (referred to as 'KFin') continues to be the Registrar and Share Transfer Agent and to manage all relevant corporate registry services for the Company.

Market Price Data

The Company is not equity listed entity.

Outstanding Convertible Instruments/ ADRs/ GDRs/ Warrants

The Company does not have any outstanding convertible instruments/ ADRs/ GDRs/ Warrants as on date.

Commodity Price/Foreign Exchange Risk and Hedging Activities

Being a financial service company, the Company is not exposed directly to commodity price risk. Similarly, it also does not have any direct exposure to foreign exchange risk and hedging activities.

Plant Location

The Company being a Housing Finance Company does not have any manufacturing plant.

Credit Rating

During FY2024, the Company retained its credit rating owing to its high capital adequacy, strong growth, strong promoter support and tightened credit acceptance criteria. The Company has been assigned the following ratings for its long-term and short-term borrowings:

Long-term debt rating and Bank Loan rating

"CRISIL AAA/Stable" for its long-term borrowing programme, which comprises of ₹ 42,717.80 crore for the NCD programme, ₹ 1,000 crore for the subordinate debt programme, ₹ 16,000 crore for its bank loan rating programme.

"IND AAA/Stable" for its long-term borrowing programme, which comprises of ₹ 10,000 crore for the NCD and for the subordinate debt programme and ₹ 50,000 crore for its bank loan rating programme.

Short-term debt rating and Bank Loan rating

“CRISIL A1+” for its short-term debt programme with a programme size of ₹ 7,500 crore, “CRISIL A1+” for its short-term bank loan facilities interchangeable with in long-term rating amount.

“IND A1+” for its short-term debt programme with a programme size of ₹ 7,500 crore, “IND A1+” for its short-term bank loan facilities interchangeable with in long-term rating amount.

All the above ratings indicate a high degree of safety with regard to timely payment of interest and principal. The details of the long-term and short-term ratings are available on the website at <https://www.bajajhousingfinance.in/credit-rating>.

Tax Deducted at Source (‘TDS’) on Interest of Listed Non-Convertible Debentures

Pursuant to the changes introduced by the Finance Act, 2023, w.e.f. 1 April 2023, the exemption provided for tax deduction at source (‘TDS’) under Section 193 of the Income Tax Act, 1961 (‘Act’) in respect of interest on Non-Convertible Debentures (NCDs) held in dematerialized form and listed on recognized stock exchange has been withdrawn. Accordingly, the Company would be required to deduct TDS in accordance with the provisions of the Act on interest payment to the NCD holders who are entitled to receive the interest on NCD held by them on the record date.

Securityholders’ and Investors’ Grievances

The Board of Directors of the Company have constituted a Stakeholders Relationship Committee to specifically look into and resolve grievances of security-holders, viz. debenture holders. The Composition of the Committee and details on investor complaints received during the year are given in Corporate Governance Report.

Address for Correspondence

Sr. No.	Particulars	Address	Contact Details
1	Company	<p>Registered Office: Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411 035, Maharashtra</p> <p>Corporate Office: Cerebrum IT Park, B2 Building, 5th Floor, Kumar City, Kalyani Nagar, Pune - 411 014, Maharashtra</p>	<p>Tel No.: (020) 71878060 E-mail ID: bhfinvestor.service@bajajfinserv.in Website: www.bajajhousingfinance.in/contact-information</p>
2	Registrar and Share Transfer Agent	<p>KFin Technologies Ltd. Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032</p>	<p>Toll Free No.: 1800 309 4001 (24*7) E-mail ID: einward.ris@kfintech.com Website: https://www.kfintech.com/</p>
3	Debenture Trustee	<p>Catalyst Trusteeship Ltd. GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411 038, Maharashtra</p>	<p>Tel. No.: (020) 66807200 E-mail ID: ComplianceCTL-Mumbai@ctltrustee.com Website: https://catalysttrustee.com/</p>

DECLARATION BY MANAGING DIRECTOR

To,
The Board of Directors,
Bajaj Housing Finance Limited

I, Atul Jain, Managing Director of Bajaj Housing Finance Limited hereby declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended 31 March 2024.

Atul Jain

Managing Director
DIN: 09561712
Pune: 24 April 2024

CERTIFICATE BY PRACTISING COMPANY SECRETARY

[Pursuant to Schedule V read with Regulation 62 of the SEBI Listing Regulations, 2015 (as amended)]

In the matter of **Bajaj Housing Finance Ltd.** (CIN: U65910PN2008PLC132228) having its registered Office at Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company.

I certify that the following persons are Directors of the Company (during 01/04/2023 to 31/03/2024) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahul Kumar Bajaj	00014615	Chairman - Non-Executive - Non-Independent Director
2	Rajeev Jain	01550158	Vice Chairman - Non-Executive - Non-Independent Director
3	Anami Narayan Prema Roy	01361110	Non-Executive Independent Director
4	Dr. Arindam Kumar Bhattacharya	01570746	Non-Executive Independent Director
5	Jasmine Arish Chaney*	07092359	Non-Executive Independent Director
6	Atul Jain	09561712	Managing Director

*Jasmine Arish Chaney (DIN 07092359) was appointed as Non-Executive Independent Director of the Company w.e.f. 01/04/2023 by the Board of Directors at its meeting held on 16/03/2023.

Place: Pune
Date: 24 April 2024
UDIN: F001587F000224436

Shyamprasad D. Limaye
FCS. 1587 C.P. No 572

SECRETARIAL AUDIT REPORT (FORM NO. MR-3)

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31st March, 2024.

To,
The Members of,
Bajaj Housing Finance Limited,
(CIN: U65910PN2008PLC132228)
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune-411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6) Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company;

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited Ltd. (for Debentures) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable;

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period, the Company has:

- i. Allotted 8350 Secured non-convertible debentures amounting to ₹ 8350.00 Crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 Crore towards Unsecured non-convertible debentures.
- ii. Issued Commercial Papers amounting to ₹ 4600.00 Crore from time to time and complied with the rules and regulations under various Acts.
- iii. Deposited a penalty of ₹ 5.00 lakh which was imposed by Reserve Bank of India ('RBI') in exercise of the powers vested with it under the provisions of the National Housing Bank Act, 1987 vide its order dated 29th January 2024 received by the Company on 2nd February 2024, on account of contravention of para 45.3 of Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 which requires prior written permission from RBI for change in management resulting in change in more than 30% of the non-independent directors.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: Pune

Date: 24/04/2024

UDIN: F001587F000224403

Shyamprasad D. Limaye

FCS. 1587 C.P. No 572

Annexure to Secretarial Audit

To,
The Members,
Bajaj Housing Finance Limited,
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune -411 035.

My Secretarial Audit Report for the Financial Year ended on 31st March, 2024 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 24/04/2024

Shyamprasad D. Limaye
FCS 1587 CP 572

DIGITAL – EVERY STEP OF THE WAY

Technology plays a key role in optimising outcomes at BHFL, be it for application, loan processing and operations, or customer service, grievance redressal, and retention.

Machine Learning (ML) for sentiment analysis

to assist in categorising & prioritising customer feedback



Remarketing technology

to assist users who are yet to complete their journey - whether at the application, approval, or disbursement stage



Retail underwriting

to optimise resource allocation based on customer segment & underwriter availability, thereby enhancing productivity



Operations

ML-based alerts for procedural discrepancies & automated reconciliations for disbursement & collection bank accounts





'DIY Home Loan'
Application to approval
100% online



Pre-Qualified Home Loans
Check/generate your Home Loan offer instantly



'Call to Apply'
Call or give a missed call to apply



'Chat & Apply'
Apply through WhatsApp & Check your offer instantly



'Call Me Back'
Schedule a call back at a date & time of preference



Online Customer Referral
Refer friends & family for a Home Loan & earn rewards

DIGITAL TRANSFORMATION



Customer Portal & App
24x7 account accessibility with self-service options



Mobility App
Seamless, quick file login for field teams



e-Agreement
Eliminate physical signatures with an online loan agreement



e-Sanction Letter
A digital sanction letter for easy accessibility



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	U65910PN2008PLC132228						
2	Name of the Listed Entity	Bajaj Housing Finance Limited (Referred to as 'the Company'/'BHFL')						
3	Year of incorporation	2008						
4	Registered office address	Bajaj Auto Limited Complex, Mumbai- Pune Road, Akurdi, Pune – 411035						
5	Corporate address	5th Floor, B2 Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune – 411 014, Maharashtra						
6	E-mail	bhfinvestor.service@bajajfinserv.in						
7	Telephone	020-71878060						
8	Website	https://www.bajajhousingfinance.in						
9	Financial year for which reporting is being done	2023-2024						
10	Name of the Stock Exchange (s) where shares are listed	The Company is not a equity listed company. However, the Company's debt are listed on the Bombay Stock Exchange (BSE)						
11	Paid-up Capital	₹ 6,712.16 crore						
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	<table border="1"> <tr> <td>Name and designation of the person</td> <td>Atul Patni Company Secretary</td> </tr> <tr> <td>Contact details</td> <td>020-71878060</td> </tr> <tr> <td>Email ID</td> <td>atul.patni@bajajfinserv.in</td> </tr> </table>	Name and designation of the person	Atul Patni Company Secretary	Contact details	020-71878060	Email ID	atul.patni@bajajfinserv.in
Name and designation of the person	Atul Patni Company Secretary							
Contact details	020-71878060							
Email ID	atul.patni@bajajfinserv.in							
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis						
14	Name of assurance provider	DNV Business Assurance India Private Limited						
15	Type of assurance obtained	Limited level of assurance for BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023.						

II. Products/services

16. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Services	Other Financial activities	99.99

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Housing Finance (other credit granting) – Home loan, Loan against property, Developer Finance and Lease rental discounting	64920	99.99

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of plants [#]	Number of offices	Total
National	Not Applicable	215*	215
International		Nil	Nil

[#]BHFL is not engaged in manufacturing activities and accordingly it does not have any plants.

*Includes all the branches and corporate offices as on 31 March 2024.

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	20 States and 3 Union Territories (UTs)
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. BHFL doesn't have export business operations.

c. A brief on types of customers

BHFL caters to mass affluent salaried, self-employed and professional customers through its various product offerings. BHFL has established a diversified business model with a strong focus on customer acquisition and multiple loans and services offerings to meet various financial services needs of our customers.

Home Loans

BHFL offers home loans for ready to move in and under construction properties to mass affluent salaried, self-employed and professional customers through new purchase, resale and balance transfer propositions.

Loan Against Property

BHFL serves loan against property (LAP) product to SMEs, MSMEs, self-employed individuals and professionals and salaried customers against their residential and commercial properties.

Lease rental Discounting

BHFL caters to the lease rental discounting needs of high net-worth individual (HNI), corporates and developers for their lease rental discounting needs through this business. Business is focussed on building granular portfolio and offers additional product suite of construction finance for commercial properties, lease rental discounting for warehouses and industrial properties.

Developer Loans

BHFL offers residential construction finance facility to developers who have a demonstrated track record of project delivery and timely repayments. To minimise execution risk, financing is linked with the stage of completion of project.

Partnerships and Services

In partnership with various financial service providers, BHFL offers life insurance, general insurance, health insurance, online primary healthcare assistance services and other financial services products to its customers.

IV. Employees
20. Details as at the end of Financial Year
a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2,372	2,196	93%	176	7%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	2,372	2,196	93%	176	7%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
1.	Permanent (F)	NA	NA	NA	NA	NA
2.	Other than Permanent (G)	NA	NA	NA	NA	NA
3.	Total employees (F + G)	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	1	1	100%	0	0%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)	NA	NA	NA	NA	NA
2.	Other than Permanent (G)	NA	NA	NA	NA	NA
3.	Total differently abled employees (F + G)	NA	NA	NA	NA	NA

BHFL is engaged in financial services businesses which does not require services of workers.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	17%
Key Management Personnel*	3	0	0%

Note: The above information pertains as on 31 March 2024.

*Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013.

22. Turnover rate for permanent employees and workers

	FY2024			FY2023			FY2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	40%	24%	39%	49%	36%	49%	41%	39%	41%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

Note: The turnover rate has been calculated as per the guidance note provided by SEBI.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/associate/joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
Bajaj Finance Ltd.	Holding Company	100%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No) – Yes.

(ii) Turnover for FY2024 (₹ in crore) – 7,617.71

(iii) Net worth for FY2024 (₹ in crore) – 12,233.50

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY2024			FY2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	0	0	0	0	0	0
Employees and workers	Yes	Please refer Q.06 under “Essential Indicators of “P5-Business should respect and promote human rights” for the complaints related to employees					
Customers	Yes	Please refer Q.3 under “Essential Indicators” of “P9 – Businesses should engage with and provide value to their consumers in a responsible manner” for the complaints related to customers					
Value Chain Partners	Yes	0	0	0	0	0	0
Other	Yes	0	0	0	0	0	0

BHFL, in line with its policies, practices and processes, engages with its stakeholders, and strives to resolve differences raised by them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

26. Overview of the entity’s material responsible business conduct issues

Material issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Customer Experience	Risk	Given that BHFL provides financial products and services to a large set of customers, any undesirable customer experience could result in loss of customers or even reputational loss.	<p>Listening to customers and driving continuous transformation to provide them a frictionless experience is what BHFL has always strived for. Ethics, transparency, and accountability are deeply ingrained and practiced in daily operations, including in dealing with customers. For a better customer experience, BHFL appropriately addresses their grievances.</p> <p>Customer experience is enhanced by offering products and services which meet the needs of customers, as well as adaptation of innovative technology solutions to provide a seamless and an “on the go” customer journey through its digital platforms.</p> <p>A dedicated customer complaint reduction unit has been instituted to identify the root cause of customer complaints and taking corrective actions to modify the processes, to avoid such grievances.</p>	Negative: Loss of reputation can result in loss of customer thereby adversely impacting businesses of BHFL.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes (Please refer the note below)								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policies, if available	https://www.bajajhousingfinance.in/policies-and-documents								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies have been developed taking into consideration the industry practices & various regulatory requirements and through appropriate consultation with relevant stakeholders. BHFL is compliant ISO 27001-2022 Information security management system.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ul style="list-style-type: none"> Environment restoration-water conservation, plantation, etc Replacement of CFL lighting with LED systems across offices Reduced usage of single use plastic cups, bottles, stirrers, usage of reusable cutleries in our office canteen. To build a financial support system for employees and their families (I care) 								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Since the Company is voluntarily reporting BRSR for the first time in FY2024, the performance of the Company on Specific commitments and target shall be monitored in future.								
Note: Detailed list of policies is provided in annexure 1									
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure) -Since the Company is voluntarily reporting BRSR for the first time in FY2024, the statement shall be provided in future.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Atul Jain Designation: Managing Director DIN: 09561712								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	No. The Company has adopted BRSR voluntarily.								

10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, all the Board approved policies of the Company are reviewed annually and placed before the Board of Directors. Further, all the policies (excluding board approved policies) are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and placed before the Board of Directors as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The Company ensures that all the policies are reviewed internally either by the department heads/ domain experts/relevant committee members, as applicable.								

Note: Policies other than those placed on the Company’s website (<https://www.bajajhousingfinance.in/policies-and-documents>) are internal documents and are not accessible to public.

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	As the answer to question (1) above is ‘Yes’, this section is not applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P2
P3
P4
P5
P6
P7
P8
P9

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
Board of Directors			100%
Key Managerial Personnel		On an ongoing basis, the Company carries out familiarisation programs for its directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrices, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc. A declaration from the Directors and Senior Management’s affirmation to the Code of Conduct for Directors and Senior Management communicated to all stakeholders by the Managing Director, through the Annual Report.	
Employees other than BOD and KMPs		The Company invests significant time and resources in the training and development of its employees, to help them stay ahead on the latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. We have implemented a mandatory compliance training module across the Company which consists of the below listed topics, such as ESG, Whistle blower policy, health & safety, Information security, business continuity and data privacy, Prevention of Sexual Harassment (POSH), Code of Conduct, Know your customer (KYC), Anti-Money laundering (AML), Dealing with BFS securities, MYB, Code of Ethics, Anti -phishing, Business travel declaration, Digital media, Fair practice code, Cyber security. During the year, more than 10,290.77 hours of logged in trainings were completed by employees on above mentioned topics.	100%
Workers		NA	

NA: BHFL is engaged in financial services businesses which does not require services of workers.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal preferred? (Yes/No)
Penalty/ Fine		Nil		
Settlement		Nil		
Compounding fee		Nil		
Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment		Nil		
Punishment		Nil		

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3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes. BHFL has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all its business dealings through necessary policies, codes, and charters. The anti-bribery guidelines cover aspects related to bribes, acceptance of favours, and gifts from Vendors/business partners, interacting with government and regulators, amongst others.

Further, Employee Charter - Human Rights Statement adopted by BHFL also lays down the principle and commitment on anti-corruption and bribery.

The principles of anti-corruption and bribery are also captured in the Code of Conduct for Directors and Senior Management. <https://www.bajajhousingfinance.in/policies-and-documents>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY2024	FY2023
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

Note: Based on the information available with the Company.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

6. Details of complaints with regard to conflict of interest

	FY2024		FY2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest

BHFL was not subjected to any corruption and conflicts of interest related charge or action by regulators, law enforcement agencies or judicial institutions.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format

	FY2024	FY2023
Number of days of accounts payables	22.54	23.30

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9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

P3
P4
P5
P6
P7
P8
P9

Parameter	Metrics	FY2024	FY2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs In	a. Purchases (Purchases with related parties / Total Purchases)	5.42%	4.99%
	b. Sales (Sales to related parties / Total Sales)	0.86%	1.19%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances*)	0.01%	0.00%
	d. Investments (Investments in related parties / Total Investments made)	0.00%	0.00%

*We have considered loans given to related parties.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2024	FY2023	Details of improvements in environmental and social impacts
R&D			
Capex			Please refer the below note

Note: BHFL did not make any R&D and capital expenditure (CAPEX) investments during the reporting period in specific technologies to improve the environmental and social impact of our products and processes. However, moving forward, the Company shall identify areas in which it can invest in technologies to enhance the environmental and social impact of our products and processes.

- a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

- b. If yes, what percentage of inputs were sourced sustainably?**

BHFL provide financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. BHFL activities are limited to providing financial solutions to serve the needs of the people. BHFL nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources. BHFL ensures that energy efficiency standards are considered during the purchase of electronic equipment such as lighting devices, AC's etc.

- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste**

Due to the service-oriented nature of our operations, the Company does not consume a lot of material resources. Moreover, there is minimal waste generation at our offices, but we prioritize responsible management of any waste generated.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same**

Given the nature of our business, the above is not applicable to us.

P1 **PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including**
 P2 **those in their value chains.**

P3 **Essential Indicators**

P4 **1. a. Details of measures for the well-being of employees**

P5

P6 **% of employees covered by**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits*		Day Care facilities#	
		Number (B)	% (B /A)	Number (C)	% (C /A)	Number (D)	% (D /A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent employees											
Male	2,196	2,196	100%	2,196	100%	NA	NA	2,196	100%	2,196	100%
Female	176	176	100%	176	100%	176	100%	NA	NA	176	100%
Total	2,372	2,372	100%	2,372	100%	176	100%	2,196	100%	2,372	100%
Other than Permanent employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

*The percentage disclosed is calculated basis total female employee's headcount covered for maternity benefits and total male employees headcount covered for paternity benefits respectively.

#Wherever applicable under regulations, Day care facilities are provided.

P7 **b. Details of measures for the well-being of workers:**

P8 **% of workers covered by**

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B /A)	Number (C)	% (C /A)	Number (D)	% (D /A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent Workers											
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

P9 **c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format**

	FY2024	FY2023
Cost incurred on well-being measures as a % of total revenue of the company	0.06%	0.09%

P1 **2. Details of retirement benefits, for Current FY and Previous Financial Year.**

P2

P3

P4

P5

P6

P7

P8

P9

Benefits	FY2024			FY2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Yes	100%	NA	Yes
Gratuity	100%	NA	Yes	100%	NA	Yes
ESI*	100%	NA	Yes	100%	NA	Yes
NPS	100%	NA	Yes	100%	NA	Yes
Superannuation	NA	NA	NA	NA	NA	NA

Note: The above represents benefits provided to all the employees who are eligible/have opted for the said retirement benefits.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

*ESI Wherever applicable under regulations

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As a principle, BHFL through its Equal Employment Opportunity and Non-discrimination practices and Employee Charter - Human Rights Statement prohibits any kind of discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

BHFL practices Equal employment opportunity and non-discrimination in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework and commitment towards the empowerment of persons with disabilities.

BHFL through its Employee Charter - Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment.

As enshrined in the 'Responsible and Sustainable Business Conduct practices, BHFL provides fair remuneration and equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals. These practices promote an environment where everyone in the Company gets an equal opportunity to excel and grow in accordance with the individual's ability and suitability to perform in his/her area of work.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	58%	NA	NA
Female	100%	67%	NA	NA
Total	100%	58%	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of worker

P1
P2
P3
P4
P5
P6
P7
P8
P9

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	<p>Yes. BHFL strives to create a culture which is fair, open, and transparent and where employees can openly present their views.</p> <p>BHFL transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes with all employees in a non-discriminating manner.</p> <p>BHFL has a Board approved Disciplinary Action Policy (DAP) and Board delegated Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BHFL has zero tolerance towards any non-compliance of these principles.</p> <p>BHFL has 'Code of Ethics and Personal Conduct' (CoEPC) 'Whistle Blower' and 'Prevention of Sexual Harassment' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Though the policy is not extended to the other than permanent employees, we will continuously endeavour to address the grievances and concerns raised by them.</p>
Other than Permanent Employees	Nil
Permanent workers and other than permanent workers	NA

NA: BHFL is engaged in financial services businesses which does not require services of worker

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2024			FY2023		
	Total employees/workers in respective category (A)	No. of employees / Workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees	The Company does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.					
Male						
Female						
Total Permanent Workers	NA					
Male						
Female						

NA: BHFL is engaged in financial services businesses which does not require services of workers.

P1
P2
P3
P4
P5
P6
P7
P8
P9

8. Details of training given to employees and workers

Category	Total (A)*	FY2024				Total (D)	FY2023			
		On Skill Upgradation		On Health and Safety			On Skill Upgradation		On Health and Safety	
		No. (B)	% (B/A)	No. (B)	% (B/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	2,196	739	34%	572	24%	2,627	2,627	100%	0	0%
Female	176	52	30%	54	31%	161	161	100%	0	0%
Total	2,372	791	33%	581	25%	2,788	2,788	100%	0	0%
Permanent Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: This dataset includes training provided to employees who left the firm during FY2024.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

9. Details of performance and career development reviews of employees and worker

Category	FY2024			FY2023		
	Total (A)	No.(B)	% (B/A)	Total (C)	No.(D)	% (D/C)
Employees						
Male	2,133	2,133	100%	2,659	2,659	100%
Female	170	170	100%	165	165	100%
Total	2,303	2,303	100%	2,824	2,824	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

Note: The percentage has been computed on the eligible employees due for annual performance.

NA: BHFL is engaged in financial services businesses which do not require services of workers.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

BHFL is committed to provide a safe and healthy workplace by minimizing the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.

BHFL trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills for employees. Corporate offices and all branch offices are assessed in regards with the electrical systems safety, fire safety, building stability and working conditions. Physical and mental wellbeing of the employees is at the core of BHFL human resource practices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BHFL conducts Safety practices on a periodic or on a need basis wherein parameters related to fire safety, housekeeping, electrical safety, and emergency preparedness are assessed.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

NA: BHFL is engaged in financial services businesses which does not require services of workers.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. BHFL has insured its employees under group term insurance, health insurance and accidental insurance policies.

P1
P2
P3
P4
P5
P6
P7
P8
P9

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Refer 10(a) above

13. Number of Complaints on the following made by employees and workers

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Please refer the note below

Note: BHFL strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant corrective actions pertaining to above mentioned parameters was necessitated by BHFL during the year under review.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Individuals or a group of individuals, agencies, institutions who are interested or impacted by the activities of the company’s businesses and vice versa now or in the future are identified as key stakeholders by the Company. The key stakeholders thus identified are customers, lenders, government, shareholders, regulators, value chain partners, employees, and society.

BHFL understands the impact of its policies, decisions, products and services, and associated operations on the stakeholders. In line with its policies, practices, and processes, BHFL engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and where warranted takes corrective measures.

BHFL also engages with relevant stakeholders for enhancing sustainable and responsible business practices.

P1
P2
P3
P4
P5
P6
P7
P8
P9

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, other)	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder	No	Multiple channels –physical and digital	Need based	To inform about the performance, major developments and other relevant updates regarding BHFL.
Customer	No	Multiple channels physical and digital.	Need based	Servicing across the lifecycle of the customer, redressal to queries / grievances that the customer may have, Voice of Customer (VOC) and surveys, product/ service offerings and periodic communication to provide update on various lifecycle events over digital channel.
Government and Regulators	No	Multiple channels – physical and digital	<ul style="list-style-type: none"> Periodic Need based 	To provide recommendations or feedback on draft policies and make representations on various subjects before regulators and associations for advancement and improvement of financial services industry in India.
Employees	No	Multiple channels – physical and digital	<ul style="list-style-type: none"> On-going Need based 	To create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth.
Value chain Partner	No	Multiple channels – physical and digital	Need based	To enhance the access and understanding of relevant and financial products and services of the Company.
Society	No	Multiple channels – physical and digital	Need based	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY2024			FY2023		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Permanent and other than permanent employees	2,372	581	24%	Please refer the note below		
Permanent and other than permanent workers	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

P1
P2
P3
P4
P5
P6
P7
P8
P9

Note: Any Employee who works in the Company must adhere to the commitment of BHFL to integrity and ensure following the principles laid down in Code of Ethics and Personal Conduct (COEPC) which amongst other things includes principles of mutual respect, privacy, equal opportunities and non- discrimination, health, safety and environment, prevention of sexual harassment.

Our commitment to employees' rights is enshrined in the Employee Charter - Human Rights Statement of BHFL- which sets out what employees can reasonably expect from the company (Employee Rights) and the responsibilities and qualities that are expected from them while performing their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, safe healthful and harassment-free workplace, amongst others.

BHFL runs ESG awareness programs for its employees to create awareness on ESG initiatives (including human rights) for its employees through use of social media as well as internal communication channels-Intranets, HR bulletins, Video Snippets, etc.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2024					FY 2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	2,196	0	0	2,196	100%	2,627	12	0.46%	2,627	100%
Female	176	0	0	176	100%	161	0	0	161	100%
Other than Permanent										
Male	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Female	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Workers										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

3. Details of remuneration/salary/wages

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in crore)	Number	Median remuneration/ salary/ wages of respective category (₹ in crore)
BoD – Whole-time Director*	1	14.08	0	0
BoD - non-executive Directors*	4	0.54	1	0.51
Key Managerial Personnel*	2	2.52	0	0
Employees other than BoD and KMP	2,193	.07	176	.06
Workers	NA	NA	NA	NA

*The above remuneration is exclusive of fair value of options granted as per black Scholes model in the year of vesting

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY2024	FY2023
Gross wages paid to females as % of total wages	5.86%	4.78%

P1
P2
P3
P4
P5
P6
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4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, BHFL has a Disciplinary Action Committee (DAC) that addresses all the human rights related issues raised by employees.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

While BHFL aims to not have a situation that leads to any grievance; should such a situation arise, BHFL has a well-defined Grievance redressal mechanism for its employees which are governed through COEPC, Employee Charter, Disciplinary Action Committee, Whistle Blower and Vigil Mechanism Policies. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation. Additionally, we have dedicated channels such as HR Pulse connects wherein all the grievances, emergencies and incidents can be reported. BHFL regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed.

BHFL believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, BHFL has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BHFL also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological, or verbal abuse. As a matter of policy, BHFL does not hire any employee or engage with any agent or vendor against their free will.

6. Number of Complaints on the following made by employees and workers

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		1	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY2024	FY2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0%	0.62%
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by COEPC, Employee Charter, Disciplinary Action Committee, Whistle Blower and Vigil Mechanism Policies. BHFL prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of Ethics and Personal Conduct of the Company which includes aspects of discrimination and harassment.

It is the duty of every employee to report instances of possible COEPC violations that they are aware of. At BHFL, sharing a possible concern about the code honestly and in good faith, even if it turns out to be unfounded, is never an excuse for any kind of retaliation. It is ensured COEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on employees who highlight possible COEPC violations in good faith.

P1 BHFL also prohibits retaliation for using any of BHFL’s complaint reporting procedures, if made in good
P2 faith, or for filing, testifying, assisting, or participating in any investigation conducted by a government
P3 enforcement agency.

P4 **9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

P5 Yes. The Company appreciates the inherent, universal, indivisible, inalienable and interdependent nature of
P6 human rights.

P7 **10. Assessments for the year**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Child labour	BHFL expects and strives to influence its employees to adhere and respect human rights values and principles. The HR and admin team interacts with employees at branches to assesses any work and human rights related issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Based on its ongoing reviews of human resource practices BHFL did not find any significant risk/ concerns in the above areas during the year under review and accordingly no corrective actions were warranted.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	Unit of Measurement	FY2024	FY2023
From renewable sources			
Total electricity consumption (A)	Gigajoules	0	0
Total fuel consumption (B)	Gigajoules	0	0
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumed from renewable sources (A+B+C)	Gigajoules	0	0
From non-renewable sources			
Total electricity consumption (D)	Gigajoules	10,742.50	10,000.48
Total fuel consumption (E)	Gigajoules	4,893.58	1,462.16
Energy consumption through other sources (F)	Gigajoules	-	-
Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	15636.08	11,462.64
Total energy consumed (A+B+C+D+E+F)	Gigajoules	15636.08	11,462.64
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Per crore of Consolidated Total Revenue from Operations	2.05	2.02
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Per crore of Consolidated Total Revenue from Operations adjusted for PPP	45.98	44.86
Energy intensity in terms of physical output			
Energy intensity (optional) –(Total energy consumption/consolidated total loan portfolio)	Per crore of Consolidated Total Loan Portfolio	0.20	0.18

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Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. During the year, an independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2024.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

This is not applicable to BHFL given the nature of its business.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2024	FY2023
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)	-	-
Total volume of water consumption (in kiloliters)	30,528	-
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	4.01	-
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	89.77	-
Water intensity in terms of physical output	-	-
Water intensity (optional) - (Total water consumption/consolidated total loan portfolio)	0.38	-

- Water tracking system is available at our head corporate office, and we have calculated water consumption (in litre) per employee basis the data available for the said location along with reasonable assumptions, wherever required.
- The quantity of water (in litres) per employee derived from the available data is in line with "National Building Code (NBC) - Bureau of Indian Standards (BIS), 2016 - Estimation of Water Requirement for Drinking and Domestic Use" which provides for 45 litres per person per working day.
- Total water consumption is derived considering total average head count, total working days and water requirement per person per working day as specified in point b.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. During the year, an independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2024.

4. Provide the following details related to water discharged:

Parameter	FY2024	FY2023
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
No treatment -	-	-
With treatment - please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment -	-	-
With treatment - please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment -	-	-
With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment -	-	-
With treatment - please specify level of treatment	-	-
(v) Others	-	-
No treatment -	-	-
With treatment - please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Currently we do not monitor water discharge.

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Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Zero liquid discharge is not applicable to BHFL given the nature of its business.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2024	FY 2023
NOx			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Please refer to the note below

Note: As a financial services company, air emissions from our operations are not significant. However, we do monitor our GHG emissions which have been appropriately disclosed in this Report.

Indicate if any independent assessment/ evaluation/assurance has been carried out by a external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY2024	FY2023
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO ₂ equivalent	377.31	224.15
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO ₂ equivalent	2,128.20	2,187.01
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Per crore of Consolidated Total Revenue from Operations	0.33	0.43
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per crore of Consolidated Total Revenue from Operations adjusted for PPP	7.37	9.44
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (Total energy consumption/consolidated total loan portfolio)	Per Crore of Consolidated Total consolidated total loan portfolio	0.03	0.04

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. During the year, independent limited assurance has been carried out by DNV Business Assurance India Pvt. Ltd. for FY2024.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No, BHFL does not have any ongoing project related to reducing greenhouse gas emissions.

P1 **9. Provide details related to waste management by the entity, in the following format**

	FY2024 (in metric tonnes)	FY2023 (in metric tonnes)
Parameter		
Total waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G)	-	-
Other Non-hazardous waste generated (H) . Please specify if any (Break-up by composition i.e by materials relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	-	-
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output		
Waste intensity (optional) – (Total energy consumption/consolidated total loan portfolio)	-	-
For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations (Safe disposal)	-	-
Total	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals.

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P2
P3
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P5
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P7
P8
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11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			Nil

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			NA		

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
				BHFL is in compliance with applicable environmental norms applicable to the nature of its business.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

BHFL is not affiliated with any trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Company Name	Reach of trade and industry chambers/associations (State/ National)
			BHFL is not affiliated with any trade and industry chambers/associations.

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of case	Corrective action taken
		Please refer the note below

Note: BHFL had no adverse orders from any regulatory authorities relating to anticompetitive activities. Hence, no corrective action was necessitated by the BHFL during the year under review.

P1
P2
P3
P4
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P6
P7
P8
P9

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicator

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
The above disclosure is not applicable as no projects have been undertaken during the reporting period for which Social Impact Assessment was applicable.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Sr. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
The above disclosure is not applicable as no projects have been undertaken during the reporting period for which Rehabilitation and Resettlement (R&R) was applicable.						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company have various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed in CSR policy disclosed on the website.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: (₹ in crore)

	FY2024	FY2023
Directly sourced from MSMEs/ small producers	3.00%	3.84%
Directly from within India	99.78%	99.97%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY2024	FY2023
Rural	0.04%	0.04%
Semi-urban	1.38%	1.70%
Urban	13.40%	15.78%
Metropolitan	85.18%	82.48%

(Place have been categorized as per RBI Classification System – rural / semi-urban / urban / metropolitan)

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce the grievances learning from our experiences, through root cause analysis. BHFL dealings with its customers are professional, fair, and transparent. BHFL has a robust customer services governance framework and same are enumerated under “Customer Obsession” section of ESG report at <https://www.bajajhousingfinance.in/policies-and-documents>.

P1
P2
P3
P4
P5
P6
P7
P8
P9

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information.

As a percentage to total turnover

Environmental and social parameters relevant to the product	Transparency and fairness in dealings with customers is followed across BHFL. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposals	

3. Number of consumer complaints in respect of the following

	FY2024		FY2023		
	Received during the year	Pending resolution at end of year	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	0	0	
Advertising-	0	0	0	0	
Cyber security	0	0	0	0	
Restrictive Trade practices	0	0	0	0	
Unfair Trade practices	0	0	0	0	
Others	308	0	417	0	

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. BHFL has adopted an information security framework to establish, implement, monitor, and constantly improve its information security posture. We focus on privacy of customer information and data security. The Company has 'Data Privacy Policy' in place and same is available on the website of the Company. BHFL is compliant with ISO 27001:2022 Information security management system. BHFL is compliant with the applicable regulatory framework and guidelines. For more details, please refer to section on "Information security, cyber security and fraud controls" section of the ESG report at <https://www.bajajhousingfinance.in/policies-and-documents>.

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.

No penalties or regulatory action has been levied or taken on the above-mentioned parameters.

7. Provide the following information relating to data breaches

- a. Number of instances of data breaches - 0**
- b. Percentage of data breaches involving personally identifiable information of customers - 0**
- c. Impact, if any, of the data breaches - 0**

ANNEXURE 1: LIST OF POLICIES

S. No	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Responsible and Sustainable Business Conduct Policy	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	✓								
3	Fair Practices Codes	✓			✓					✓
4	Sexual Harassment at workplace policy (prevention, prohibition & redressal)	✓		✓		✓				
5	Disciplinary action and grievance redressal policy	✓		✓		✓				
6	Code of Conduct to DSA and DMA/Recovery Agents	✓				✓				✓
7	Fraud Reporting and Monitoring	✓								✓
8	Information Security Policy	✓								✓
9	Cyber Security Policy	✓								✓
10	Outsourcing Policy	✓								✓
11	Vigil mechanism & Whistle blower policy	✓		✓		✓				
12	Know Your Customer Policy	✓								✓
13	Corporate Social Responsibility (CSR) Policy	✓			✓				✓	
14	Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information	✓								
15	Code of Practices and Procedures for Fair Disclosure and Unpublished Price Sensitive Information (UPSI)	✓								
16	Policy on Materiality of and dealing with Related Party Transactions.	✓								
17	Interest Rate Policy	✓			✓					✓
18	Policy on Fit and Proper criteria for directors	✓								
19	Performance Evaluation Criteria for board, Committees of board, Chairperson and directors	✓								
20	Code of Ethics and Personal Conduct	✓		✓		✓				
21	Corporate Communication Policy	✓			✓					✓
22	Employee Charter Human Rights	✓		✓	✓					✓
23	IJP Policy			✓						
24	Auto Promotion Policy			✓						
25	Rewards Recognition Policy			✓						
26	iCare Policy			✓						
27	Creche Policy			✓						
28	Staff Welfare Policy			✓						
29	Money on Call Policy			✓						
30	Board Diversity Policy	✓								
31	Fortnightly salary Policy			✓						
32	Corporate Audit Charter and Policy	✓								
33	Grievance Redressal Mechanism/ Policy	✓			✓	✓				✓
34	Customer grievance redressal policy	✓			✓					✓
35	Record Maintenance and Retention	✓								✓
36	Risk Management Policy	✓								
37	Investment and Market Risk Policy	✓								
38	Asset Liability Management Policy	✓								
39	Business Continuity Management Policy	✓								✓
40	Policy on Dealing in Securities of group companies	✓		✓						
41	Remuneration Policy	✓		✓		✓				
42	Compliance Policy	✓								
43	Corporate Governance/ e-Governance Policy	✓								
44	Institutional Mechanism for prevention of Insider Trading	✓								
45	Internal Capital Adequacy Assessment Process Policy (ICAAP)	✓								
46	Code of Conduct for Directors and senior management	✓								

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Bajaj Housing Finance Limited (Corporate Identity Number U65910PN2008PLC132228, hereafter referred to as 'BHFL or 'the Company') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include the non-financial quantitative disclosures in BRSR (Annexure II of SEBI circular dated 12 July 2023).

Reporting standard/framework

The disclosures have been prepared by BHFL in reference to:

- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023.
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol (V6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements; ISO 14046 - Environmental management - Water footprint - Principles, requirements, and guidelines to evaluate indicators wrt. Greenhouse gases disclosures.

Intended User

The intended user of this assurance statement is the Management of Bajaj Housing Finance Limited ('the Management').

Level of Assurance

Limited Level of assurance for the non-financial quantitative disclosures (only essential Indicators) of the BRSR (Ref: Annexure II of SEBI circular).

Responsibilities of the Management of BHFL and of the Assurance Provider

The Management of BHFL has the sole responsibility for the preparation of the BRSR and is responsible for all information disclosed in the BRSR. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. BHFL is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of engagement includes an independent limited level assurance of the quantitative non-financial disclosures in BRSR (Ref: Annexure II of SEBI circular) for Financial Year (FY) 2023-24. Following quantitative non-financial disclosures were assessed for the limited level of assurance:

- Section A: General Disclosures- 20-a, b, 21, 22, 25
- Section C: Principle Wise Performance Disclosure-
 - Principle 1: Essential Indicator 1, 6
 - Principle 3: Essential Indicator 1-a, 2, 5, 8, 11, 13
 - Principle 5: Essential Indicator 2, 6, 7
 - Principle 6: Essential Indicator 1, 3*, 7, 9
 - Principle 8: Essential Indicator 5
 - Principle 9: Essential Indicator 3, 7

*Total water consumption is derived from "National Building Code (NBC) - Bureau of Indian Standards (BIS), 2016 - Estimation of Water Requirement for Drinking and Domestic Use"- "45 litres per person per working day".

Boundary of our assurance work:

The boundary of the assessment covers the BHFL operations in India that fall under the direct operational control of the Company's Legal structure.

Limitation(s):

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BHFL. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

1. Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used as basis of limited level of assurance.
2. Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial quantitative disclosures in BRSR report.
3. Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
4. Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
5. Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
6. DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the percentage contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure-I.
7. Reviewed the process of reporting as defined in the assessment criteria.

8. DNV teams conducted the:
- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
 - Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ for limited level verification for the disclosures.

Conclusion

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the BRSR disclosures of BHFL as mentioned in section 'Scope' do not properly adhere to the reporting requirements as per BRSR reporting guidelines (Annexure II of SEBI Circular) for FY 2023-24.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC17029:2019 – Conformity assessment – General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of Bajaj Housing Finance Limited. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. To the best of our knowledge, we did not provide any services to Bajaj Housing Finance Limited in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and BHFL and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

¹DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

For DNV Business Assurance India Private Limited

Ankita Parab
Lead Verifier,
Sustainability Services,
DNV Business Assurance India Private Limited, India.
Assurance Team:
Anjana Sharma, Himanshu Babbar, Suraiya Rahman
19/06/2024, Mumbai, India.

Kakaraparthi Venkata Raman Assurance Reviewer,
Sustainability Services, DNV Business Assurance India
Private Limited, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

INDEPENDENT VERIFICATION STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Housing Finance Limited (Corporate Identity Number U65910PN2008PLC132228) to carry out a verification of the Greenhouse Gas ('GHG') emission data of Bajaj Housing Finance Limited (hereafter mention as 'BHFL' or 'the Company') for the period 1st April 2023 to 31st March 2024 (FY 2023-24). BHFL has prepared its GHG data in bespoke spreadsheets based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard with the emission factors sourced from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, The UK Department for Environment, Food and Rural Affairs (Defra) and Central Electricity Authority, Govt. of India.

DNV has carried out this customized verification engagement in accordance with DNV's Verisustain™ protocol (v6.0). Apart from DNV's Verisustain™ protocol (v6.0), DNV team has also followed ISO 14064-3 - Specification with guidance for the verification of GHG emissions. The verification was carried out during the period February 2024 - June 2024 by a team of qualified sustainability and GHG assessors.

Intended User

The intended user of this verification statement is the Management of Bajaj Housing Finance Limited ('the Management').

Level of Verification

Limited Level of verification for the Scope 1 & 2 GHG emissions.

Responsibilities of the Company and DNV

The Management of the Company is responsible for the collection, analysis, aggregation, calculations and presentation of data and information related to its GHG assertions and also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this verification assessment, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement.

Scope, Boundary and Limitations of Verification

Scope

The scope of work agreed is a limited level of verification of GHG Scope 1, Scope 2 emissions data for FY 2023-24.

- Scope 1 emissions from
 - Combustion of high-speed diesel (HSD) for diesel generators
 - Fuel consumed by company-owned vehicles.
 - HFC releases from air conditioners
 - CO₂ released due to use of CO₂-based fire extinguishers.
- Scope 2 emissions due to purchased electricity from national grids in India and other sources.

Boundary

Boundary covers the BHFL operations in India that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of verification covers the operations of BHFL across all locations in India.

Limitation(s):

- The verification engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/ measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of verification.
- Data outside the operations specified in the verification boundary is excluded from the verification, unless explicitly mentioned otherwise in this statement.
- The verification engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.
- No external stakeholders were interviewed as part of this verification engagement.

Verification Methodology:

We planned and performed our verification work to obtain the evidence we considered necessary to provide limited level of verification. We adopted a risk-based approach towards selection of samples for assessing the robustness of the underlying data management system, information flow and controls.

We carried out the following activities:

- Desk review of the Scope 1, Scope 2 emissions activity and associated data for the period - 1st April 2023 - 31st March 2024 captured in bespoke spreadsheets.
- Review of the standard operating procedures ('SOPs') for GHG Management System as well as the Company's GHG data management processes used to generate, aggregate, and report the GHG data, as well as assessment of the completeness, accuracy and reliability of the data.
- Reviews of GHG data aggregation system in place including formats, assumptions, as well as associated emission factors and calculation methodologies.
- Sampling of activity data for verification in line with the requirements for verification.
- Onsite visits to corporate office and selected branches/sites in India as listed out in Annexure I for verifying the identified activities and emission sources and related evidence at the site level on a sample basis.
- Interaction with key managers and data owners to review data systems related to the GHG inventory including reviews of emission factors and assumptions used for calculation methodology.

Conclusion

On the basis of our verification methodology and scope of work agreed upon, nothing has come to our attention to suggest that the GHG emissions as brought out below are not materially correct and is not a fair representation of the GHG emissions of Bajaj Housing Finance Limited for the reporting period.

In both cases, some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

GHG Emissions for BHFL

Scope details	Total GHG Emissions (tCO ₂ e) for FY 2023-24
Scope 1 Direct GHG emissions (Scope 1 emissions) covering combustion of high-speed diesel (HSD) for diesel generators, fuel consumed by company-owned vehicles, HFC releases from air conditioner, CO ₂ released due to use of CO ₂ -based fire extinguishers	377.31
Scope 2 Indirect GHG emissions (Scope 2 emissions) covering consumption of purchased electricity for its facilities and units (from national grid in India and other sources)	2,128.20
Total Scope 1 and Scope 2 Emissions	2505.51

Note:

1. Emission factors used and their references, assumptions considered are mentioned in the 'GHG Inventory Report', 2024 prepared by Bajaj Finserv Group, which is applicable to BHFL.
2. Calculation of Scope 1 GHG emissions are based on conversion factors, emission factors considered in 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report and GHG protocol cross sector emission factors.
3. Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO₂ baseline database for Indian Power Sector, version 19, December 2023 EF considered (including RES & Captive power injection into grid) is 0.716 kgCO₂ per kWh. For purchased electricity non grid with HSD as source of electricity generation, emission factor 0.70 tCO₂/MWh is considered. https://cea.nic.in/wp-content/uploads/baseline/2024/04/User_Guide_Version_19.0.pdf
4. For fuel rate average consideration, https://ppac.gov.in/uploads/page-images/1711513222_b64a426eaac364980b78.pdf accessed on date 27th March 2024, is referred.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct during the verification engagement and maintain independence wherever required by relevant ethical requirements. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of

any statements or data except for this Verification Statement for internal use of Bajaj Housing Finance Limited. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. To the best of our knowledge, we did not provide any services to Bajaj Housing Finance Limited in the scope of verification for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This verification statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this verification statement. The usage of this verification statement shall be governed by the terms and conditions of the contract between DNV and BHFL and DNV does not accept any liability if this statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this verification statement. No part of this verification statement shall be reproduced, distributed or communicated to a third party without prior written consent.

¹DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

For DNV Business Assurance India Private Limited

Ankita Parab

Lead Verifier,
Sustainability Services,
DNV Business Assurance India Private Limited, India.

Assurance Team:

Anjana Sharma, Himanshu Babbar, Suraiya Rahman
19/06/2024, Mumbai, India.

Kakaraparthi Venkata Raman Verification Reviewer,
Sustainability Services, DNV Business Assurance India
Private Limited, India.

DNV Business Assurance India Private Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Annexure-I

Sites selected for audits

S. no.	Site	Location
1.	Corporate office	Pune, Maharashtra
2.	Offices/Branches- on-site visits	Mumbai- Goregaon
3.	Offices/Branches- (with in-person meeting with data owners during on-site visits to the offices mentioned in Sr. No. 2)	Mumbai- Andheri, Thane, Mira road, Andheri 3 rd
4.	Remote Audits	Thane- Thane Additional, Kalyan, Virar, Virar additional Nagpur Nashik Aurangabad Pune- Baner, Chinchwad, NIBM, NIBM additional, Sinhgad road, Wagholi, Wakdewadi, Wakdewadi additional

Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

We have mapped our initiatives under the BSRR principles to the United Nations Sustainable Development Goals

Principle 1 :

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Principle 2 :

Businesses should provide goods and services in a manner that is sustainable and safe.



Principle 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains.



Principle 4 :

Businesses should respect the interests of and be responsive to all its stakeholders.



Principle 5 :

Businesses should respect and promote human rights.



Principle 6 :

Businesses should respect and make efforts to protect and restore the environment.



Principle 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Principle 8 :

Businesses should promote inclusive growth and equitable development.



Principle 9 :

Businesses should engage with and provide value to their consumers in a responsible manner.



FINANCING DREAM HOMES...

Our Home Loans cater to salaried and self-employed individuals, as well as professionals, with competitive terms regardless of the loan amount. Our offerings are designed to cater to every requirement, including finance for under-construction and resale properties.



LARGE SOLUTIONS FOR LARGE PROJECTS

Our Lease Rental Discounting product enables financing against rental lease and income from commercial real estate such as office spaces, IT parks, warehousing, or industrial projects.



FUNDS FOR BUSINESS NEEDS & MORE...

With our Loan Against Property offering, borrowers across a range of employment types can avail of finance against residential and commercial properties. From new applications to balance transfers, we provide an array of solutions, including finance for business funding, debt consolidation, etc.



SIMPLIFYING FINANCE FOR CONSTRUCTION

The Developer Finance product offers financing for developers who specialize in and seek funding for both residential and commercial projects.



FINANCIAL STATEMENTS

Independent Auditors' Report on the Financial Statements

To the Members of **Bajaj Housing Finance Limited**

Opinion

We have audited the accompanying financial statements of Bajaj Housing Finance Limited ('the Company'), which comprise the Balance sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity 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 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ('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 state of affairs of the Company as at 31 March 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditors' Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.N. Key Audit Matters	How our audit addressed the key audit matters
<p>1 Impairment of financial assets as at balance sheet date (expected credit losses)</p> <p>Ind AS 109 requires the Company to provide for impairment of its loan receivables (designated at amortised cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. ECL involves an estimation of probability-weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions which could impact the credit quality of the Company's loans and advances.</p>	<ul style="list-style-type: none"> We understood and assessed the Company's accounting policies for impairment of financial assets and their compliance with Ind AS 109 and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines. We assessed the Company's process on timely recognition of impairment in the loan portfolios which included assessing the accuracy of the system generated reports on defaults and ageing.

Independent Auditors' Report on the Financial Statements (Contd.)

S.N. Key Audit Matters	How our audit addressed the key audit matters
<p>In the process, a significant degree of judgement has been applied by the Management for:</p> <ul style="list-style-type: none"> • Staging of loans (i.e. classification in 'significant increase in credit risk' ('SICR') and 'default' categories); • Grouping of borrowers based on homogeneity by using appropriate statistical techniques; • Estimation of behavioural life; • Determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults. 	<ul style="list-style-type: none"> • We have discussed with the Management and evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and related assumptions including factors that affect the PD, LGD and EAD and tested the controls around data extraction and validation. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under higher stages. • Assessed disclosures included in the financial statements in respect of expected credit losses.
<p>2 IT systems and controls</p> <p>The financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant voluminous transactions. Hence, we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p> <p>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.</p>	<ul style="list-style-type: none"> • We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are important to financial reporting and various interfaces, configuration and other identified application controls. • We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing requests for access to systems were reviewed and authorised. • We tested the Company's periodic review of access rights. We also tested requests of changes to systems for approval and authorisation. • In addition to the above, we tested the design and operating effectiveness of certain automated controls that were considered as key internal controls over financial reporting.

Information other than the Financial Statements and Auditors' Report thereon

The other information comprises the information included in the Annual report but does not include the financial statements and our auditors' report thereon. The Company's Board of Directors is responsible for the other information. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report on the Financial Statements (Contd.)

Responsibilities of Management and those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report on the Financial Statements (Contd.)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 financial statements for the financial year ended 31 March 2024 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure 1' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;
 - (g) In our opinion, the managerial remuneration for the year ended 31 March 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

Independent Auditors' Report on the Financial Statements (Contd.)

- (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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41(a) to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. The Management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
 - v. The Management has represented that to the best of its knowledge or belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any other person(s) or entity(ies) including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
 - vi. Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) as provided under clause (iv) and (v) above contain any material misstatements.
 - vii. The Company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.
 - viii. According to the information and explanations given to us and based on our examination which included appropriate test checks, we report that the Company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of tampering of the audit trail feature during the course of our audit.

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.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No.: 113053
UDIN: 24113053BKBF6843

Pune: 24 April 2024

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Manish Kumar Singhal
Partner
Membership No.: 502570
UDIN: 24502570BKFBPW4519

Pune: 24 April 2024

Annexure 1 to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment has been physically verified by the Management during the year and according to the information and explanation given to us, no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and based on the examination of the records of the Company, the title deeds of the immovable properties were held in the name of the Company. Further, the lease agreements where Company is lessee were duly executed in favour of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year and accordingly paragraph 3(i)(d) of the order is not applicable for the Company.
- (e) According to the information and explanations given to us and based on the examination of the records of the Company we report that, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Company does not have any inventories and accordingly reporting under paragraph 3(ii)(a) of the said order is not applicable for the Company.
- (b) During the year, the Company has availed working capital limits from banks in excess of ₹ 5 crore on the basis of security of current assets. On the basis of audit procedures carried out by us we report that the quarterly statements filed by the Company with banks were in agreement with the books of account of the Company.
- (iii) The Company has made investments in and granted secured or unsecured loans to, companies, firms, Limited Liability Partnerships or other parties, during the year, in respect of which:
 - (a) The Company has provided loans or advances in the nature of loans during the year. As the Company's principal business is to give loans, the reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.
 - (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year are, prima facie not prejudicial to the Company's interest. According to the information and explanations given to us, the Company has not provided any guarantees during the year.
 - (c) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that in respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note No. 4.4(i) to the financial statements explains the Company's accounting policy relating to impairment of financial assets which include loan assets. In accordance with that policy, loan assets with balances as at 31 March 2024, aggregating to ₹ 215.61 crore were categorised as credit impaired ('Stage 3') and ₹ 290 crore were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in Note No. 9 to the financial statements. In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

Annexure 1 to Independent Auditors' Report (Contd.)

- (d) According to the information and explanations given to us and based on the audit procedures performed by us, total amount overdue including interest for more than ninety days, in respect of loans and advances in the nature of loans, as at the year-end is ₹ 215.61 crore reasonable steps are being taken by the company for recovery of the principal and interest.
- (e) The Company's principal business is to give loans. Accordingly, paragraph 3(iii)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under paragraph 3(iii)(f) is not applicable to the Company.
- (iv) According to the information and explanations given to us and based on the audit procedures performed by us, there are no loans granted, guarantees and securities given in respect of which provisions of Section 185 of the Act are applicable. The company has not made any investments through investment companies. Other provisions of Section 186 of the Act are not applicable to the company as per sub section (11) since it is a housing finance company and hence not commented upon.
- (v) The Company has not accepted any deposits or amounts which are deemed deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and Rules framed there under. According to the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi) The maintenance of cost records is not applicable to the Company pursuant to the provisions of Section 148(1) of the Companies Act, 2013.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues as applicable to the appropriate authorities. According to the information and explanations given to us and based on the audit procedures performed by us, there were no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues outstanding at the year end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we report that there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanation given to us and based on the audit procedures performed by us, there were no transaction which were not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and based on the audit procedure performed by us, the Company is not declared as wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained. However, funds not required for immediate utilisation were invested on short - term basis.
- (d) According to the information and explanations given to us and the procedures performed by us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under paragraph 3 (ix)(e) of the order is not applicable to the Company.

Annexure 1 to Independent Auditors' Report (Contd.)

- (f) The Company does not have any subsidiary, associate or joint venture and accordingly, reporting under paragraph 3 (ix)(f) of the order is not applicable to the Company.
- (x) (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Accordingly, reporting under paragraph 3 (x)(a) of the order is not applicable for the Company.
- (b) According to the information and explanations given to us and the procedures performed by us, we report that the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under paragraph 3 (x)(b) of the order is not applicable for the Company.
- (xi) (a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the Management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year except an instance of fraud amounting to ₹ 0.63 crore by a borrower reported by the Management in terms of the regulatory provisions applicable to the Company.
- (b) During the year no report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us and the procedures performed by us, we report that whistle blower complaints received by the company during the year have been considered by the auditors.
- (xii) According to the information and explanations given to us and on the basis of examination of books of accounts and records of the Company, we report that the company is not Nidhi company within the meaning of Section 406 of the Act. Accordingly reporting under paragraph 3(xii)(a) to (c) of the order is not applicable to the Company.
- (xiii) Based upon the audit procedures performed and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Financial Statements.
- (xiv) (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, the company has not entered into any non-cash transactions with any of the directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under provisions of Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, we report that the Company is registered with valid Certificate of Registration issued by National Housing Bank and Company has conducted housing finance activities.
- (c) In our opinion, the Company is not a Core Investment Company (CIC) as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 ('the Regulations') issued by the Reserve Bank of India. Accordingly, reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, and according to the information and explanation given to us, in the group, there are 17 companies forming part of the promoter/promoter group of the Company which are Core Investment Companies (CICs), as defined in the Regulations. As informed to us, the 17 CICs are unregistered CICs.

Annexure 1 to Independent Auditors' Report (Contd.)

- (xvii) On the basis of examination of books of account and records of the Company and overall examination of the financial statements, we report that the Company has not incurred cash losses in the financial year 2023-24 or in the immediately preceding financial year 2022-23.
- (xviii) During the year, there has been no resignation of statutory auditors and as such reporting under paragraph 3(xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the company does not have any amount remaining unspent under sub-section (5) of section 135 in respect to other than ongoing projects pertaining to current financial year and immediately preceding financial year and accordingly reporting under paragraph 3(xx)(a) of the order is not applicable for the Company.
- (b) According to the information and explanations given to us, the company does not have any amount remaining unspent under sub-section (5) of section 135 in respect of any ongoing projects pertaining to current financial year and immediately preceding financial year and accordingly reporting under paragraph 3(xx)(b) of the order is not applicable for the Company.
- (xxi) The Company does not have any subsidiary, associate or joint venture and accordingly reporting under paragraph 3(xxi) of the order is not applicable for the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Umesh S. Abhyankar
Partner
Membership No.: 113053
UDIN: 24113053BKBF6843

Manish Kumar Singhal
Partner
Membership No.: 502570
UDIN: 24502570BKFBPW4519

Pune: 24 April 2024

Pune: 24 April 2024

Annexure 2 to the Independent Auditors' Report

(Referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date)

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls with reference to financial statements of Bajaj Housing Finance Limited (the 'Company') as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 these 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 these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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 auditors' 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements

Meaning of Internal Financial Controls with reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to 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.

Annexure 2 to the Independent Auditors' Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, 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.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No.: 113053
UDIN: 24113053BKBF6843

Pune: 24 April 2024

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Manish Kumar Singhal
Partner
Membership No.: 502570
UDIN: 24502570BKFBPW4519

Pune: 24 April 2024

Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2024	2023
ASSETS			
Financial assets			
Cash and cash equivalents	5	63.86	93.88
Bank balances other than cash and cash equivalents	6	0.15	14.99
Derivative financial instruments	7	11.66	1.37
Receivables	8		
Trade receivables		13.36	1.59
Other receivables		-	0.36
Loans	9	79,300.75	62,113.89
Investments	10	1,938.57	2,000.91
Other financial assets	11	284.07	301.94
		81,612.42	64,528.93
Non-financial assets			
Current tax assets (net)	12	31.09	3.97
Deferred tax assets (net)	12	50.94	-
Property, plant and equipment	13	87.50	84.92
Intangible assets under development	13	0.87	0.31
Other Intangible assets	13	35.36	28.07
Other non-financial assets	14	8.91	7.94
		214.67	125.21
Total assets		81,827.09	64,654.14
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	0.83	-
Payables	15		
Trade payables			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		57.61	45.93
Other payables			
Total outstanding dues to micro enterprises and small enterprises		-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		82.75	73.04
Debt securities	16	26,645.33	19,914.92
Borrowings (other than debt securities)	17	42,299.73	33,654.70
Deposits	18	184.26	175.77
Other financial liabilities	19	234.14	211.62
		69,504.65	54,075.98

Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2024	2023
Non-financial liabilities			
Current tax liabilities (net)	12	25.93	16.17
Provisions	20	35.64	15.63
Deferred tax liabilities (net)	12	-	28.27
Other non-financial liabilities	21	27.37	14.90
		88.94	74.97
Equity			
Equity share capital	22	6,712.16	6,712.16
Other equity	23	5,521.34	3,791.03
		12,233.50	10,503.19
Total liabilities and equity		81,827.09	64,654.14

Summary of material accounting policies

4

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Manish Kumar Singhal
Partner
Membership No.: 502570

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 24 April 2024

Statement of Profit and Loss

(₹ in crore)

For the year ended 31 March

Particulars	Note No.	For the year ended 31 March	
		2024	2023
Revenue from operations			
Interest income	24	7,202.36	5,269.24
Fees and commission income	25	138.23	86.22
Net gain on fair value changes	26	133.20	112.04
Sale of services	27	52.48	50.29
Income on derecognised (assigned) loans	28	53.08	134.80
Other operating income	29	37.96	12.14
Total revenue from operations		7,617.31	5,664.73
Other income	30	0.40	0.71
Total income		7,617.71	5,665.44
Expenses			
Finance costs	31	4,692.61	3,211.32
Fees and commission expense	32	11.71	14.03
Impairment on financial instruments	33	60.88	123.50
Employee benefits expense	34	465.63	435.14
Depreciation and amortisation	13	39.60	33.40
Other expenses	35	185.96	147.99
Total expenses		5,456.39	3,965.38
Profit before tax		2,161.32	1,700.06
Tax expense			
Current tax		509.00	399.80
Deferred tax charge / (credit)		(78.90)	42.46
Total tax expense	12	430.10	442.26
Profit after tax		1,731.22	1,257.80
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		(1.93)	5.54
Income Tax impact on above		0.49	(1.39)
Items that will be reclassified to profit or loss:			
Re-measurement gains/(losses) on Investment measured at FVOCI		0.71	-
Income Tax impact on above		(0.18)	-
Other comprehensive income for the year, (net of tax)		(0.91)	4.15
Total comprehensive income for the year		1,730.31	1,261.95

Statement of Profit and Loss (Contd.)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
Earnings per equity share			
(Face value per share ₹ 10)			
Basic (₹)	36	2.58	1.88
Diluted (₹)	36	2.58	1.88
Summary of material accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Manish Kumar Singhal
Partner
Membership No.: 502570

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Pune: 24 April 2024

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Statement of Changes in Equity

I. Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Balance at the beginning of the year	6,712.16	4,883.33
Changes in equity share capital during the year (refer note no. 22(a))	-	1,828.83
Balance at the end of the year	6,712.16	6,712.16

II. Other equity

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and Surplus			Other Comprehensive Income on Debt instrument through OCI	Total other equity
		Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings		
Balance as at 1 April 2023		837.72	617.51	2,335.80	-	3,791.03
Profit after tax		-	-	1,731.22	-	1,731.22
Other comprehensive income (net of tax)		-	-	(1.44)	0.53	(0.91)
		837.72	617.51	4,065.58	0.53	5,521.34
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	346.25	(346.25)	-	-
Add: Issue of equity shares to Holding Company		-	-	-	-	-
Balance as at 31 March 2024	23	837.72	963.76	3,719.33	0.53	5,521.34

For the year ended 31 March 2023

(₹ in crore)

Particulars	Note No.	Reserves and Surplus			Other Comprehensive Income on Debt instrument through OCI	Total other equity
		Securities Premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings		
Balance as at 1 April 2022		166.67	365.95	1,325.41	-	1,858.03
Profit after tax		-	-	1,257.80	-	1,257.80
Other comprehensive income (net of tax)		-	-	4.15	-	4.15
		166.67	365.95	2,587.36	-	3,119.98
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	251.56	(251.56)	-	-
Add: Issue of equity shares to Holding Company		671.05	-	-	-	671.05
Balance as at 31 March 2023	23	837.72	617.51	2,335.80	-	3,791.03

The accompanying notes are an integral part of the financial statements

As per our report of even date

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

Umesh S. Abhyankar
Partner
Membership No.: 113053

Pune: 24 April 2024

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Manish Kumar Singhal
Partner
Membership No.: 502570

On behalf of the Board of Directors

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Statement of Cash Flows

(₹ in crore)

For the year ended 31 March

Particulars	2024	2023
I. Cash Flow from operating activities		
Profit before tax	2,161.32	1,700.06
Adjustments for:		
Interest income	(7,202.36)	(5,269.24)
Depreciation and amortisation	39.60	33.40
Impairment on financial instruments	60.88	123.50
Finance Costs	4,692.61	3,211.32
Net loss on disposal of property, plant and equipment	0.77	0.70
Service fees for management of assigned portfolio of loans	(37.11)	(22.49)
Income on derecognised (assigned) loans	(53.08)	(134.80)
Net gain on fair value changes	(133.20)	(112.04)
	(470.57)	(469.59)
Cash inflow from interest on loans	6,886.57	5,040.50
Cash inflow from receivables on assignment of loans	102.72	104.64
Cash outflow towards finance cost	(4,456.77)	(3,103.62)
Cash generated from operations before working capital changes	2,061.95	1,571.93
Working capital changes		
(Increase) / decrease in Bank balances other than cash and cash equivalents	14.84	(14.85)
(Increase) / decrease in trade receivables	(11.81)	0.27
(Increase) / decrease in other receivables	0.36	(0.35)
(Increase) in loans	(17,047.27)	(15,584.98)
Decrease in other financial assets	4.01	3.96
(Increase) / decrease in other non-financial assets	(1.00)	1.55
Increase in trade payables	11.68	9.52
Increase in other payables	9.71	34.87
Increase in other financial liabilities	25.23	33.16
Increase in provisions	18.08	17.12
Increase / (decrease) in other non-financial liabilities	12.47	(5.39)
	(14,901.75)	(13,933.19)
Income taxes paid (net of refunds)	(526.36)	(398.58)
Net cash used in operating activities (I)	(15,428.11)	(14,331.77)
II. Cash Flow from investing activities		
Purchase of property, plant and equipment	(25.62)	(20.37)
Sale of property, plant and equipment	3.30	3.87
Purchase of intangible assets and intangible assets under development	(17.38)	(13.43)
Purchase of investments measured under FVTPL	(36,567.55)	(43,035.86)
Sale of investments measured under FVTPL	37,300.89	42,408.09
Purchase of investments measured under amortised cost	(6,139.67)	-
Sale of investments measured under amortised cost	6,139.67	-
Purchase of investments measured under FVOCI	(514.96)	-
Interest received on investments	94.63	46.26
Net cash generated from / (used) in investing activities (II)	273.31	(611.44)

Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
III. Cash Flow from financing activities		
Issue of equity share capital (including securities premium)	-	2,499.88
Proceeds from long term borrowings	23,987.12	26,657.22
Repayments towards long term borrowings	(11,817.87)	(10,737.42)
Short term borrowings (net)	2,961.33	(3,435.11)
Deposits (other than public deposits) (net)	8.05	(340.68)
Payment of lease liability	(13.85)	(13.83)
Net cash generated from financing activities (III)	15,124.78	14,630.06
Net decrease in cash and cash equivalents (I+II+III)	(30.02)	(313.15)
Cash and cash equivalents at the beginning of the year	93.88	407.03
Cash and cash equivalents at the end of the year	63.86	93.88

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Refer note no. 42 for change in liabilities arising from financing activities.
- 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 defined 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	-	-
Balances with banks:		
In current accounts	63.86	93.88
Total	63.86	93.88

As per our report of even date

On behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Umesh S. Abhyankar
Partner
Membership No.: 113053

Manish Kumar Singhal
Partner
Membership No.: 502570

Gaurav Kalani
Chief Financial Officer
DIN: 01550158

Pune: 24 April 2024

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Notes to financial statements for the year ended 31 March 2024

1. Corporate information

The Company (earlier known as 'Bajaj Financial Solutions Limited') (Corporate ID No.: U65910PN2008PLC132228) was incorporated as a subsidiary of Bajaj Finserv Limited ('BFS') on 13 June 2008, is a company limited by shares and domiciled as well as having its operations in India. The Company was acquired by Bajaj Finance Limited (BFL) from BFS in November 2014 to conduct housing finance business in a dedicated subsidiary company and accordingly the Company's name was changed to Bajaj Housing Finance Limited (BHFL) on 14 November 2014. It got registered with National Housing Bank ('NHB') as a non deposit taking Housing Finance Company vide certificate no 09.0127.15 on 24 September 2015. BHFL is a 100% subsidiary of BFL and started its operation in financial year 2017-18. The Non convertible debentures (NCDs) of the Company are listed on the Bombay Stock Exchange (BSE), India. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property, (iii) lease rental discounting, (iv) developer financing, and (v) unsecured loans. The Company has its registered office at Akurdi, Pune, Maharashtra, India and its principal place of business is at 5th floor, B2 Building, Cerebrum IT Park, Kalyani Nagar, Pune, Maharashtra, India. The Company has been classified as NBFC- UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

The financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 24 April 2024, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the Shareholders in its Annual General Meeting.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 ('the Act') along with other relevant provisions of the Act, the updated Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated 17 February, 2021 as amended ('the RBI Master Directions'), the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') and other applicable RBI circulars/notifications. The Company uses accrual basis of accounting except in case of significant uncertainties.[Refer note no. 4.1(i)]

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company, in denomination of crore rounded off to two decimal places as permitted by Schedule III to the Act. The 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 Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on 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.

3. Presentation of Financial Statements

The Company presents its Balance Sheet in the order of liquidity.

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

3. Presentation of Financial Statements (Contd.)

Accounting estimates, judgements and assumptions

The preparation of the Company's financial statements requires Management to make use of estimates and judgements. 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 those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (Refer note no. 4.3.(i))
- Impairment of financial assets (Refer note no. 4.3.(i), 9, 50)
- Provisions and other contingent liabilities (Refer note no. 4.7 and 41)
- Provision for tax expense (Refer note no. 4.4)

4. 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.

4.1 Revenue from operations

(i) Interest income

The Company recognises interest income using effective interest rate (EIR) method as per Ind AS 109 'Financial Instruments' on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Delayed Payment interest (Penal interest and the like) are levied on customers for delay in repayments/ non payment of contractual cash flows is recognised 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 Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Company recognises:

- Service and administration charges 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.

(b) Net gain on fair value changes

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL. Realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

(c) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets is retained, recognises the fair value of future service fee income and service obligations cost on net basis as service fee income/ expense in the Statement of Profit and Loss and, correspondingly creates a service asset/ liability in Balance Sheet. Any subsequent change in the fair value of service asset/ liability is recognised as service income/ expense in the period in which it occurs. The embedded interest component in the service asset / liability is recognised as interest income/ expense in line with Ind AS 109 'Financial instruments'.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(d) Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the Statement of Profit and Loss. Any subsequent increase or decrease in the fair value of future EIS is 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'.

(e) Other operating income

The Company recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

4.2 Expenses**(i) Finance Cost**

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees payable for management of portfolio, are recognised in the Statement of Profit and Loss on an accrual basis.

4.3 Financial instruments**Recognition of financial Instruments**

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets**Initial measurement**

All financial assets are recognized initially at fair value adjusted for incremental transaction costs and income that are directly attributable to the acquisition of the financial asset except for following :

- Financial assets measured at FVTPL which are recognised at fair value; and transaction cost are adjusted to profit and loss statement.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) are recorded at transaction price.

Classification and Subsequent measurement

For the purpose of classification, financial assets are classified into three categories as per the Company's Board approved policy:

- (a) Debt instruments at amortised cost
- (b) Debt instruments at FVOCI
- (c) Debt instruments at FVTPL

The classification depends on the contractual terms of the cash flows of the financial assets (SPPI) and Company's business model for managing financial assets which are explained below:

Business Model assessment

The Company 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 Company determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

4. Summary of material accounting policies (Contd.)

SPPI assessment

The Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Company 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 Company measures its debt instruments like Loans, certain 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.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

The Company may enter into following transactions without affecting business model of the Company:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies.
- Assignment and sale of Non-NPA transactions which are infrequent and below threshold provided by Management.

(b) Debt instruments at FVOCI

The Company 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.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognized in the Other Comprehensive Income (OCI). The interest income on these assets are recognised in Profit or Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to profit or loss.

(c) Debt instruments at FVTPL

The Company operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Company enters into derivative contracts and classifies such contracts under FVTPL.

Interest incomes is recorded in Statement of Profit and Loss according to the terms of the contract, Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Derecognition of Financial Assets

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- (a) 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
- (b) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same. A write-off of a financial asset constitutes a de-recognition event.

Derecognition in case of direct assignment

The Company 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 Company retains the right to service the financial asset, it recognises either a servicing asset or a servicing 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 Company 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.

Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery basis past trends. 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. Any subsequent recoveries against such loans are credited to Statement of Profit and Loss. The Company has Board approved policy on write off and one time settlement of loans.

Impairment on financial assets**(A) General Approach**

Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

4. 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 Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where either principal and/or interest are past due for more than 90 days along with all other loans of such 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.

Loans 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 assets.

(b) Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than or equal to 31 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, underlying collateral, geographies 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 past customer behavioural trends, credit transition probabilities and macroeconomic conditions. 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. Loan will fall under stage one if the DPD is up to 30 days. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about 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 linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

– *Probability of default (PD)*

PD is the likelihood that a loan will not be repaid and will fall into default. Determination of PD is covered above for each stages of ECL i.e. For assets which are in stage 1, a 12 month PD is considered, for stage 2 and 3 lifetime PD is required.

– *Exposure at default (EAD)*

EAD represents the expected outstanding 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.

– *Loss Given Default (LGD)*

LGD represents expected losses on the EAD given 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. It is expressed as percentage of outstanding at the time of default.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing 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. 50.

(e) ECL on undrawn commitments

Expected credit loss on undrawn loan commitment is the present value of the difference between:

- contractual cash flow that are due, if the holder of the loan commitment drawn down the loan and
- the cash flow that the entity expects to receive if the loan is drawn down.

Expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loans commitment 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 expected credit losses.

(B) Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

(ii) Financial liabilities**Initial measurement:**

All financial liabilities are recognised initially at fair value adjusted for incremental transaction costs that are directly attributable to the financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, the Company subsequently measures all financial liabilities at amortised cost using the EIR method, unless Company is required to measure liabilities at fair value through profit or loss such as derivative liabilities. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

4. Summary of material accounting policies (Contd.)

(iii) Derivative Financial Instruments

The Company enters into interest rate swaps (derivative financial instruments) to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge Accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value 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.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

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 Company 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 Company 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.

4.4 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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given in Ind AS 12 'Income Taxes'.

4.5 Property, plant and equipment

The Company measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on a prorata basis 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. Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

Useful life used by the Company is in line with Schedule II-Part C of the Companies Act, 2013, except for end user machines, chairs and vehicles. Useful life of assets are determined by the Management by an internal technical assessment where useful life is significantly different from those prescribed by Schedule III. Details of useful life is given in note no.13.

4.6 Intangible assets and amortization thereof

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortization and accumulated impairment, if any. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

4.7 Provisions, contingent liabilities and Commitment

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Company also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Commitments are future liabilities, which include undrawn loan commitments, estimated amount of contracts remaining to be executed on capital account and not provided for.

4.8 Retirement and other employee benefits

(a) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

(b) Employment benefit plans

The Company operates defined contribution, defined benefit and other long term service benefits.

Payment to defined contribution plans i.e. provident Fund and employees' state insurance are charged as an expenses as the employee render service.

4. Summary of material accounting policies (Contd.)

Defined benefit plans for gratuity is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Limited gratuity fund trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed 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 the plan's actuaries 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 are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

(c) Share based payments

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Holding 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 Company is recognised as employee benefits expenses in profit or loss.

4.9 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each balance sheet date.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In case of financial instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable, then measurement of fair value becomes more judgemental. Details on level 3 financial instruments along with sensitivity and assumptions are set out in note no. 49.

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 and 49.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

4.10 Collateral Repossession

The nature of products across these broad product categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company resorts to invoking its right under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 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.

4.11 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 Company.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

5. Cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Cash on hand	-	-
Balances with banks:		
In current accounts*	63.86	93.88
Total	63.86	93.88

*includes ₹ 0.16 crore in current account maintained for employees care fund (Previous year : ₹ 0.10 crore)

6. Bank balances other than cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Fixed deposits (with original maturity more than 3 months)*	0.15	14.99
Total	0.15	14.99

*includes earmarked balance with banks of ₹ 0.02 crore (Previous year Nil) against overdraft facility.

7. Derivative financial instruments (at FVTPL)

Particulars	(₹ in crore)		
	As at 31 March 2024		
	Notional amounts	Fair value asset	Fair value liability
Interest Rate Derivatives			
Interest Rate Swaps (Fair Value Hedge)	1,850.00	11.66	0.83
Total	1,850.00	11.66	0.83

Particulars	(₹ in crore)		
	As at 31 March 2023		
	Notional amounts	Fair value asset	Fair value liability
Interest Rate Derivatives			
Interest Rate Swaps (Fair Value Hedge)	100.00	1.37	-
Total	100.00	1.37	-

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of interest rate swaps. The Company undertakes such transactions for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

8. Receivables

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Trade receivables		
Considered good - Unsecured		
Fees, commission and others	13.41	1.60
Less: Impairment allowance	0.05	0.01
	13.36	1.59
Other receivables		
Considered good - unsecured		
Others	-	0.36
Less: Impairment allowance	-	-
	-	0.36

-No receivables are due from directors or other officers of the Company either severally or jointly with any other person.

-No receivables are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables (Gross) ageing schedule as at 31 March 2024

Particulars	(₹ in crore)							Total
	Not due	Unbilled	Outstanding for following periods from due date of payment				Total	
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
Undisputed Trade Receivables								
(i) Considered good	-	-	13.41	-	-	-	-	13.41
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Trade receivables (Gross) ageing schedule as at 31 March 2023

Particulars	(₹ in crore)							Total
	Not due	Unbilled	Outstanding for following periods from due date of payment				Total	
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years		
Undisputed Trade Receivables								
(i) Considered good	-	-	1.60	-	-	-	-	1.60
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

8. Receivables (Contd.)**Reconciliation of impairment loss allowance on trade receivables**

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Impairment loss allowance as at beginning of the year (a)	0.01	-
Increase during the year (b)	0.04	0.01
Decrease during the year (c)	-	-
Impairment loss allowance at the end of the year (a+b-c)	0.05	0.01

9. Loans

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total
Term Loan						
I. Secured						
Against equitable mortgage of immovable property	19,743.98	58,037.30	77,781.28	13,052.50	47,482.45	60,534.95
Less: Impairment loss allowance	171.08	327.38	498.46	129.12	368.78	497.90
Total (I)	19,572.90	57,709.92	77,282.82	12,923.38	47,113.67	60,037.05
II. Unsecured						
Unsecured loans	2,043.64	-	2,043.64	2,104.31	-	2,104.31
Less: Impairment loss allowance	25.71	-	25.71	27.47	-	27.47
Total (II)	2,017.93	-	2,017.93	2,076.84	-	2,076.84
Total (I+II)	21,590.83	57,709.92	79,300.75	15,000.22	47,113.67	62,113.89
Out of above:						
(i) Secured by tangible	19,549.45	57,709.92	77,259.37	12,823.37	47,113.67	59,937.04
(ii) Secured by intangible assets	271.19	-	271.19	301.51	-	301.51
(iii) Covered by Bank/ Government Guarantee	23.45	-	23.45	100.01	-	100.01
(iv) Unsecured	1,746.74	-	1,746.74	1,775.33	-	1,775.33
Total (i+ii+iii+iv)	21,590.83	57,709.92	79,300.75	15,000.22	47,113.67	62,113.89
Out of above :						
I. Loans in India						
Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
	-	-	-	-	-	-
Others	21,787.62	58,037.30	79,824.92	15,156.81	47,482.45	62,639.26
Less: Impairment loss allowance	196.79	327.38	524.17	156.59	368.78	525.37
	21,590.83	57,709.92	79,300.75	15,000.22	47,113.67	62,113.89
II. Loans outside India	-	-	-	-	-	-
Total (I+II)	21,590.83	57,709.92	79,300.75	15,000.22	47,113.67	62,113.89

*The net value is the fair value of these loans

Loans including installment and interest outstanding amounts to ₹ 15.10 crore (Previous Year ₹ 5.77 crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [SARFAESI].

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

9. Loans (Contd.)

Summary of EIR impact on loans

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised Cost	At FVOCI	Total	At amortised Cost	At FVOCI	Total
Total Gross loan	22,033.87	57,925.81	79,959.68	15,371.30	47,512.09	62,883.39
Less: EIR impact	246.25	(111.49)	134.76	214.49	29.64	244.13
Total for gross term loan net of EIR impact	21,787.62	58,037.30	79,824.92	15,156.81	47,482.45	62,639.26

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	79,319.31	290.00	215.61	79,824.92	62,142.02	359.91	137.33	62,639.26
Less: Impairment loss allowance	319.15	67.58	137.44	524.17	359.66	78.37	87.34	525.37
Net carrying amount	79,000.16	222.42	78.17	79,300.75	61,782.36	281.54	49.99	62,113.89

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans

(₹ in crore)

Particulars	For the year ended 31 March 2024							
	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
Balance as at the beginning of the year	62,142.02	359.66	359.91	78.37	137.33	87.34	62,639.26	525.37
Transfer during the year								
Transfer to stage 1	129.37	30.90	(121.47)	(27.11)	(7.90)	(3.79)	-	-
Transfer to stage 2	(187.05)	(3.30)	193.38	6.95	(6.33)	(3.65)	-	-
Transfer to stage 3	(89.94)	(1.20)	(76.90)	(17.57)	166.84	18.77	-	-
	(147.62)	26.40	(4.99)	(37.73)	152.61	11.33	-	-
Impact of changes in credit risk on account of stage movements	-	(23.80)	-	37.94	-	74.71	-	88.85
Changes in opening credit exposures (repayments net of additional disbursement)	(15,518.71)	(186.98)	(79.06)	(15.08)	(31.54)	8.72	(15,629.31)	(193.34)
New credit exposures during the year, net of repayments	32,843.62	143.87	14.14	4.08	3.00	1.13	32,860.76	149.08
Amounts written off during the year	-	-	-	-	(45.79)	(45.79)	(45.79)	(45.79)
Balance as at the end of the year	79,319.31	319.15	290.00	67.58	215.61	137.44	79,824.92	524.17

Notes to financial statements for the year ended 31 March 2024 (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
Balance as at the beginning of the year	46,199.61	259.95	603.69	128.17	146.36	79.47	46,949.66	467.59
Transfer during the year								
Transfer to stage 1	239.13	24.24	(226.58)	(24.10)	(12.55)	(0.14)	-	-
Transfer to stage 2	(141.05)	(26.56)	159.89	33.81	(18.84)	(7.25)	-	-
Transfer to stage 3	(54.38)	(20.03)	(78.60)	(39.85)	132.98	59.88	-	-
	43.70	(22.35)	(145.29)	(30.14)	101.59	52.49	-	-
Impact of changes in credit risk on account of stage movements	-	(28.45)	-	28.00	-	38.86	-	38.41
Changes in opening credit exposures (repayments net of additional disbursement)	(9,950.71)	4.44	(103.82)	(48.71)	(60.84)	(32.21)	(10,115.37)	(76.48)
New credit exposures during the year, net of repayments	25,849.42	146.07	5.33	1.05	2.93	1.44	25,857.68	148.56
Amounts written off during the year	-	-	-	-	(52.71)	(52.71)	(52.71)	(52.71)
Balance as at the end of the year	62,142.02	359.66	359.91	78.37	137.33	87.34	62,639.26	525.37

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss

(₹ in crore)

Particulars	Year ended 31 March	
	2024	2023
Net impairment loss allowance charge/ (release) for the year	(1.20)	57.78
Amounts written off during the year	45.79	52.71
Impairment allowance on undrawn loan commitments	14.92	12.32
Impairment on loans	59.51	122.81
Add: Impairment on other assets	1.37	0.69
Impairment on financial instruments	60.88	123.50

10. Investments

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(I) At fair value through other comprehensive income		
In Government Securities	519.68	-
Add: Fair value gain/(loss)	0.70	-
Sub-total (I)	520.38	-
(II) At fair value through profit or loss		
i. In mutual funds	0.64	577.26
Add: Fair value gain/(loss)	0.03	1.23
Total (i) *	0.67	578.49
ii. In Government Securities / T-Bill	1,417.89	1,422.62
Add: Fair value gain/(loss)	(0.37)	(0.20)
Total (ii)	1,417.52	1,422.42
Sub-total (II)	1,418.19	2,000.91
Total (I + II)	1,938.57	2,000.91

Notes to financial statements for the year ended 31 March 2024 (Contd.)

10. Investments (Contd.)

Out of above:

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
In India	1,938.57	2,000.91
Outside India	-	-
Total	1,938.57	2,000.91

* All the mutual investments are in the debt oriented schemes which includes investments for employee care fund of ₹ 0.67 crore (Previous year ₹ 0.93 crore).

-Impairment loss allowance recognised on investments is Nil (Previous year Nil)

11. Other financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Security deposits	7.01	7.52
Receivables on assigned loans	275.57	288.10
Others*	3.50	7.00
	286.08	302.62
Less: Impairment loss allowance**	2.01	0.68
Total	284.07	301.94

* Includes receivable from pools purchased under direct assignment ₹ 3.24 crore (Previous year ₹ 4.30 crore).

**Impairment loss allowance recognised on receivable on assigned loans is ₹ 1.89 crore (Previous year ₹ 0.63 crore).

Reconciliation of impairment loss allowance on other financial assets

Particulars	(₹ in crore)	
	Year ended 31 March	
	2024	2023
Impairment loss allowance as at beginning of the year (a)	0.68	-
Increase during the year (b)	1.33	0.68
Decrease during the year (c)	-	-
Impairment loss allowance at the end of the year (a+b-c)	2.01	0.68

12. Income Tax

(a) (i) Current Tax Asset (Net)

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Income taxes paid in advance	31.09	3.97
-net of provision for income tax of ₹ 837.20 crore (Previous year ₹ 187.13 crore)		
Total	31.09	3.97

(ii) Current Tax liability (Net)

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Provision for Income tax	25.93	16.17
-net of taxes paid in advance of ₹ 650.73 crore (Previous year ₹ 812.53 crore)		
Total	25.93	16.17

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(b) Deferred tax assets (net)
Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	Year ended 31 March	
	2024	2023
Profit before tax	2,161.32	1,700.06
Tax at corporate tax rate of 25.17% (Previous year 25.17%)	544.01	427.91
Tax on expenditure not considered for tax provision (net of allowance)	18.36	14.38
Tax impact on deduction under Section 36(1)(viii) of the Income tax Act, 1961	(59.15)	-
Tax Impact of reversal of opening deferred tax liability on special reserve under section 36(1)(viii) of the Income tax Act, 1961*	(73.09)	-
Tax benefit on additional deductions	(0.03)	(0.03)
Tax expense (effective tax rate of 19.90%, Previous year 26.01%)	430.10	442.26

* As per the Company's review of probability of utilisation of the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961, there is no intention of utilisation of this Special Reserve in future and the deferred tax liability created on the said special reserve is not capable of being reversed. In the absence of any temporary difference, no deferred tax liability is required to be recognised. Consequent to this review, the deferred tax liability of ₹ 73.09 crore as at 1 April 2023, was reversed during the year ended 31 March 2024 with corresponding credit to the Statement of Profit and Loss.

Movement in Deferred Tax Assets / (Liability)
For the year ended 31 March 2024

(₹ in crore)

Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	1.02	0.48	-	1.50
Remeasurements of employee benefits	0.20	1.43	0.49	2.12
Expected credit loss	114.99	-	-	114.99
EIR impact on financial instruments measured at amortised cost	0.35	(0.10)	-	0.25
Mark to Market impact on fair value hedge	0.01	0.56	-	0.57
Right of use assets and lease liability (net)	1.05	(0.11)	-	0.94
Unrealised net gain/ (loss) on fair value changes	-	0.10	-	0.10
Gross deferred tax assets (I)	117.62	2.36	0.49	120.47
II. Deferred tax liabilities				
Receivables on assigned loans	72.51	(3.16)	-	69.35
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	73.09	(73.09)	-	-
Fair value on Debt instruments designated under FVTPL	0.24	(0.24)	-	-
Fair value on Debt instruments designated under FVOCI	-	-	0.18	0.18
Other temporary differences	0.05	(0.05)	-	-
Gross deferred tax liabilities (II)	145.89	(76.54)	0.18	69.53
Deferred tax assets/ (liabilities), net (I-II)	(28.27)	78.90	0.31	50.94

Notes to financial statements for the year ended 31 March 2024 (Contd.)

12. Income Tax (Contd.)

For the year ended 31 March 2023

Particulars	(₹ in crore)			
	Balance as at 31 March 2022	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2023
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	0.92	0.10	-	1.02
Remeasurements of employee benefits	1.00	0.59	(1.39)	0.20
Expected credit loss	105.38	9.61	-	114.99
EIR impact on financial instruments measured at amortised cost	0.52	(0.17)	-	0.35
Mark to Market impact on fair value hedge	-	0.01	-	0.01
Right of use assets and lease liability (net)	1.03	0.02	-	1.05
Gross deferred tax assets (I)	108.85	10.16	(1.39)	117.62
II. Deferred tax liabilities				
Receivables on assigned loans	59.26	13.25	-	72.51
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	33.83	39.26	-	73.09
Unrealised net gain on fair value changes	0.18	0.06	-	0.24
Other temporary difference	-	0.05	-	0.05
Gross deferred tax liabilities (II)	93.27	52.62	-	145.89
Deferred tax assets/ (liabilities), net (I-II)	15.58	(42.46)	(1.39)	(28.27)

13. Property, plant and equipment and intangible assets

For the year ended 31 March 2024

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									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.45	-	0.04	0.48	1.91
- Right of use - Buildings	82.02	14.53	5.02	91.53	41.85	2.16	14.03	53.72	37.81
Computers	25.16	10.50	4.97	30.69	12.14	2.59	5.74	15.29	15.40
Furniture and Fixtures	12.99	1.06	0.17	13.88	5.40	0.28	1.75	6.87	7.01
Lease hold improvement	14.23	0.43	0.57	14.09	10.24	0.44	1.92	11.72	2.37
Vehicles	19.04	13.37	3.78	28.63	4.61	1.73	4.44	7.32	21.31
Office equipment	14.82	0.29	0.75	14.36	11.04	0.52	2.15	12.67	1.69
Total (i)	170.65	40.18	15.26	195.57	85.73	7.72	30.07	108.07	87.50
Intangible assets									
Computer Software	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (ii)	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (i+ii)	214.12	57.00	15.26	255.86	101.13	7.72	39.60	133.00	122.86

Notes to financial statements for the year ended 31 March 2024 (Contd.)

For the year ended 31 March 2023

Particulars	Gross Block			Depreciation and amortisation			Net block		
	As at 1 April 2022	Additions	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									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.41	-	0.04	0.45	1.94
- Right of use - Buildings	64.76	18.36	1.10	82.02	28.55	0.68	13.98	41.85	40.17
Computers	22.90	7.03	4.77	25.16	8.92	1.86	5.08	12.14	13.02
Furniture and Fixtures	11.74	2.06	0.81	12.99	5.10	0.72	1.02	5.40	7.59
Lease hold improvement	13.12	1.11	-	14.23	8.20	-	2.04	10.24	3.99
Vehicles	11.37	9.70	2.03	19.04	3.13	0.43	1.91	4.61	14.43
Office equipment	14.53	0.44	0.15	14.82	8.41	0.11	2.74	11.04	3.78
Total (i)	140.81	38.70	8.86	170.65	62.72	3.80	26.81	85.73	84.92
Intangible assets									
Computer Software	27.91	15.56	-	43.47	8.80	(0.01)	6.59	15.40	28.07
Total (ii)	27.91	15.56	-	43.47	8.80	(0.01)	6.59	15.40	28.07
Total (i+ii)	168.72	54.26	8.86	214.12	71.52	3.79	33.40	101.13	112.99

(a) Title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Company.

(b) Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Building	60 years	60 years
Computers		
End user machines	3 years	4 years
Servers and Networks	6 years	6 years
Office equipment	5 years	5 years
Furniture and fixtures		
Chairs	10 years	4 years*
Other Furniture and fixtures	10 years	10 years
Vehicles	8 years	6 years*

* The Company changed useful life of vehicles and chairs from 8 years to 6 years and from 10 years to 4 years respectively during the year ended 31 March 2024.

- Based on internal assessment, the Management believes that the useful lives adopted by the Company best represent the period over which Management expects to use these assets.

13.(a) Intangible assets under development

Particulars	For the year ended 31 March	
	2024	2023
Opening balance	0.31	1.46
Additions during the year	17.02	10.72
Deductions/Adjustments	(16.46)	(11.87)
Closing balance	0.87	0.31

13.(b) Aging for Intangible assets under development

Particulars	As at	Amount for the period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 24	0.87	-	-	-	0.87
Projects in progress	31 March 23	0.31	-	-	-	0.31

The Company does not have any project temporarily suspended or any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence intangible asset under development completion schedule is not applicable.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

14. Other non-financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Capital advances	-	0.03
Advances to suppliers and others*	8.91	7.91
Total	8.91	7.94

* - Includes excess CSR spend of ₹ 1.13 crore (Previous year ₹ 0.64 crore)

- Impairment loss allowance recognised on advances to suppliers is ₹ 0.01 crore (Previous year ₹ 0.01 crore).

15. Payables

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises (previous year ₹ 24,480) #	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	57.61	45.93
	57.61	45.93
Other payables		
Total outstanding dues of micro enterprises and small enterprises#	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	82.75	73.04
	82.75	73.04

Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Principal amount due to suppliers under MSMED Act, as at the year end (Previous year ₹ 24,480) (since paid)	-	
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	0.71	3.46
Interest paid to suppliers under MSMED Act (Section 16)	0.01	0.09
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	-	-

Trade Payable aging schedule as at 31 March 2024

Particulars	(₹ in crore)						Total
	Not due	Unbilled	Outstanding from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	57.05	0.56	-	-	-	57.61
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Trade Payable aging schedule as at 31 March 2023

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME (₹ 24,480)	-	-	-	-	-	-	-
(ii) Others	-	42.89	2.97	0.05	0.02	-	45.93
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

16. Debt securities

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
At amortised cost		
Secured and fully paid		
Privately placed redeemable non-convertible debentures*	22,725.94	18,476.39
	22,725.94	18,476.39
Unsecured		
Borrowings by issue of commercial paper	2,650.29	423.49
Privately placed partly paid redeemable non-convertible debentures	1,269.10	1,015.04
	3,919.39	1,438.53
Total	26,645.33	19,914.92
Out of above		
In India	26,645.33	19,914.92
Outside India	-	-
Total	26,645.33	19,914.92

*All the Privately placed secured redeemable non-convertible debentures of the Company including those issued during the year ended 31 March 2024 are fully secured by first pari passu charge by mortgage of the Company's immovable property at Chennai and/or by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Further, the Company 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.

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 1,750 crore during the year ended 31 March 2024 (Previous year ₹ 100 crore). The total outstanding as on 31 March 2024 is ₹ 1,850 crore (Previous year ₹ 100 crore).

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2024

(₹ in crore)

Original maturity	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	1,250.00	1,000.00	-	-	2,250.00
2 to 3 years	-	4,675.00	1,000.00	-	5,675.00
3 to 4 years*	3,135.00	2,395.00	1,500.00	-	7,030.00
More than 4 years	-	-	-	8,277.00	8,277.00
Interest accrued	821.58	-	-	-	821.58
Fair value gain/ loss on NCD hedged through interest rate swap					(13.09)
Impact of EIR (including premium and discount on NCD)					(45.45)
Total					23,995.04

- Interest rate ranges from 5.00 % p.a. to 8.00 % p.a. as at 31 March 2024.

- 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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

16. Debt securities (Contd.)

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2023

(₹ in crore)

Original maturity	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	3,225.00	1,250.00	-	-	4,475.00
2 to 3 years	1,075.00	985.00	4,350.00	-	6,410.00
3 to 4 years*	-	2,150.00	720.00	-	2,870.00
More than 4 years	-	-	-	5,175.00	5,175.00
Interest accrued	613.87	13.33	-	-	627.20
Fair value gain/ loss on NCD hedged through interest rate swap					1.39
Impact of EIR (including premium and Discount on NCD)					(67.16)
Total					19,491.43

- Interest rate ranges from 5.00 % p.a. to 8.04 % p.a. as at 31 March 2023.
- 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 Mar 2024, Mar 2025 and ₹168 crore in Mar 2026.

Terms of repayment of commercial paper

(₹ in crore)

Original maturity	As at 31 March	
	2024	2023
Issued at discount and redeemable at par		
Up to 1 years	2,605.14	423.53
Impact of EIR (including interest accrued)	45.15	(0.04)
Total	2,650.29	423.49

- Interest rate ranges from 7.48% to 8.03% p.a as at 31 March 2024 (Previous year 5.00% to 6.00% p.a)
- As at 31 March 2024, face value of commercial paper is ₹ 2,750 crore (Previous year ₹ 425 crore)

17. Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
At amortised cost		
Secured		
Term loans from banks*	34,542.75	31,495.22
Loans repayable on demand from banks*		
Cash credit / Overdraft facility	56.95	141.76
Working capital demand loan	862.44	17.72
Term loans from others		
National Housing Bank (NHB) [§]	6,837.59	2,000.00
Total	42,299.73	33,654.70
Out of above:		
In India	42,299.73	33,654.70
Outside India	-	-
Total	42,299.73	33,654.70

The Company has not been declared a 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.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

***Nature of security for term loans taken from Banks**

Secured against hypothecation of book debts, loan receivables and other receivables.

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

§Nature of security for term loans taken from NHB

(i) 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.

(ii) The Company 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.

Terms of repayment of term loan from banks as at 31 March 2024

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 Years		More than 3 years		Total	
	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 Principal Payment										
3-4 years	2	200.00	-	-	-	-	-	-	2	200.00
More than 4 years	121	2,601.53	104	2,073.42	92	2,228.54	161	3,246.68	478	10,150.17
Half yearly Principal Payment										
3-4 years	2	142.86	-	-	-	-	-	-	2	142.86
More than 4 years	64	2,107.51	70	2,864.01	78	3,587.01	182	7,193.79	394	15,752.32
Yearly Principal Payment										
3-4 years	1	375.00	-	-	-	-	-	-	1	375.00
More than 4 years	12	868.33	8	673.33	9	1,163.33	29	2,016.67	58	4,721.66
Bullet Payment on maturity										
3-4 years	1	500.00	-	-	-	-	-	-	1	500.00
More than 4 years	-	-	-	-	1	500.00	2	2,200.00	3	2,700.00
Interest accrued										3.23
Impact of EIR										(2.49)
Total									939	34,542.75

Interest rate ranges from 5.05 % p.a. to 9.15 % p.a. as at 31 March 2024.

Terms of repayment of term loan from NHB as at 31 March 2024

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	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 Principal Payment										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
Interest accrued										-
Impact of EIR										-
Total									831	6,837.59

Interest rate ranges from 5.25 % p.a. to 8.25 % p.a. as at 31 March 2024.

Terms of repayment of working capital demand loan as at 31 March 2024

Original maturity of loan					(₹ in crore)	
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total	
On maturity (Bullet)						
Up to 1 year	862.24	-	-	-	862.24	
Interest accrued and impact of EIR					0.20	
Total					862.44	

Notes to financial statements for the year ended 31 March 2024 (Contd.)

17. Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loans from banks as at 31 March 2023

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	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 Principal Payment										
2-3 years	2	31.25	-	-	-	-	-	-	2	31.25
3-4 years	-	-	2	200.00	-	-	-	-	2	200.00
More than 4 years	129	2,496.86	103	2,154.16	80	1,584.36	150	3,527.00	462	9,762.38
Half yearly Principal Payment										
3-4 years	2	142.86	2	142.86	-	-	-	-	4	285.72
More than 4 years	43	1,688.94	48	1,608.11	46	2,052.10	123	5,977.82	260	11,326.97
Yearly Principal Payment										
3-4 years	2	436.25	1	375.00	-	-	-	-	3	811.25
More than 4 years	15	958.34	11	838.33	7	643.33	18	2,540.00	51	4,980.00
Bullet Payment on maturity										
2-3 years	-	-	1	250.00	-	-	-	-	1	250.00
3-4 years	-	-	1	500.00	-	-	-	-	1	500.00
More than 4 years	3	650.00	-	-	-	-	3	2,700.00	6	3,350.00
Interest accrued										2.93
Impact of EIR										(5.28)
Total									792	31,495.22

Interest rate ranges from 5.05 % p.a. to 9.02 % p.a. as at 31 March 2023.

Terms of repayment of term loan from NHB as at 31 March 2023

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	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 Principal Payment										
More than 4 years	21	180.98	28	241.31	28	241.31	172	1,336.40	249	2,000.00
Interest accrued										-
Impact of EIR										-
Total									249	2,000.00

Interest rate ranges from 5.52 % p.a. to 7.55 % p.a. as at 31 March 2023.

Terms of repayment of working capital demand loan as at 31 March 2023

Original maturity of loan	(₹ in crore)				
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	17.72	-	-	-	17.72
Interest accrued and impact of EIR					-
Total					17.72

18. Deposits

Particulars	(₹ in crore)	
	As at 31 March 2024	2023
Unsecured		
At Amortised Cost		
From Others (Inter corporate deposit)	184.26	175.77
Total	184.26	175.77

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Terms of repayment of Deposits as at 31 March 2024

Original maturity	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	(₹ in crore)
					Total
On maturity (Bullet)					
Up to 1 year	10.83	-	-	-	10.83
Over 1 to 2 years	165.34	-	-	-	165.34
More than 3 years	-	1.20	-	-	1.20
Interest accrued	6.89	-	-	-	6.89
Total					184.26

Interest rate ranges from 7.28 % p.a. to 7.80 % p.a.

Terms of repayment of Deposits as at 31 March 2023

Original maturity	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	(₹ in crore)
					Total
On maturity (Bullet)					
Up to 1 year	2.78	-	-	-	2.78
Over 1 to 2 years	-	165.34	-	-	165.34
Over 2 to 3 years	-	-	1.20	-	1.20
Interest accrued and impact of EIR	6.45	-	-	-	6.45
Total					175.77

Interest rate ranges from 7.28 % p.a. to 7.60 % p.a.

19. Other financial liabilities

Particulars	(₹ in crore)	
	As at 31 March 2024	2023
Security deposits	0.08	0.08
Lease Liability*	41.54	44.33
Amount payable on swaps and other derivatives	1.73	-
Others*	190.79	167.21
Total	234.14	211.62

*- Includes amount for employee care fund of ₹ 0.92 crore (Previous year ₹ 1.03 crore).

- Includes amount payable to assignment partners and insurance partners.

*** Disclosures as required by Ind AS 116 - 'Leases'**

The Company has taken various office premises under lease. The period of lease agreements are ranging for a period 36 to 108 months. Lease liabilities are recognised in Balance Sheet at initial application basis incremental borrowing rate of similar tenure ranging from 5.26% to 8.20%.

a. Lease Liability Movement

Particulars	(₹ in crore)	
	As at 31 March 2024	2023
Opening Balance / Transition adjustment	44.33	40.29
Add :		
Addition during the year	14.53	18.36
Interest on Lease Liability	2.90	2.77
Lease modification/ adjustments	-	-
Less :		
Deletion during the year	3.47	0.49
Lease rental payments	16.75	16.60
Balance at the end of the year	41.54	44.33

Notes to financial statements for the year ended 31 March 2024 (Contd.)

19. Other financial liabilities (Contd.)

- b. Lease rentals of ₹ 1.10 crore (Previous year ₹ 0.75 crore) pertaining to short-term leases, low value assets and GST disallowance on lease rentals have been charged to Statement of Profit and Loss.

c. Future Lease Cash Outflow for all Leased Assets

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
-Not later than one year	14.75	16.25
-Later than one year but not later than five years	32.77	34.45
-Later than five years	0.04	0.09

d. Maturity Analysis of Lease Liability

(₹ in crore)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Lease Liability	12.12	29.42	13.55	30.78

e. Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Interest on lease liabilities	2.90	2.77
Depreciation charge for the year	14.03	13.98
(Gain)/loss on pre-mature lease closure	(0.61)	(0.07)
Total	16.32	16.68

20. Provisions

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Provision for employee benefits		
Gratuity	3.52	-
Compensated absences	1.63	1.34
Other long term service benefits	3.25	1.97
Others provisions		
Impairment allowance on undrawn loan commitments	27.24	12.32
Total	35.64	15.63

21. Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Statutory dues	26.42	12.87
Others	0.95	2.03
Total	27.37	14.90

Notes to financial statements for the year ended 31 March 2024 (Contd.)

22. Equity share capital

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Authorised		
8,00,00,00,000 (8,00,00,00,000) equity shares of ₹ 10 each	8,000.00	8,000.00
Issued		
6,71,21,55,564 (6,71,21,55,564) equity shares of ₹ 10 each	6,712.16	6,712.16
Subscribed and fully paid up		
6,71,21,55,564 (6,71,21,55,564) equity shares of ₹ 10 each fully called up and paid up	6,712.16	6,712.16
Total	6,712.16	6,712.16

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Outstanding at the beginning of the year	6,712,155,564	6,712.16	4,883,333,329	4,883.33
Add: Issue of equity shares on right basis	-	-	1,828,822,235	1,828.83
Outstanding at the end of the year	6,712,155,564	6,712.16	6,712,155,564	6,712.16

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. 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 (face value ₹10 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited*	6,712,155,564	6,712.16	6,712,155,564	6,712.16

* A subsidiary of Bajaj Finserv Limited

d. Details of shareholders holding more than 5% shares in the Company (face value ₹10 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited (Holding Company)	6,712,155,564	100%	6,712,155,564	100%

e. Details of shareholding of promoters
Shares held by promoters at the year ended 31 March 2024

S. N.	Promoter name	No. of shares	% of total shares	% Changes during the year
1	Bajaj Finance Limited	6,712,155,564	100%	-

Shares held by promoters at the year ended 31 March 2023

S. N.	Promoter name	No. of shares	% of total shares	% Changes during the year
1	Bajaj Finance Limited	6,712,155,564	100%	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

23. Other equity

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
(i) Securities premium		
Balance as at the beginning of the year	837.72	166.67
Add: Received during the year		
On right issue of shares	-	671.05
Balance as at the end of the year (i)	837.72	837.72
(ii) Statutory reserve in terms of Section 29C of the NHB Act, 1987		
Balance as at the beginning of the year		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	304.45	208.89
(b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	290.40	134.40
Total	617.51	365.95
Addition / appropriation / withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	111.25	95.56
(b) Additional amount transferred u/s 29C of the NHB Act, 1987	-	-
(c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	235.00	156.00
Less:		
(a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance as at the end of the year (ii)	963.76	617.51
(iii) Retained earnings		
Balance as at the beginning of the year	2,335.80	1,325.41
Profit for the year	1,731.22	1,257.80
Item of other comprehensive income recognised directly in retained earnings		
- on defined benefit plan	(1.44)	4.15
	4,065.58	2,587.36
Less: Appropriations:		
- Transfer to statutory reserve in terms of Section 29C of the NHB Act, 1987	111.25	95.56
- Transfer to additional statutory reserve in terms of Section 29C of the NHB Act, 1987	-	-
- Transfer to special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	235.00	156.00
Total appropriations	346.25	251.56
Balance as at the end of the year (iii)	3,719.33	2,335.80

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(iv) Other Comprehensive Income on debt instrument through OCI		
Balance at the beginning of the year	-	-
Addition during the year	0.53	-
Balance at the end of the year (iv)	0.53	-
Total (i+ii+iii+iv)	5,521.34	3,791.03

Nature and purpose of other equity**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.

ii. Statutory Reserve in terms of Section 29C of the National Housing Bank Act, 1987

Reserve Fund is created as per the Section 29C of the National Housing Bank Act, 1987, which requires every housing finance company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred twenty percent of its net profit during the previous year to the reserve fund. This includes Special Reserve 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.

iii. Retained earnings

Retained earnings represents the surplus in profit and loss account after appropriation.

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- (a) actuarial gains and losses; and
- (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset).

iv. Other comprehensive income**(a) On loans**

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Balance as at the beginning of the year	-	-
Fair value changes	(41.40)	28.87
Impairment loss allowances transferred to profit or loss	41.40	(28.87)
Balance as at the end of the year	-	-

(b) Investment measured at FVOCI

The Company recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Company transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

24. 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			
	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total
On loans#	2,046.16	5,039.51	-	7,085.67	1,506.54	3,703.61	-	5,210.15
On investments	1.32	10.89	99.57	111.78	-	-	57.40	57.40
On deposits with Banks	4.91	-	-	4.91	1.69	-	-	1.69
Total	2,052.39	5,050.40	99.57	7,202.36	1,508.23	3,703.61	57.40	5,269.24

*As per effective interest rate (EIR). Refer note no. 4.1(i)

#Net of interest on credit impaired assets amounting to ₹ 18.53 crore (Previous Year ₹ 26.69 crore).

25. Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Distribution income	78.49	39.81
Service and administration charges	37.57	34.89
Foreclosure income	22.17	11.52
Total	138.23	86.22

26. Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Net gain/ (loss) on financial instruments measured at fair value through profit or loss on trading portfolio		
Realised gain/ (loss) on investments at FVTPL	134.55	111.80
Unrealised gain/ (loss) on investments at FVTPL	(1.35)	0.24
Total	133.20	112.04

27. Sale of services

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Service charges	15.37	27.80
Service fees for management of assigned portfolio of loans	37.11	22.49
Total	52.48	50.29

28. Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Income on derecognised (assigned) loans	53.08	134.80
Total	53.08	134.80

Notes to financial statements for the year ended 31 March 2024 (Contd.)

29. Other operating income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Bad debt recoveries	15.96	10.29
Digital advertisement charges	18.50	-
Miscellaneous charges and receipts	3.50	1.85
Total	37.96	12.14

30. Other income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Rent Income	0.22	0.20
Interest on income tax refund	-	0.30
Miscellaneous income	0.18	0.21
Total	0.40	0.71

31. Finance costs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
On financial liabilities measured at amortised cost:		
On debt securities	1,725.78	1,112.52
On borrowings other than debt securities	2,951.22	2,074.64
On deposits	12.71	21.39
On lease liability	2.90	2.77
Total	4,692.61	3,211.32

32. Fees and commission expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Commission and incentives	-	0.28
Loan portfolio management service charges	11.71	13.75
Total	11.71	14.03

33. Impairment on financial instruments

Particulars	(₹ in crore)					
	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 [#]	58.96	0.55	59.51	54.70	68.11	122.81
On Others	1.37	-	1.37	0.69	-	0.69
Total	60.33	0.55	60.88	55.39	68.11	123.50

[#]Net of interest on credit impaired assets amounting to ₹ 18.53 crore (Previous Year ₹ 26.69 crore).

Notes to financial statements for the year ended 31 March 2024 (Contd.)

34. Employee benefits expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Employees emoluments	409.24	382.88
Contribution to provident fund and other funds	18.34	18.20
Share based payments to employees	30.64	26.83
Staff welfare expenses	7.41	7.23
Total	465.63	435.14

35. Other expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Travelling expenses	28.01	27.32
Information technology expenses	30.26	23.76
Repairs, maintenance and office expenses	15.06	15.17
Employee training, recruitment and management cost	9.96	10.92
Outsourcing / back office expenses	38.67	12.78
Advertisement, branding and promotion	3.65	9.78
Communication expenses	10.30	9.38
Rent, taxes and energy cost	7.40	6.12
Legal and professional charges	5.37	4.30
Bank charges	2.10	1.98
Customer experience	1.94	1.97
Printing and stationery	1.95	1.93
Director's fees, commission and expenses	2.91	1.14
Net loss on disposal of property, plant and equipment	0.77	0.70
Auditors' fees and expenses*	0.59	0.57
Insurance	0.30	0.29
Expenditure towards Corporate Social Responsibility activities **	20.67	12.68
Miscellaneous expenses	6.05	7.20
Total	185.96	147.99

* Auditors' fees and expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
As auditor		
Audit fee	0.30	0.30
Tax audit fee	0.04	0.04
Limited review fee	0.09	0.09
In other capacity		
Other services	0.04	0.04
Reimbursement of expenses	0.07	0.06
Total	0.54	0.53
Total including GST disallowance	0.59	0.57

Notes to financial statements for the year ended 31 March 2024 (Contd.)

**** Corporate Social Responsibility expenditure**

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
(a) Gross amount required to be spent by the Company during the year	20.67	12.68
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	21.16	13.32
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii, iii	Activities mentioned in i, ii, iii, x
(g) Details of related party transactions	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

Excess amount spent as per Section 135(5) of the Companies Act, 2013

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Opening balance	0.64	-
Amount spent during the year	21.16	13.32
	21.80	13.32
Amount required to be spent during the year	20.67	12.68
Closing balance	1.13	0.64

36. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March	
	2024	2023
(A) Net profit attributable to equity shareholders (₹ in crore)	1,731.22	1,257.80
(B) Weighted average number of equity shares for basic earnings per share	6,712,155,564.00	6,682,092,732.74
(C) Weighted average number of equity shares for diluted earnings per share	6,712,155,564.00	6,682,092,732.74
Earning Per Share (Basic) (₹) (A/B)	2.58	1.88
Earning Per Share (Diluted) (₹) (A/C)	2.58	1.88

The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54. These shares would be considered for computing 'Earnings per share' from the quarter ending 30 June 2024 onwards.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

37. Segment information

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic. No single customer represents 10% or more of the total revenue for the year ended 31 March 2024 and 31 March 2023.

38. Transfer of financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

39(a). Revenue from contract with customers

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Type of Services		
(i) Fees and Service income		
Distribution income	78.49	39.81
Service and administration charges	37.57	34.89
Foreclosure income	22.17	11.52
(ii) Other Services		
Digital advertisement charges	18.50	-
Total	156.73	86.22
Geographical markets		
India	156.73	86.22
Outside India	-	-
Total	156.73	86.22
Timing of revenue recognition		
Services transferred at a point in time	156.73	86.22
Services transferred over time	-	-
Total	156.73	86.22

Contract balances

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Fees, commission and other receivables	13.41	1.60

Impairment allowance recognised for contract balances is ₹ 0.05 crore (Previous year ₹ 0.01 crore)

39(b). Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Income From Insurance intermediation		
Commission Income- Life Insurance	13.78	-
Commission Income- General Insurance	0.47	-
Total	14.25	-

The Company received Corporate Agency (CA) license from the Insurance Regulatory and Development Authority of India (IRDAI) on 22 December 2023. The Company entered into agreements with various insurance partners as a Corporate Agent and received commission Income during the year as disclosed above.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

40. Employee benefits plan

(I) Defined benefit plans

(A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

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 and plan investment 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 can have impact on plan liability.

(i) Movement in defined benefit obligations

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Defined benefit obligation as at the beginning of the year	31.99	25.58
Current service cost	5.17	5.01
Interest on defined benefit obligation	2.30	1.80
Remeasurement (gain)/ loss:		
Actuarial (gain)/ loss arising from change in financial assumptions	0.86	(0.58)
Actuarial (gain)/ loss arising from change in demographic assumptions	-	-
Actuarial (gain)/ loss arising on account of experience changes	1.64	(5.33)
Benefits paid	(1.50)	(1.92)
Liabilities assumed / (settled)*	(0.17)	7.43
Defined benefit obligation as at the end of the year	40.29	31.99

* On account of business combination within the group

(ii) Movement in plan assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Fair value of plan asset as at the beginning of the year	34.35	24.55
Employer contributions	1.00	2.89
Interest on plan assets	2.52	1.77
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.57	(0.37)
Benefits paid	(1.50)	(1.92)
Assets acquired / (settled)*	(0.17)	7.43
Fair value of plan asset as at the end of the year	36.77	34.35

* On account of business combination within the group

Notes to financial statements for the year ended 31 March 2024 (Contd.)

40. Employee benefits plan (Contd.)

(iii) Reconciliation of net liability/ (asset)

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Net defined benefit liability/ (asset) as at the beginning of the year	(2.36)	1.03
Expense charged to Statement of Profit and Loss	4.95	5.04
Amount recognised in other comprehensive income	1.93	(5.54)
Employers contribution	(1.00)	(2.89)
Net defined benefit liability/ (asset) as at the end of the year	3.52	(2.36)

(iv) Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Current service cost	5.17	5.01
Interest cost	(0.22)	0.03
Total	4.95	5.04

(v) Remeasurement (gains)/losses in other comprehensive income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2024	2023
Opening amount recognised in other comprehensive income	(1.50)	4.04
Changes in financial assumptions	0.86	(0.58)
Changes in demographic assumptions	-	-
Experience adjustments	1.64	(5.33)
Actual return on plan assets less interest on plan assets	(0.57)	0.37
Closing amount recognized in other comprehensive income	0.43	(1.50)

(vi) Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Present value of funded defined benefit obligation (A)	40.29	31.99
Fair value of plan assets (B)	36.77	34.35
Net defined benefit liability/(asset) recognised in Balance Sheet (A-B)	3.52	(2.36)

(vii) Key actuarial assumptions

Particulars	As at 31 March	
	2024	2023
	Discount rate (p.a)	7.20%
Salary escalation rate (p.a.)	11.00%	11.00%
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(viii) Sensitivity analysis for significant assumptions is as shown below:

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	(4.22%)	4.33%	(4.31%)	4.44%
Impact of decrease in 50 bps on defined benefit obligation	4.51%	(4.10%)	4.61%	(4.19%)

(ix) Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Maturity Profile		
Expected benefits for year 1	2.93	2.27
Expected benefits for year 2	2.97	2.41
Expected benefits for year 3	3.18	2.46
Expected benefits for year 4	3.23	2.61
Expected benefits for year 5	3.25	2.61
Expected benefits for year 6	3.55	2.59
Expected benefits for year 7	3.31	2.86
Expected benefits for year 8	7.20	2.67
Expected benefits for year 9	4.95	5.98
Expected benefits for year 10 and above	50.80	44.54

(x) 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	1.00	1.00

(B) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Present value of unfunded obligations	3.25	1.97
Expense recognised in the Statement of Profit and Loss	1.80	0.52
Discount rate (p.a.)	7.20%	7.45%

(C) Defined Contribution fund

A defined contribution plan is the post employment benefit under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contribution in case of shortfall in the plan asset. Contribution made by the Company under defined contribution plan is given below-

(₹ in crore)

For the year ended 31 March

Particulars	For the year ended 31 March	
	2024	2023
Provident fund and Pension Scheme of EPFO	11.62	11.41
National Pension Scheme	0.89	0.78

Notes to financial statements for the year ended 31 March 2024 (Contd.)

41. Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Disputed claims against the Company not acknowledged as debts	4.73	3.49

The Company does not expect any reimbursement in respect of the above contingent liabilities.

(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	0.05	2.81
- Intangible	0.06	1.36
(ii) Other commitments (towards partially disbursed / sanctioned but not disbursed)	5,209.92	6,178.57

42. (a) Changes in capital and asset structure arising from Financing Activities and Investing activity

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(b) Changes in liability arising from Financing Activities

For the year ended 31 March 2024

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows	Change in fair value	Other*	As at 31 March 2024
Debt Securities	19,914.92	6,488.84	13.09	228.48	26,645.33
Borrowing other than Debt Securities	33,654.70	8,641.74	-	3.29	42,299.73
Deposits	175.77	8.05	-	0.44	184.26
Lease Liability	44.33	(13.85)	-	11.06	41.54
Total	53,789.72	15,124.78	13.09	243.27	69,170.86

For the year ended 31 March 2023

(₹ in crore)

Particulars	As at 1 April 2022	Cash flows	Change in fair value	Other*	As at 31 March 2023
Debt Securities	16,489.15	3,329.03	1.39	95.35	19,914.92
Borrowing other than Debt Securities	24,493.17	9,155.66	-	5.87	33,654.70
Deposits	510.00	(340.68)	-	6.45	175.77
Lease Liability	40.29	(13.83)	-	17.87	44.33
Total	41,532.61	12,130.18	1.39	125.54	53,789.72

* Other includes Interest accrued and EIR adjustments

Notes to financial statements for the year ended 31 March 2024 (Contd.)

43. Disclosure of transactions with related parties as required by Ind AS 24

		(₹ in crore)			
		FY 2023-24		FY 2022-23	
Name of the related party and nature of relationship	Nature of Transactions	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
A. Ultimate Holding Company					
Bajaj Finserv Limited	Secured non-convertible debentures issued	-	(400.00)	-	(550.00)
	Secured non-convertible debentures repaid	150.00	-	-	-
	Interest paid on non-convertible debentures	36.12	-	20.81	-
	Business Support Charges Paid	1.32	-	3.63	-
	Amount paid under ESOP recharge arrangements	0.65	-	0.60	(0.71)
B. Holding Company					
Bajaj Finance Limited	Contribution to Equity Shares (6,71,21,55,564 shares at face value of ₹10 each)	-	(6,712.16)	-	(6,712.16)
	Equity Contribution received (including premium)	-	-	2,500.00	-
	Amount paid under ESOP recharge arrangements	29.93	-	26.17	-
	Loan portfolio assigned out	6,758.15	-	1,789.90	-
	Purchase of property, plant and equipment	0.55	-	0.79	(0.10)
	Sale of property, plant and equipment	0.53	-	0.48	0.35
	Security deposit received for leased premises	-	(0.08)	-	(0.08)
	Business support charges and servicing paid	14.85	-	16.83	(2.32)
	Business support charges received	1.01	-	0.81	-
	Rent income	0.22	-	0.20	-
	Fees, commission and servicing fee received	50.77	-	66.30	0.02
C. Fellow Subsidiaries					
1. Bajaj Financial Securities Limited (Fellow Subsidiary)	Company's contribution towards NPS	0.90	-	0.45	-
2. Bajaj Finserv Direct Limited (Subsidiary of Ultimate Holding company)	Purchase of property, plant and equipment	-	-	0.09	-
	Sale of property, plant and equipment (Previous year TV ₹ 33,647)	0.01	-	-	-
	Business support fees and commission paid	2.12	-	0.66	-
3. Bajaj Finserv Health Limited (Subsidiary of Ultimate Holding company)	Fees and commission received	9.60	1.87	-	-
4. Bajaj Finserv Venture Limited (Subsidiary of Ultimate Holding company)	Sale of property, plant and equipment (TV ₹ 33,406)	-	-	-	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

43. Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

		(₹ in crore)			
		FY 2023-24		FY 2022-23	
Name of the related party and nature of relationship	Nature of Transactions	Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
5 Bajaj Allianz General Insurance Company Limited (Subsidiary of Ultimate Holding company)	Secured non-convertible debentures issued	-	(250.00)	-	(150.00)
	Secured non-convertible debentures repaid	-	-	100.00	-
	Interest paid on non-convertible debentures	11.55	-	7.10	-
	Advance towards insurance	-	4.87	-	-
	Insurance expenses	4.57	-	4.42	0.63
	Fees and commission received	0.47	0.12	-	-
6 Bajaj Allianz Life Insurance Company Limited (Subsidiary of Ultimate Holding company)	Unsecured non-convertible debentures issued	217.00	(1,085.00)	217.00	(868.00)
	Interest paid on non-convertible debentures	67.84	-	50.94	-
	Advance towards insurance	-	0.43	-	-
	Insurance expense	1.12	-	9.10	0.65
	Fees and commission received	3.56	2.10	-	-
D. Associates of Holding Company					
1 Snapwork Technologies Private Limited (w.e.f. 25 November 2022)	Information technology design and development charges	1.59	-	0.63	-
	Support charges	0.48	-	-	-
2 Pennant Technologies Private Limited (w.e.f. 19 January 2024)	Information technology design and development charges	1.24	-	-	-
	Support charges	0.42	-	-	-
E. Key Management Personnel (KMP) and close members of KMP					
1 Sanjiv Bajaj (Chairman)	Short term benefits - Sitting Fees	0.13	-	0.14	-
	Short term benefits - Commission	0.26	(0.23)	0.07	(0.06)
2 Rajeev Jain (Vice Chairman)	Short term benefits - Sitting Fees	0.21	-	0.15	-
	Short term benefits - Commission	0.42	(0.38)	0.11	(0.09)
3 Atul Jain (Managing Director)	Short term employee benefits	14.08	(1.98)	10.29	(0.04)
	Share based payment	9.56	-	8.06	-
4 Lila Poonawala (Director till 21 Jan 2023)	Short term benefits - Sitting Fees	-	-	0.16	-
	Short term benefits - Commission	-	-	0.08	(0.07)
5 Anami N Roy (Director)	Short term benefits - Sitting Fees	0.18	-	0.16	-
	Short term benefits - Commission	0.36	(0.32)	0.09	(0.08)
6 Dr. Arindam K Bhattacharya (Director w.e.f. 1 May 2022)	Short term benefits - Sitting Fees	0.20	-	0.07	-
	Short term benefits - Commission	0.40	(0.36)	0.05	(0.05)

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of Transactions	FY 2023-24		FY 2022-23	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
7 Jasmine Arish Chaney (Director w.e.f 1 April 2023)	Short term benefits - Sitting Fees	0.17	-	-	-
	Short term benefits - Commission	0.34	(0.31)	-	-
8 Gaurav Kalani (Chief Financial Officer)*	Short term employee benefits	2.52	(0.77)	2.23	(0.77)
	Share based payment	0.82	-	0.80	-
9 Atul Patni (Company Secretary w.e.f. 1 May 2022)*	Short term employee benefits	0.47	(0.07)	0.48	-
	Share based payment	0.08	-	-	-
F. Entities in which KMP and their close members have significant influence					
1 Bajaj Auto Limited	Security deposit paid for leased premises	-	0.03	-	0.03
	Business Support Charges Paid	1.97	-	1.27	-
	Rent expense	0.06	-	0.06	-
2 Bajaj Holdings and Investment Limited	Business Support Charges Paid	1.83	-	1.51	-
3 Maharashtra Scooters Limited	Secured non-convertible debentures issued	-	(25.00)	-	(50.00)
	Secured non-convertible debentures repaid	25.00	-	-	-
	Interest paid on non-convertible debentures	2.88	-	2.90	-
4 Hind Musafir Agency Limited	Services received	3.89	-	4.06	-
5 Bajaj Allianz Staffing Solutions Limited	Outsourcing manpower supply services	76.45	-	12.79	-
G. Post employment benefit entity					
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	1.09	-	3.02	-

*Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in Financial Statements- Notes to Accounts of NBFC dated 19 April 2022.

Notes

- Transactions value (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Company act as intermediary and passed through Company's books of accounts are not in the nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Company on insurance cover taken by it on its assets are not in the nature of related party transaction, hence not disclosed.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.
- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. 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 managerial 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 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.
- Non convertible debentures (NCDs) transaction includes only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting dates.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

44. Relationship with struck off Companies

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Relationship with the struck off Company	Balance outstanding as at 31 March	
			2024	2023
CSE Computer Solutions East Pvt Ltd	Loan given	No	0.34	0.36

45. Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator, the Reserve Bank of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

(i) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support its growth strategy and the risks inherent to its business. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to 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 interest rate.

The Company monitors its capital to risk weighted assets ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

(ii) Regulatory capital

(₹ 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	12,205.69	10,544.40
Total 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	21.28%	22.97%

46. Analytical Ratios

Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at 31 March 2024	As at 31 March 2023
Capital to risk weighted assets ratio (CRAR)	12,205.69	57,351.83	21.28%	22.97%
Tier I CRAR	11,857.24	57,351.83	20.67%	22.19%
Tier II CRAR	348.45	57,351.83	0.61%	0.78%
Debt Equity Ratio	69,129.32	12,233.50	5.65	5.12
Liquidity Coverage Ratio	2,001.73	1,040.89	192.31%	149.72%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

47. Events after reporting date

There have been no events after the reporting date that require adjustment in these financial statements.

The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54.

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.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring 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 for trading under FVTPL have been determined under level 1 (refer note 49) using quoted market prices of the underlying instruments;
- Fair value of loans held for 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 measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, 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 value are deemed to be fair value.

49. Fair value hierarchy

The Company determines fair values of financial instruments according to the following hierarchy:

Level 1- valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2- valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3- valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

49. Fair value hierarchy (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on 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 for trading designated under FVTPL	31 March 2024	1,418.19	-	-	1,418.19
Investments held under FVOCI	31 March 2024	520.38	-	-	520.38
Loans designated under FVOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instrument (at FVTPL)	31 March 2024	-	10.83	-	10.83

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2023

(₹ 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 for trading designated under FVTPL	31 March 2023	2,000.91	-	-	2,000.91
Loans designated under FVOCI	31 March 2023	-	47,113.67	-	47,113.67
Derivative financial instrument (at FVTPL)	31 March 2023	-	1.37	-	1.37

- The Company does not carry any financial asset and liability which is fair valued on a non recurring basis
- During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Fair value of financial instruments not measured at fair value 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					
Cash and cash equivalents	63.86	63.86	-	-	63.86
Bank balances other than cash and cash equivalents	0.15	0.15	-	-	0.15
Trade receivables	13.36	-	-	13.36	13.36
Loans at amortised cost*	21,590.83	-	-	21,590.83	21,590.83
Other financial assets	284.07	-	-	284.07	284.07
Total financial assets	21,952.27	64.01	-	21,888.26	21,952.27
Financial liabilities					
Trade payables	57.61	-	-	57.61	57.61
Other payables	82.75	-	-	82.75	82.75
Debt securities	26,645.33	-	26,636.65	-	26,636.65
Borrowings (other than debt securities)	42,299.73	-	-	42,299.73	42,299.73
Deposits	184.26	-	-	184.26	184.26
Other financial liabilities	234.14	-	-	234.14	234.14
Total financial liabilities	69,503.82	-	26,636.65	42,858.49	69,495.14

*Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Fair value of financial instruments not measured at fair value as at 31 March 2023

(₹ 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					
Cash and cash equivalents	93.88	93.88	-	-	93.88
Bank balances other than cash and cash equivalents	14.99	14.99	-	-	14.99
Trade receivables	1.59	-	-	1.59	1.59
Other receivables	0.36	-	-	0.36	0.36
Loans at amortised cost*	15,000.22	-	-	15,000.22	15,000.22
Other financial assets	301.94	-	-	301.94	301.94
Total financial assets	15,412.98	108.87	-	15,304.11	15,412.98
Financial liabilities					
Trade payables	45.93	-	-	45.93	45.93
Other payables	73.04	-	-	73.04	73.04
Debt Securities	19,914.92	-	19,844.15	-	19,844.15
Borrowings (other than debt securities)	33,654.70	-	-	33,654.70	33,654.70
Deposits	175.77	-	-	175.77	175.77
Other financial liabilities	211.62	-	-	211.62	211.62
Total financial liabilities	54,075.98	-	19,844.15	34,161.06	54,005.21

*Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

50. Risk management objectives and policies

A summary of the major risks faced by the Company, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity and funding risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: <ul style="list-style-type: none"> 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 appointed Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: <ul style="list-style-type: none"> measured by <ul style="list-style-type: none"> identification of gaps in the structural and dynamic liquidity. assessment of incremental borrowings required for meeting the repayment obligation, the Company's business plan and prevailing market conditions. liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. monitored by <ul style="list-style-type: none"> assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for HFCs. a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Company. managed by the Company's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

50. Risk management objectives and policies (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 appointed RMC and ALCO	<p>Market risk for the Company encompasses exposures to interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles.</p> <ul style="list-style-type: none"> 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 Company has a market risk management module which is integrated with its treasury system. managed by the Company's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy
Credit Risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company.	Board appointed RMC and Chief Risk Officer (CRO)	<p>Credit risk is:</p> <ul style="list-style-type: none"> measured as the amount at risk due to repayment default by customers or counterparties to the Company. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity / pandemic. 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 appointed RMC.
Operational risk	Operational risk is the risk arising from inadequate or failed internal processes or controls, its people and system and also from external events.	Board appointed RMC / Senior Management and Audit Committee (AC)	<p>Operational risk is:</p> <ul style="list-style-type: none"> measured by KPI's set for each of the processes/ functions, system and control failures and instances of fraud. monitored by deviations identified in each of the set KPI's for the processes/controls, periodical review of technology platforms and review of control processes as part of internal control framework. managed by in house compliance units established across different businesses and functions, operations and internal audit function under the guidance of RMC and AC.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(a) Liquidity and funding risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company maintains a judicious mix of borrowings from banks, money markets 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 Company maintain a healthy asset liability position and cost of borrowing during the year ended 31 March 2024, weighted daily average cost of borrowing was 7.71% versus 6.88% despite highly uncertain market conditions.

The overall borrowings including debt securities stood at ₹ 69,129 crore as of 31 March 2024 (previous year ₹ 53,745 crore).

The Company continuously monitors liquidity in the market; and as a part of its ALM strategy maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain liquidity buffer in the range of 5% to 7% of its overall borrowings in normal market scenario. The average liquidity buffer for FY2024 was ₹ 3,624 crore. Liquidity buffer was at ₹ 2,002 crore as on 31 March 2024.

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 Company has a 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 Company 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). As of 31 March 2024, the Company maintained a LCR of 192.31%, well in excess of the RBI's stipulated norm of 85%. LCR requirement will move to 100% by December 2024.

The Company has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the Contingency Funding Plan (CFP) is to provide a framework of action plan for contingency funding when the company experiences a reduction to its liquidity position, either from causes unique to the Company or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management 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 cashflow of the Company's financial 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
Debt securities	11,382.43	40,810.08	52,192.51	6,010.36	18,675.79	24,686.15
Borrowings (other than debt securities)	8,859.32	23,959.58	32,818.90	9,017.88	32,248.50	41,266.38
Deposits	189.12	1.29	190.41	15.29	179.65	194.94
Trade payables	57.61	-	57.61	45.93	-	45.93
Other payables	82.75	-	82.75	73.04	-	73.04
Other financial liabilities	207.27	32.88	240.15	183.46	34.62	218.08
Total	20,778.50	64,803.83	85,582.33	15,345.96	51,138.56	66,484.52

Notes to financial statements for the year ended 31 March 2024 (Contd.)

50. Risk management objectives and policies (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	63.86	-	63.86	93.88	-	93.88
Bank balances other than cash and cash equivalents	0.12	0.03	0.15	0.03	14.96	14.99
Derivative Financial Instrument	-	11.66	11.66	-	1.37	1.37
Trade receivables	13.36	-	13.36	1.59	-	1.59
Other receivables	-	-	-	0.36	-	0.36
Loans	3,015.22	76,285.53	79,300.75	2,147.69	59,966.20	62,113.89
Investments	1,434.58	503.99	1,938.57	2,000.91	-	2,000.91
Other financial assets	66.09	217.98	284.07	74.17	227.77	301.94
Non-financial assets						
Current tax assets (net)	-	31.09	31.09	-	3.97	3.97
Deferred tax assets (net)	-	50.94	50.94	-	-	-
Property, plant and equipment	-	87.50	87.50	-	84.92	84.92
Intangible assets under development	-	0.87	0.87	-	0.31	0.31
Other intangible assets	-	35.36	35.36	-	28.07	28.07
Other non-financial assets	8.91	-	8.91	7.94	-	7.94
Total assets	4,602.14	77,224.95	81,827.09	4,326.57	60,327.57	64,654.14
LIABILITIES						
Financial liabilities						
Derivative Financial Instrument	-	0.83	0.83	-	-	-
Trade payables	57.61	-	57.61	45.93	-	45.93
Other payables	82.75	-	82.75	73.04	-	73.04
Debt securities	7,833.01	18,812.32	26,645.33	5,335.89	14,579.03	19,914.92
Borrowings (other than debt securities)	8,363.64	33,936.09	42,299.73	6,746.89	26,907.81	33,654.70
Deposits	183.06	1.20	184.26	9.23	166.54	175.77
Other financial liabilities	204.64	29.50	234.14	180.76	30.86	211.62
Non-financial liabilities						
Current tax liabilities (net)	25.93	-	25.93	16.17	-	16.17
Provisions	2.90	32.74	35.64	1.87	13.76	15.63
Deferred tax liabilities (net)	-	-	-	-	28.27	28.27
Other non-financial liabilities	27.37	-	27.37	14.90	-	14.90
Total Liabilities	16,780.91	52,812.68	69,593.59	12,424.68	41,726.27	54,150.95

Notes to financial statements for the year ended 31 March 2024 (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.

Interest rate risk
On Investments

The Company 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 Investment and Market risk policy.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	1,418.19	1,418.19	(7.02)	7.02
Investment at FVOCI	520.38	520.38	(17.39)	17.39

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Investment at FVTPL	2,000.91	2,000.91	(7.75)	7.75

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. The same is monitored monthly by ALCO.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	79,300.75	79,300.75	-	-
Debt Securities	26,645.33	26,636.65	(584.31)	620.08
Borrowings (other than debt securities)	42,299.73	42,299.73	-	-

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Sensitivity to fair value	
			1 % increase	1 % decrease
Loans	62,113.89	62,113.89	-	-
Debt Securities	19,914.92	19,844.15	(473.15)	502.50
Borrowings (other than debt securities)	33,654.70	33,654.70	-	-

(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 Company. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property, (iii) lease rental discounting, (iv) developer loans, and (v) unsecured loans. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

50. Risk management objectives and policies (Contd.)

Classification of financial assets under various stages

The Company 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 classification methodology of different stages of financial assets is detailed in note no. 4.4(i)

Computation of impairment on financial instruments

The Company calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instrument'. 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 4.4(i).

The Company 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 Company has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

The Company follows simplified ECL approach under Ind AS 109 'Financial instruments' for trade receivables, and other financial assets.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

Lending verticals	PD			EAD	LGD
	Stage 1	Stage 2	Stage 3		
Home loans	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.		100%	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%.	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.
Loan against property					
Lease rental discounting					
Developer loans					
Other loans					

The table below summarises the gross carrying values and the associated allowance for expected credit loss (ECL) stage wise for loan portfolio

As at 31 March 2024

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	77,302.54	279.32	199.42	2,016.77	10.68	16.19
Allowance for ECL	309.46	63.98	125.02	9.69	3.60	12.42
ECL Coverage ratio	0.40%	22.91%	62.69%	0.48%	33.71%	76.71%

As at 31 March 2023

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	60,059.13	347.53	128.29	2,082.89	12.38	9.04
Allowance for ECL	341.94	74.97	80.99	17.72	3.40	6.35
ECL Coverage ratio	0.57%	21.57%	63.13%	0.85%	27.46%	70.24%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Collateral valuation

The Company offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Company's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product Group	Nature of securities
Home loans	Equitable mortgage of residential properties.
Loan against property	
Lease rental discounting	Equitable mortgage of residential and commercial properties.
Developer loans	

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its right of repossession across all secured products. 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. The Company does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

Analysis of Concentration Risk

The Company focuses on granulation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across its five categories of lending mentioned above.

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 Company 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 Company 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 Company uses multiple economic factors and test their correlations with past loss trends witnessed for building its forward economic guidance (FEG) model. During the current year, the Company evaluated various macro factors 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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

50. Risk management objectives and policies (Contd.)

Based on past correlation trends, CPI (inflation) and GDP growth rates reflected acceptable correlation with past loss trends and were considered appropriate by the Management. GDP has a direct relation with the income levels whereas Inflation and inflationary expectations affect the disposable income of people. 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 GDP growth rate data, the Company has considered data published by Ministry of Statistics & Programme Implementation, Government of India.

- While formulating the Central Scenario, the Company has considered moving average data of last 2 years and used Exponential Smoothing (ETS) algorithm for forecasting purpose.
- For the downside scenario, the Company believes that the downside risks might have passed, however, the downside nominal GDP growth rate might reach 0%. However, as per mean reversion approach, the downside scenario assumes it to recover from the peak and normalise to around 8% within next three years.
- For the upside scenario, the Company acknowledges various surveys and studies indicating improving economic situation and estimates nominal GDP growth rate might reach to 19%. Subsequently, as per mean reversion approach, the upside scenario assumes it to normalize from the peak and normalise to around 8% within next three years.

The Reserve Bank of India (RBI) projected CPI inflation for year FY 2024–25 at 4.5%, with Q1 at 4.9%, Q2 at 3.8%, Q3 at 4.6%, and Q4 at 4.5%.

- The Central Scenario assumed by the Company considered inflation of around 5.5%– 6% on conservative basis average inflation trend of last three years.
- For the downside scenario, the Company considers that the inflation risk may continue due to various uncertainties (geopolitical conflict, elections etc), and therefore assumes the inflation to touch a peak of around 9% and subsequently normalise to around 6% within next three years.
- For the upside scenario, we believe that there would be certain factors which might come into play viz, base effect, higher food grain production, continuously falling WPI, better supply chain management etc, and, therefore, inflation may see easing to a base of around 3% before averaging back 6% within next 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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

ECL sensitivity to future economic conditions

(₹ in crore)

	As at 31 March	
ECL coverage of financial instruments under forecast economic conditions	2024	2023
Gross carrying amount of loans	79,824.92	62,639.26
Reported ECL on loans	524.17	525.37
Reported ECL coverage	0.66%	0.84%
Base ECL without macro and management overlay	430.17	288.37
Add : Management overlay	60.00	205.00
ECL before adjustment for macro economic factors	490.17	493.37
ECL amounts for alternate scenario		
Central Scenario (80%)	527.55	518.12
Downside scenario (10%)	576.50	713.17
Upside scenario (10%)	444.79	395.50
Reported ECL	524.17	525.37
Management and Macro Economic overlay		
-Management overlay	60.00	205.00
-Overlay for macro economic factors	34.00	32.00
ECL coverage ratios by scenario		
Central scenario (80%)	0.66%	0.83%
Downside scenario (10%)	0.72%	1.14%
Upside scenario (10%)	0.56%	0.63%

(d) Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Company's business activities, as well as in the related support functions. BHFL has in place an internal Operational Risk Management (ORM) Framework to manage operational risk in an effective and efficient manner. This framework aims at assessing and measuring the magnitude of risks, its monitoring and mitigation. The key objective is to enable the Company to ascertain an increased likelihood of an operational risk event occurring in a timely manner to take steps to mitigate the same. It starts with identifying and defining KRI's/KPIs through process analysis and ending with formulation of action plans in response to the observed trends in the identified metrics. This is achieved through determining key process areas, converting them to measurable and quantifiable metrics, setting tolerance thresholds for the same and monitoring and reporting on breaches of the tolerance thresholds in respect of these metrics. Corrective actions are initiated to bring back the breached metrics within their acceptable threshold limits by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

Further, the Company has a comprehensive internal control systems and procedures laid down around various key activities viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year which helps to identify process gaps on timely basis. Information Technology and Operations functions have a dedicated compliance and control units who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of its operations including services to customers in situations such as natural disasters, technological outage, etc. Robust periodic testing is carried, and results are analysed to address any gaps in the framework. DR and BCP audits are conducted on a periodical basis to provide assurance regarding its effectiveness.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

51. Employee stock option plan

The Nomination and Remuneration Committee of the Holding Company has approved the following grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants 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 outstanding
A) From Bajaj Finance Limited (Holding Company) (BFL)							
16-May-19	3,002.75	137,550	61,178	-	61,281	15,091	61,178
19-May-20	1,938.60	255,000	88,866	52,235	82,073	31,826	141,101
27-Apr-21	4,736.55	115,446	37,763	50,576	15,389	11,718	88,339
26-Apr-22	7,005.50	117,897	24,018	87,833	1,834	4,212	111,851
26-Apr-23	6,075.25	177,250	-	174,256	-	2,994	174,256
B) From Bajaj Finserv Limited (Ultimate Holding Company) (BFS)							
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		850,483	211,825	412,240	160,577	65,841	624,065

As on 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
A) From Bajaj Finance Limited (Holding Company) (BFL)							
16-May-19	3,002.75	137,550	56,488	27,457	38,514	15,091	83,945
19-May-20	1,938.60	255,000	58,514	107,452	58,708	30,326	165,966
27-Apr-21	4,736.55	115,446	19,014	78,078	8,111	10,243	97,092
26-Apr-22	7,005.50	117,897	-	116,409	-	1,488	116,409
B) From Bajaj Finserv Limited (Ultimate Holding Company) (BFS)							
28-Apr-22	1,482.64	47,340	-	47,340	-	-	47,340
Total		673,233	134,016	376,736	105,333	57,148	510,752

Weighted average fair value of stock options granted during the year is as follows:

Particulars	For the year ended 31 March		
	2024	2023	2023
	BFL	BFL	BFS
Grant date	26-Apr-23	26-Apr-22	28-Apr-22
No. of options granted	177,250	117,897	47,340
Weighted average fair value (₹)	2,756.16	3,240.10	689.20

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2024

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants BFL				
Outstanding at the beginning of the year	463,412	1938.60-7005.50	3,990.38	5.38
Granted during the year	177,250	6075.25	6,075.25	-
Cancelled during the year	8,693	1938.60-7005.50	5,425.81	-
Exercised during the year	55,244	1938.60-7005.50	2,913.98	-
Outstanding at the end of the year	576,725	1938.60-7005.50	4,712.62	5.13
Exercisable at the end of the year	211,825	1938.60-7005.50	3,319.26	3.32

The weighted average market price of equity shares for options exercised during the year is ₹ 7,139.49

Notes to financial statements for the year ended 31 March 2024 (Contd.)

As on 31 March 2024

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants BFS				
Outstanding at the beginning of the year	47,340	1,482.64	1,482.64	9.08
Granted during the year	-	-	-	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	47,340	1,482.64	1,482.64	8.08
Exercisable at the end of the year	-	-	-	-

As on 31 March 2023

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants BFL				
Outstanding at the beginning of the year	407,404	1938.60-4736.55	2,926.90	5.77
Granted during the year	117,897	7,005.50	7,005.50	-
Cancelled during the year	7,013	1938.60-7005.50	3,840.86	-
Exercised during the year	54,876	1938.60-4736.55	2,591.88	-
Outstanding at the end of the year	463,412	1938.60-7005.50	3,990.38	5.38
Exercisable at the end of the year	134,016	1938.60-7005.50	2,784.11	3.55

The weighted average market price of equity shares for options exercised during the year is ₹ 6,427.

As on 31 March 2023

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants BFS				
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	47,340	1,482.64	1,482.64	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	47,340	1,482.64	1,482.64	9.08
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 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 (₹)
A) For ESOP granted by BFL					
16-May-19	7.09%	3.5 - 6.5 years	34.03%	0.13%	3,002.75
19-May-20	5.07%	3.5 - 6.5 years	42.95%	0.83%	1,938.60
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55
26-Apr-22	6.56%	3.5 - 6.5 years	41.87%	0.29%	7,005.50
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25
B) For ESOP granted by BFS					
28-Apr-22	6.75%	3.5 - 6.5 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2024, the Company has accounted expense of ₹ 30.64 crore as employee benefit expenses (note no.34) on the aforesaid employee stock option plan (Previous year ₹ 26.83 crore).

Notes to financial statements for the year ended 31 March 2024 (Contd.)

52. Utilisation of Borrowed funds

Details of transaction where the Company has received fund from entities (Funding Party) with the understanding that the Company shall directly or indirectly lend or invest in other entities.

For the year ended 31 March 2024

(₹ in crore)

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
Chayadeep Properties Pvt Ltd (b/f previous year) Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	22-Sep-22	8.33	Karuna Business Solutions LLP Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036 PAN: AAOFK7620G LLP IN: AAD-0057	31-Aug-23	5.00
	23-Sep-23	10.83		22-Sep-23	3.00
				27-Sep-23	1.76

For the year ended 31 March 2023

(₹ in crore)

Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
J.V.N Exports Pvt Ltd Address: No B05, 5th Floor, Solus Jain Heights, J C Road, 1st Cross Road, Bangalore - 560027, Karnataka PAN: AAACJ4483F CIN: U07010KA1993PTC014766	29-Aug-22	6.00	Radiant Equity Management Pvt Ltd Address: No 255-B, Bommasandra Industrial Area, Bommasandra Village Anekal T K, Bangalore - 560099, Karnataka PAN: AABCR3645N CIN: U63090KA1994PTC143382	31-Aug-22	6.00
	14-Sep-22	0.30		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 Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	14-Sep-22	26.45	Karuna Ventures Pvt Ltd Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AADCK7179G CIN: U74110KA2009PTC050575	22-Sep-22	157.00
	15-Sep-22	38.58			
	19-Sep-22	29.76			
	21-Sep-22	40.78			
	22-Sep-22	29.76			

The Company 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)

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended)
53.1 Principal Business Criteria

Criteria	As at 31 March	
	2024	2023
Percentage of total assets towards housing finance	61.43%	58.30%
Percentage of total assets towards housing finance for individuals	51.49%	50.74%

Minimum regulatory percentage to be complied as at 31 March 2024 is 60% and 50% respectively. (As at 31 March 2023 was 55% and 45% respectively)

53.2 Disclosures:
53.2.1 Capital

Particulars	As at 31 March	
	2024	2023
(i) CRAR (%)	21.28%	22.97%
(ii) CRAR Tier I capital (%)	20.67%	22.19%
(iii) CRAR Tier II capital (%)	0.61%	0.78%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-

53.2.2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at 31 March	
	2024	2023
(₹ in crore)		
Balance at the beginning of the year:		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	304.45	208.89
(b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	290.40	134.40
Total	617.51	365.95
Addition / Appropriation / Withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	111.25	95.56
(b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	235.00	156.00
Less:		
(a) Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(b) Additional amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount withdrawn from the Special Reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
(a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	415.70	304.45
(b) Additional statutory Reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	525.40	290.40
Total	963.76	617.51

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) (Contd.)

53.2.3 Investments

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Value of investments		
(i) Gross value of investments		
(a) In India	1,938.21	1,999.88
(b) Outside India		
(ii) Provisions for (depreciation) / appreciation*		
(a) In India	0.36	1.03
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1,938.57	2,000.91
(b) Outside India	-	-
Movement of provisions held towards (depreciation) / appreciation on investments		
(i) Opening balance	1.03	0.75
(ii) Add: Provisions made during the year (Net of appreciation)	-	-
(iii) Less: Write-off / Written-back of excess provisions during the year	0.67	(0.28)
(iv) Closing balance	0.36	1.03

*Represents unrealised gain due to fair value charge

53.2.4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(i) The notional principal of swap agreements *	1,850.00	100.00
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	11.66	1.37
(iii) Collateral required upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps **	NA	NA
(v) The fair value of the swap book	11.66	1.37

* As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 1,750 crore during the year ended 31 March 2024 (Previous year ₹ 100 crore) . The total outstanding as on 31 March 2024 is ₹ 1,850 crore (Previous year ₹ 100 crore).

** Concentration arising from SWAP is with Banks

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Disclosures on Risk Exposure in Derivatives

A. Qualitative Disclosure

Financial Risk Management

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, interest rate risk and counterparty risk.

The Investment and market risk policy, ALM Policy and currency and interest rate risk hedging policy as approved by the Board sets limits for exposures on various parameters. The Company manages its interest rate in accordance with the guidelines prescribed therein.

Liquidity risk and Interest rate risks, arising out of maturity mismatch of assets and liabilities, are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Company has also entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate liability. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits specified by policy.

Constituents of Hedge Management Framework

Financial Risk Management of the Company constitutes the Audit & Governance Committee, Asset Liability Committee (ALCO), Investment Committee and the Risk Management Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.

Hedging Policy

The Company has a Interest rate risk and currency risk hedging approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedge effectiveness is ascertained periodically on a forward looking basis and is reviewed by the Investment Committee/ALCO at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Measurement and Accounting

All derivative contracts are recognised on the balance sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per IND AS 109. Gain/loss arising on account of fair value changes are recognised in the Statement of Profit and Loss to the extent of ineffective portion of hedge instruments and hedged items. The gains/losses of effective portion of hedge instrument are offset against gain/losses of hedged items in P&L or in Other Comprehensive Income depending on the type of hedge.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the Interest rate risk management whereby a portion of the fixed rate liabilities are converted to floating rate. The Company has a mark to market gain of ₹ 10.83 crore on outstanding fair value hedges.

B. Quantitative Disclosure - Interest Rate Derivatives

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(i) Derivatives (Notional Principal Amount)	1,850.00	100.00
(ii) Market to Market Positions		
(a) Assets (+)	11.66	1.37
(b) Liability (-)	0.83	-
(iii) Credit Exposure	11.66	1.37
(iv) Unhedged Exposures	-	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) (Contd.)

53.2.5 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2024

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	267.37	250.06	219.55	607.66	1,070.78	1,645.28	3,655.48	13,088.87	11,521.83	3,135.26	35,462.14
ICD	-	-	-	-	-	183.04	0.02	1.20	-	-	184.26
NHB Refinance	-	-	-	-	-	215.81	431.65	1,726.59	1,726.59	2,736.95	6,837.59
Market borrowing	-	74.85	54.52	1,238.67	2,887.57	1,718.54	1,858.86	10,544.37	3,695.87	4,572.08	26,645.33
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	718.06	826.93	676.74	1,678.31	1,614.49	4,708.05	7,989.75	22,756.01	13,730.09	24,602.32	79,300.75
Investments*	0.67	5.87	10.53	98.86	0.01	587.24	731.52	0.03	503.99	-	1,938.72
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 0.15 crore shown under Note 5 - cash and cash equivalents and Note 6 - Bank balances other than cash and cash equivalents to the financial statements.

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2023

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 Years	Total
Liabilities											
Borrowings from bank	17.72	-	59.55	110.31	1,315.90	1,373.53	3,688.90	10,344.20	11,943.00	2,801.59	31,654.70
ICD	-	-	-	-	-	6.42	2.81	166.54	-	-	175.77
NHB Refinance	-	-	-	-	-	60.33	120.65	482.61	482.62	853.79	2,000.00
Market borrowing	-	-	441.42	88.88	109.72	1,726.39	2,969.48	9,422.90	1,835.64	3,320.49	19,914.92
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	713.63	413.26	646.54	1,357.92	1,304.13	3,714.93	6,477.60	17,819.59	10,340.04	19,326.25	62,113.89
Investments*	363.49	215.00	24.88	99.36	-	699.15	599.06	14.96	-	-	2,015.90
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 14.99 crore shown under Note 5 - cash and cash equivalents & Note 6 - Bank balances other than cash and cash equivalents to the financial statements.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53.2.6 Exposure
53.2.6.1. Exposure to Real Estate Sector

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
(a) Direct Exposure		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	53,409.90	44,679.07
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	26,023.64	19,587.78
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	-	-
(b) Commercial Real Estate	-	-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to Real Estate Sector*	79,433.54	64,266.85

* Exposure includes non-fund based (NFB) limits and undrawn loan commitment towards partially disbursed / sanctioned but not disbursed.
 - In addition to above, the Company has loan exposure amounting ₹ 3,804.36 crore as on 31 March 2024 (Previous year ₹ 2,737.91 crore) pertaining to commercial properties not required to be classified as commercial real estate exposure and on properties used for dual purpose of commercial and residential usage.

53.2.6.2 Exposure to Capital Market

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds*	-	-
(x) Financing to stockbrokers for margin trading*	-	-
(xi) All exposures to Alternative Investment Funds:*		
i. Category I	-	-
ii. Category II	-	-
iii. Category III	-	-
Total Exposure to Capital Market	-	-

* Disclosure pursuant to RBI Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 - Disclosures in Financial Statements- Notes to Accounts of NBFCs

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) (Contd.)

53.2.6.3 Details of financing of parent company products

The Company does not have any financing of Parent Company products during the current and previous year.

53.2.6.4 Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the prudential exposure limits during the current and previous year.

53.2.6.5 Unsecured Advances

The Company has unsecured advances net of ECL of ₹ 2,017.93 crore (Previous year ₹ 2,076.84 crore) which includes advances net of ECL of ₹ 271.19 crore (Previous year ₹ 301.51 crore) secured against intangible assets.

53.2.6.6 Exposure to group companies engaged in real estate business

The Company does not have any exposure to group companies engaged in real estate business during the current and previous year.

53.3 Miscellaneous

53.3.1 Registration obtained from other financial sector regulators

The Company has obtained registration from Financial Intelligence Units, India vide Registration No. FIHFC00119 and obtained registration from Insurance Regulatory and Development Authority vide Registration No. CA0885

53.3.2 Disclosure of penalties imposed by NHB/RBI and other regulators

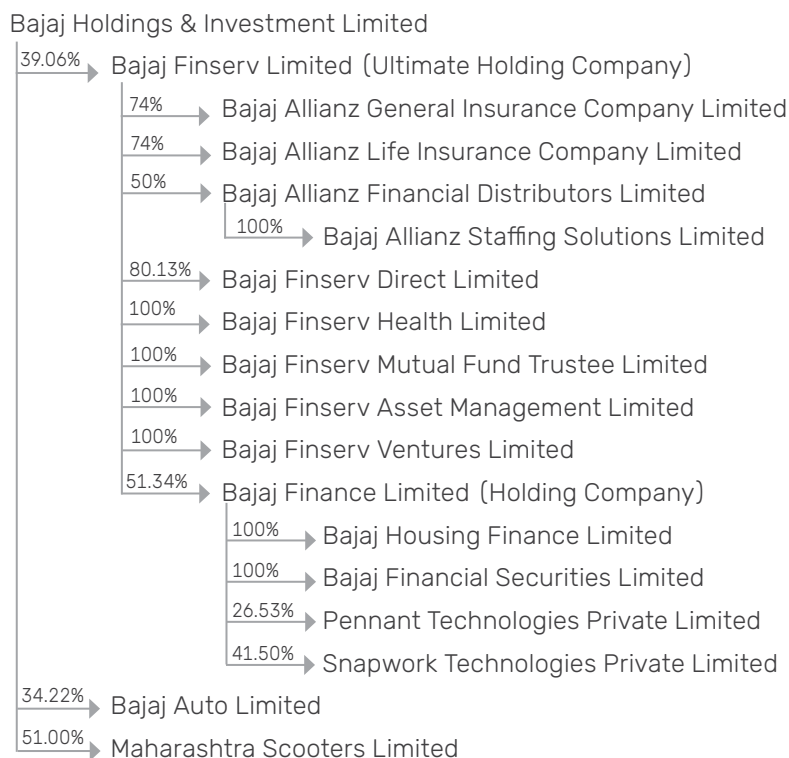
During the financial year 2023-24, penalty of ₹ 0.05 crore was imposed by RBI. No penalty was imposed by NHB or any other regulators in the previous year.

53.3.3 Related party transactions

Refer note no. 43 – Disclosure of transactions with related parties as required by Ind AS 24.

53.3.4 Group Structure

Diagrammatic representation of group structure given below:



Above shareholding is as of 31 March 2024

Group structure above is basis disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) issued by Reserve Bank of India.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53.3.5 Rating assigned by Credit Rating Agencies and migration of rating during the year

(₹ in crore)

Rating Agency	Instruments	Rating assigned	Migration in ratings during the year	As at 31 March	
				2024	2023
India Ratings	Non-Convertible Debenture & Subordinated debt	IND AAA/Stable	NIL	10,000.00	7,000.00
	Long-Term Bank Rating/ Short-Term Bank Rating	IND AAA (Stable) / IND A1+	NIL	50,000.00	40,000.00
	Commercial Paper	IND A1+	NIL	7,500.00	6,000.00
CRISIL	Non-Convertible Debenture	CRISIL AAA/Stable	NIL	42,717.80	27,717.80
	Subordinated debt	CRISIL AAA/Stable	NIL	1,000.00	1,000.00
	Long-Term / Short-Term Bank Rating	CRISIL AAA/(Stable) / CRISIL A1+	NIL	16,000.00	16,000.00
	Commercial Paper	CRISIL A1+	NIL	7,500.00	6,000.00

53.3.6 Remuneration of Non executive Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
1. Sanjiv Bajaj	0.39	0.21
2. Rajeev Jain	0.63	0.26
3. Lila Poonawala	-	0.24
4. Anami N Roy	0.54	0.25
5. Dr. Arindam Bhattacharya	0.60	0.12
6. Jasmine Chaney	0.51	-

53.4 Additional Disclosures
53.4.1 Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
1. Provisions for depreciation on Investment	-	-
2. Provision made towards Income tax/deferred tax and tax adjustments of earlier years	430.10	442.26
3. Provision towards NPA / impairment loss allowance on stage 3 assets	50.10	7.87
4. Provision for Standard Assets / impairment loss allowance on stage 1 and 2*	(51.30)	49.91
5. Provision for employee benefits	7.45	(3.10)
6. Other Provision and Contingencies	16.29	13.01

* Breakup of provision for Standard Assets / impairment loss allowance on stage 1 and 2

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Commercial Real Estate	21.34	35.56
Commercial Real Estate-Residential Housing	17.70	20.77
Others	(90.34)	(6.42)
Total	(51.30)	49.91

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) (Contd.)

Break up of Loan & Advances and Provisions thereon

Particulars	(₹ in crore)			
	Housing		Non-Housing	
	As at 31 March		As at 31 March	
	2024	2023	2024	2023
Standard Assets				
(a) Total Outstanding Amount	50,187.56	37,718.59	29,421.75	24,783.34
(b) Provisions made	186.60	233.98	200.13	204.05
Sub-Standard Assets				
(a) Total Outstanding Amount	88.66	46.22	70.08	55.36
(b) Provisions made	52.05	24.91	41.26	31.70
Doubtful Assets – Category-I				
(a) Total Outstanding Amount	20.42	14.87	20.19	13.16
(b) Provisions made	14.75	13.45	17.16	12.23
Doubtful Assets – Category-II				
(a) Total Outstanding Amount	7.57	1.91	8.47	5.81
(b) Provisions made	6.46	1.92	5.54	3.13
Doubtful Assets – Category-III				
(a) Total Outstanding Amount	0.15	-	0.07	-
(b) Provisions made	0.15	-	0.07	-
Loss Assets				
(a) Total Outstanding Amount	-	-	-	-
(b) Provisions made	-	-	-	-
Total				
(a) Total Outstanding Amount	50,304.36	37,781.59	29,520.56	24,857.67
(b) Provisions made	260.01	274.26	264.16	251.11

53.4.2 Draw Down from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987

The Company has not drawn any amount from Statutory Reserve created u/s 29C of the National Housing Bank Act, 1987 during the current year and previous year

53.4.3 Concentration of Public Deposits, Advances, Exposures and NPAs

53.4.3.1 Concentration of Public Deposits (for Public Deposit taking/holding HFCs)

The Company is non public deposit taking housing finance company.

53.4.3.2 Concentration of Loans & Advances

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Total Loans & Advances to twenty largest borrowers	6,796.18	5,613.23
Percentage of Loans & Advances to twenty largest borrowers to Total Advances of the HFC	8.51%	8.96%

53.4.3.3 Concentration of all Exposure (including off-balance sheet exposure)

Particulars	(₹ in crore)	
	As at 31 March	
	2024	2023
Total Exposure to twenty largest borrowers / customers	8,539.65	6,140.49
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the HFC on borrowers / customers	10.04%	8.92%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53.4.3.4 Concentration of NPAs

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
Total Exposure to top ten NPA accounts	34.62	15.29

53.4.3.5 Sector-wise NPAs

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector	Total Advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector
Housing Loans:						
Individuals	42,142.16	102.68	0.24%	32,883.58	62.97	0.19%
Builders/Project Loans	8,162.20	14.12	0.17%	4,898.01	0.03	0.00%
Non-Housing Loans:						
Individuals	14,897.05	86.63	0.58%	13,590.11	69.95	0.51%
Builders/Project Loans	3,503.55	-	0.00%	2,657.15	-	0.00%
Corporates	11,119.96	12.18	0.11%	8,610.41	4.38	0.05%

53.4.4 Movement of NPAs

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(I) Net NPAs to Net Advances (%)	0.10%	0.08%
(II) Movement of NPAs (Gross)		
(a) Opening balance	137.33	146.36
(b) Additions during the year	169.84	135.91
(c) Reductions during the year	91.56	144.94
(d) Closing balance	215.61	137.33
(III) Movement of Net NPAs		
(a) Opening balance	49.99	66.89
(b) Additions during the year	75.23	35.73
(c) Reductions during the year	47.05	52.63
(d) Closing balance	78.17	49.99
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	87.34	79.47
(b) Provisions made during the year	94.61	100.18
(c) Write-off/write-back of excess provisions	44.51	92.31
(d) Closing balance	137.44	87.34

53.4.5 Overseas Assets

The Company has not held any overseas assets as on reporting date (Previous year ₹ Nil).

53.4.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting Norms)

The Company does not have any SPVs sponsored in current year and previous year which were required to be consolidated as per accounting Norms.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) (Contd.)

53.4.7 Disclosure of Complaints

Customers Complaints*

Particulars	As at 31 March	
	2024	2023
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	308	417
(c) No. of complaints redressed during the year	308	417
(d) No. of complaints pending at the end of the year	-	-

*includes complaints reported through NHB - GRIDS Portal is 207 (previous year 111)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC No.60/03.10.001/2021-22 dated 22 October 2021 – Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular – RBI/2022-23/26 DOR.ACC.REC No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) – Disclosures in Financial Statements- Notes to Accounts

54.1 Exposure to real estate sector and capital market (Refer Note no. 53.2.6.1 and 53.2.6.2)

54.2 Sectoral exposure

Sector	Type of Loan	As at 31 March 2024			As at 31 March 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector*	Total Exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector*
Agriculture and allied activities							
	Loan against property	15.66	0.02	0.13%	23.63	-	-
Industries							
	Loan against property	1,785.26	8.93	0.50%	1,219.97	4.41	0.36%
Services							
	Commercial Real estate (including CRE-RH)	25,847.49	14.12	0.05%	19,208.49	0.03	0.00%
	Loan against property-professionals	793.43	4.37	0.55%	807.97	2.68	0.33%
	Loan against property-others	2,853.45	35.89	1.26%	2,596.08	33.19	1.28%
Personal loans							
	Housing loans (including Top-up)	50,625.15	131.37	0.26%	42,016.10	82.38	0.20%
	Loan against property	1,316.57	4.72	0.36%	1,132.51	5.63	0.50%
Others							
	Unsecured loans	1,797.83	16.19	0.90%	1,813.08	9.01	0.50%
Total		85,034.84	215.61	0.25%	68,817.83	137.33	0.20%

*Aforementioned Gross NPA ratio is computed on the total exposure (includes on-balance sheet and off-balance sheet exposure) i.e. Percentage of Gross NPAs to total exposure of respective sectors. However, actual Gross NPA ratio of the Company is computed on the basis of on-balance sheet exposure and accordingly both are not comparable.

54.3 Intra-group exposures

The Company does not have any Intra-group exposures during the current year and previous year.

54.4 Unhedged foreign currency exposure

The Company does not have unhedged foreign currency exposure during the current year and previous year.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22 dated 22 October 2021 - Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) - Disclosures in Financial Statements- Notes to Accounts (Contd.)

54.5 Related Party Disclosure

(₹ in crore)

Related Party	Parent		Fellow Subsidiary		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March 2024	2023	As at 31 March 2024	2023	As at 31 March 2024	2023	As at 31 March 2024	2023	As at 31 March 2024	2023	As at 31 March 2024	2023	As at 31 March 2024	2023
Items	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance Sheet														
Borrowings														
Outstanding at the year end	(400.00)	(550.00)	(1,335.00)	(1,018.00)	-	-	-	-	-	(50.00)	(1,760.00)	(50.00)	(1,760.00)	(1,618.00)
Maximum during the year	(550.00)	(550.00)	(1,335.00)	(1,118.00)	-	-	-	-	-	(50.00)	(1,935.00)	(50.00)	(1,935.00)	(1,718.00)
Deposits														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances														
Outstanding at the year end	-	-	5.30	-	-	-	-	-	-	-	-	-	5.30	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Equity Share Capital	(6,712.16)	(6,712.16)	-	-	-	-	-	-	-	-	(6,712.16)	-	(6,712.16)	(6,712.16)
Other Payables	(0.08)	(3.21)	-	-	(3.58)	(0.40)	(0.84)	(0.77)	-	-	(4.50)	-	(4.50)	(4.38)
Other Receivables	-	0.37	4.09	1.28	-	-	-	-	-	0.03	4.12	0.03	4.12	1.68
Transactions during the year														
Purchase of fixed assets	0.55	0.79	-	0.09	-	-	-	-	-	-	0.55	-	0.55	0.88
Sale of fixed assets	0.53	0.48	0.01	-	-	-	-	-	-	-	0.54	-	0.54	0.48
Purchase of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	150.00	-	217.00	217.00	-	-	-	-	-	-	367.00	-	367.00	217.00
Borrowings repaid	-	-	-	100.00	-	-	-	-	-	25.00	25.00	-	25.00	100.00
Interest paid	36.12	20.81	79.39	58.04	-	-	-	-	-	2.88	118.39	2.90	118.39	81.75

Notes to financial statements for the year ended 31 March 2024 (Contd.)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC No.60/03.10.001/2021-22 dated 22 October 2021 - Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular - RBI/2022-23/26 DOR.ACC.REC No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) - Disclosures in Financial Statements- Notes to Accounts (Contd.)

Related Party	(₹ in crore)													
	Parent		Fellow Subsidiary		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March	2023	As at 31 March	2023	As at 31 March	2023	As at 31 March	2023	As at 31 March	2023	As at 31 March	2023	As at 31 March	2023
Items	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Interest received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Support Charges Paid	16.17	20.46	-	-	-	-	-	-	-	-	3.80	2.78	19.97	23.24
Business support charges received	1.01	0.81	-	-	-	-	-	-	-	-	-	-	1.01	0.81
Fees and commission received	-	-	4.03	-	-	-	-	-	-	-	-	-	4.03	-
Equity Contribution received (including Premium)	-	2,500.00	-	-	-	-	-	-	-	-	-	-	-	2,500.00
Direct assignment of loan portfolio	6,758.15	1,789.90	-	-	-	-	-	-	-	-	-	-	6,758.15	1,789.90
ESOP recharge	30.58	26.77	-	-	-	-	-	-	-	-	-	-	30.58	26.77
Rent income	0.22	0.20	-	-	-	-	-	-	-	-	-	-	0.22	0.20
Insurance expense	-	-	5.69	13.52	-	-	-	-	-	-	-	-	5.69	13.52
Sitting Fees	-	-	-	-	0.89	0.68	-	-	-	-	-	-	0.89	0.68
Commission	-	-	-	-	1.78	0.40	-	-	-	-	-	-	1.78	0.40
Short term employee benefit	-	-	-	-	14.08	10.29	2.99	2.71	-	-	-	-	17.07	13.00
Share based payment	-	-	-	-	9.56	8.06	0.90	0.80	-	-	-	-	10.46	8.86
Rent expense	-	-	-	-	-	-	-	-	-	-	0.06	0.06	0.06	0.06
Services received	-	-	-	-	-	-	-	-	-	-	7.62	4.69	7.62	4.69
Manpower supply services	-	-	-	-	-	-	-	-	-	-	76.45	12.79	76.45	12.79
Company's contribution towards NPS	-	-	0.90	0.45	-	-	-	-	-	-	-	-	0.90	0.45
Servicing fees Received	50.77	66.30	-	-	-	-	-	-	-	-	-	-	50.77	66.30
Commission Received	-	-	9.60	-	-	-	-	-	-	-	-	-	9.60	-
Fees and commission paid	-	-	2.12	0.66	-	-	-	-	-	-	-	-	2.12	0.66
Employees' gratuity contribution	-	-	-	-	-	-	-	-	-	-	1.09	3.02	1.09	3.02

- Amount in bracket denotes credit balance.

- Disclosure of transactions made in compliance with RBI Master Direction - Non-Banking Financial Company (Reserve Bank) Directions, 2021 and RBI Circular for Disclosures in Financial Statements- Notes to Accounts of NBFC dated 19 April 2022 which includes Key managerial personnel as per section 2(51) of the Companies Act, 2013.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC No.60/03.10.001/2021-22 dated 22 October 2021 - Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular - RBI/2022-23/26 DOR.ACC.REC No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) - Disclosures in Financial Statements- Notes to Accounts (Contd.)

54.6 Disclosure of complaints
54.6.1 Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

S. No.	Particulars	As at 31 March	
		2024	2023
Complaints received by the NBFC from its customers			
(a)	Number of complaints pending at beginning of the year	-	-
(b)	Number of complaints received during the year	308	417
(c)	Number of complaints disposed during the year	308	417
	- of which, number of complaints rejected by the NBFC	-	-
(d)	Number of complaints pending at the end of the year	-	-

Disclosure on complaints received from Office of Ombudsman and Awards unimplemented not given as the Company, being a HFC, is not included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

54.6.2 Top five grounds of complaints received by the NBFCs from customer
For the year ended 31 March 2024

Grounds of complaints	Number of complaints pending as at 1 April 2023	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2024	Number of complaints pending beyond 30 days as at 31 March 2024
1 Foreclosure and ROI related	-	55	(25%)	-	-
2 Insurance/VAS related	-	51	(15%)	-	-
3 Levy of charges related	-	35	21%	-	-
4 Wrong / incorrect linking of loan account	-	29	(37%)	-	-
5 Collection Related	-	26	24%	-	-
6 Other	-	112	(40%)	-	-
	-	308		-	-

For the year ended 31 March 2023

Grounds of complaints	Number of complaints pending as at 1 April 2022	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2023	Number of complaints pending beyond 30 days as at 31 March 2023
1 Part payment related	-	104	(30%)	-	-
2 Foreclosure of loan related	-	119	40%	-	-
3 EMI/Loan related	-	52	(40%)	-	-
4 Value added services related	-	60	(37%)	-	-
5 Levy of charges related	-	29	(40%)	-	-
6 Others	-	53	29%	-	-
	-	417		-	-

Notes to financial statements for the year ended 31 March 2024 (Contd.)

54. Disclosure pursuant to RBI Notification RBI/2021-22/112 DOR.CRE.REC No.60/03.10.001/2021-22 dated 22 October 2021 – Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs and Circular – RBI/2022-23/26 DOR.ACC.REC No.20/21.04.018/2022-23 dated 19 April 2022 (as amended) – Disclosures in Financial Statements- Notes to Accounts (Contd.)

54.7 There were no breach of covenant of loan availed or debt securities issued in current year and previous year.

54.8 No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2022 and for the year ended 31 March 2021 as per the requirement of the circular no. RBI/2022-23/26 DOR.ACC.REC.No 20/21.04.018 /2022-23 dated 19 April 2022.

54.9 Loans and contracts awarded to Directors, Senior Officers and relatives of Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2024	2023
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers*	16.05	2.61

* The above amount represents loans sanctioned in respective financial year.

55. Disclosure of Frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 5 February 2019

There was one case of fraud amounting to ₹ 0.63 crore as reported to NHB during the financial year ended 31 March 2024 (Previous year ₹ 0.35 crore)

56. The Company has not granted any loans against collateral of gold jewellery in current year and previous year.

57. Disclosures in respect of Liquidity Risk Management Framework as referred in para 3.1.1 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016

57.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31 March	
	2024	2023
(i) Number of Significant Counterparties*	22	19
(ii) Amount (₹ in crore)	55,137.55	41,978.99
(iii) Percentage of funding concentration to total deposits [#]	NA	NA
(iv) Percentage of funding concentration to total liabilities	79.23%	77.52%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using Latest Beneficiary Position instead of original subscribers.

[#] Total public deposits.

- Total liabilities are excluding equity share capital and other equity.

57.2 Disclosures on Top 20 large deposits is not applicable being non deposit taking NBFC

57.3 Top 10 borrowings

Particulars	As at 31 March	
	2024	2023
(i) Total amount of top 10 borrowings (₹ in crore)	44,008.16	34,898.10
(ii) Percentage of amount of top 10 borrowings to total borrowings	63.66%	64.93%

Funding concentration based on significant counterparty has been computed using latest beneficiary position instead of original subscribers.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

57.4 Funding Concentration based on significant instrument/product*

Particulars	(₹ in crore)	Percentage of total liabilities	(₹ in crore)	Percentage of total liabilities
	As at 31 March 2024		As at 31 March 2023	
(i) Non-convertible debentures	23,995.04	34.48%	19,491.43	35.99%
(ii) Loans from bank	35,462.14	50.96%	31,654.70	58.46%
(iii) Loans from NHB	6,837.59	9.83%	2,000.00	3.69%
(iv) Commercial paper	2,650.29	3.81%	423.49	0.78%
(v) Deposits (Inter Corporate Deposits)	184.26	0.26%	175.77	0.32%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

- Total liabilities are excluding Equity share capital and Other equity.

57.5 Stock ratio

Particulars	As at 31 March	
	2024	2023
(i) Commercial paper as a percentage of total public funds*	3.83%	0.79%
(ii) Commercial paper as a percentage of total liabilities	3.81%	0.78%
(iii) Commercial paper as a percentage of total assets	3.24%	0.66%
(iv) Non convertible debentures (original maturity of less than 1 year) as a percentage of total public funds*	NA	NA
(v) Non convertible debentures (original maturity of less than 1 year) as a percentage of total liabilities	NA	NA
(vi) Non convertible debentures (original maturity of less than 1 year) as a percentage of total assets	NA	NA
(vii) Other short term liabilities as a percentage of total public funds**	20.44%	22.33%
(viii) Other short term liabilities as a percentage of total liabilities#	20.30%	22.16%
(ix) Other short term liabilities as a percentage of total assets#	17.27%	18.56%

- Total liabilities are excluding equity share capital and other equity.

* Public funds are considered as total of borrowings from NCD, CP, Bank Loans and ICDs.

Other short term liabilities are residual maturities with in 12 months of Bank loan, NCDs and other liabilities(excluding CPs).

57.6 Institutional set-up for liquidity risk management

The Company manages its Liquidity Risk Management Framework through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans under the guidance of ALCO and Board. For qualitative disclosure on liquidity risk management, refer note no. 50.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

Quarter on quarter LCR for the year ended 31 March 2024

(₹ in crore)

	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
Cash Outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	113.33	128.90	350.09	402.60	744.62	856.32	523.15	601.62
4. Secured wholesale funding	1,265.65	1,455.50	1,652.57	1,900.45	1,516.06	1,743.47	2,183.22	2,510.70
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations#	2,764.46	3,179.30	2,818.19	3,240.92	1,859.48	2,138.40	2,209.90	2,541.39
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	4,143.44	4,763.70	4,820.85	5,543.97	4,120.16	4,738.19	4,916.27	5,653.71
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	666.52	499.89	720.00	540.00	727.56	759.03	569.28	569.28
11. Other cash inflows*	6,290.30	4,717.72	5,862.09	4,396.57	5,331.07	6,358.24	4,768.68	4,768.82
12. TOTAL CASH INFLOWS	6,956.82	5,217.61	6,582.09	4,936.57	6,058.63	7,117.27	5,337.96	5,338.10
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13. TOTAL HQLA		1,540.74		1,476.34		1,767.62		2,015.79
14. TOTAL NET CASH OUTFLOWS		1,190.93		1,385.99		1,184.55		1,413.43
15. LIQUIDITY COVERAGE RATIO (%)		129.37%		106.52%		149.22%		142.62%
16. NHB requirement (%)		70.00%		70.00%		85.00%		85.00%
17. NHB requirement (₹ in crore)		833.65		970.19		1,006.87		1,201.41
**Components of HQLA	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79

Notes to financial statements for the year ended 31 March 2024 (Contd.)

Quarter on quarter LCR for the year ended 31 March 2023

(₹ in crore)

	Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	852.14	852.14	1,069.38	1,069.38	1,035.87	1,035.87	1,519.63	1,519.63
Cash Outflows								
2. Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	456.38	524.84	788.18	906.41	349.33	401.72	640.72	736.83
4. Secured wholesale funding	998.49	1,148.26	899.78	1,034.75	1,299.06	1,493.92	1,084.41	1,247.07
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations#	1,420.23	1,633.27	2,315.01	2,662.26	1,940.28	2,193.83	2,367.38	2,722.48
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	2,875.10	3,306.37	4,002.97	4,603.42	3,588.67	4,089.47	4,092.51	4,706.38
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	482.98	362.23	560.14	420.11	538.97	404.23	613.83	460.37
11. Other cash inflows*	5,148.21	3,861.16	8,871.38	6,653.54	8,126.95	6,095.21	6,268.75	4,701.56
12. TOTAL CASH INFLOWS	5,631.19	4,223.39	9,431.52	7,073.65	8,665.92	6,499.44	6,882.58	5,161.93
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13. TOTAL HQLA		852.14		1,069.38		1,035.87		1,519.63
14. TOTAL NET CASH OUTFLOWS		826.59		1,150.86		1,022.37		1,176.59
15. LIQUIDITY COVERAGE RATIO (%)		103.09%		92.92%		101.32%		129.15%
16. NHB requirement (%)		50.00%		60.00%		70.00%		70.00%
17. NHB requirement (₹ in crore)		413.30		575.43		511.18		588.30
**Components of HQLA	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	852.14	852.14	1,069.38	1,069.38	1,035.87	1,035.87	1,519.63	1,519.63
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	852.14	852.14	1,069.38	1,069.38	1,035.87	1,035.87	1,519.63	1,519.63

Other contractual funding obligations includes outflows from sanctioned but not disbursed and partially disbursed cases in next 30 Days as per ALM.

* Other cash inflows includes undrawn sanctioned term loan and CC lines from banks and other parties.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

58. Disclosures in respect of Guidelines on Maintenance of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Annex II referred in para 15A of the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. (Contd.)

The Liquidity Coverage Ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein balance sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity HFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity Risk Framework and Asset Liability Management policy. The LCR levels for the balance sheet date is derived by arriving the stressed expected cash inflow and outflow for the next 30 calendar days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

Company for purpose of computing outflows, has considered: (1) all the contractual debt repayments, (2) expected outflows from credit facilities contracted with customers, and (3) other expected or contracted cash outflows. Inflows comprise of: (1) expected receipt from all performing loans and other receivables, (2) liquid investment which are unencumbered and have not been considered as part of HQLA and (3) CC/OD/ Committed credit line from Banks and parent company.

For the purpose of HQLA the Company considers: (1) Unencumbered government securities, (2) Cash and Bank balances.

The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days. LCR guidelines have become effective from 1 December 2021, requiring HFCs to maintain minimum LCR of 50%, LCR is gradually required to be increased to 100% by 1 December 2025. HFCs are required to maintain LCR of 85% as on 31 March 2024.

59. Disclosure pursuant to RBI Notification - RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20 Dated 13 March 2020 - A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'

59.1 Policy for sales out of amortised cost business model portfolios

Refer Note No. 4.3(i)(a)

Notes to financial statements for the year ended 31 March 2024 (Contd.)

59.2 A comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial instruments'
As at 31 March 2024

(₹ in crore)						
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
(a) Performing Assets						
Standard	Stage 1	79,319.31	319.15	79,000.16	389.81	(70.66)
	Stage 2	290.00	67.58	222.42	6.45	61.13
Subtotal (a)		79,609.31	386.73	79,222.58	396.26	(9.53)
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	158.74	93.31	65.43	23.91	69.40
(ii) Doubtful up to:						
1 year	Stage 3	40.61	31.91	8.70	13.73	18.18
1 to 3 years	Stage 3	16.04	12.00	4.04	7.01	4.99
More than 3 years	Stage 3	0.22	0.22	-	0.22	-
Subtotal (ii)		56.87	44.13	12.74	20.96	23.17
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		215.61	137.44	78.17	44.87	92.57
(c) Other items						
Others including Loan commitments and derivatives	Stage 1	5,209.92	27.24	5,182.68	-	27.24
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total (a+b+c)	Subtotal	5,209.92	27.24	5,182.68	-	27.24
	Stage 1	84,529.23	346.39	84,182.84	389.81	(43.42)
	Stage 2	290.00	67.58	222.42	6.45	61.13
	Stage 3	215.61	137.44	78.17	44.87	92.57
	Total	85,034.84	551.41	84,483.43	441.13	110.28

* Computed on the value as per the IRACP norms

As at 31 March 2023

(₹ in crore)						
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
(a) Performing Assets						
Standard	Stage 1	62,142.02	359.66	61,782.36	312.16	47.50
	Stage 2	359.91	78.37	281.54	15.33	63.04
Subtotal (a)		62,501.93	438.03	62,063.90	327.49	110.54
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	101.58	56.61	44.97	15.84	40.77
(ii) Doubtful up to:						
1 year	Stage 3	28.03	25.68	2.35	8.60	17.08
1 to 3 years	Stage 3	7.72	5.05	2.67	3.31	1.74
More than 3 years	Stage 3	-	-	-	-	-
Subtotal (ii)		35.75	30.73	5.02	11.91	18.82
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		137.33	87.34	49.99	27.75	59.59
(c) Other items						
Others including Loan commitments and derivatives	Stage 1	5,246.98	12.32	5,234.66	0.01	12.31
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total (a+b+c)	Subtotal	5,246.98	12.32	5,234.66	0.01	12.31
	Stage 1	67,389.00	371.98	67,017.02	312.17	59.81
	Stage 2	359.91	78.37	281.54	15.33	63.04
	Stage 3	137.33	87.34	49.99	27.75	59.59
	Total	67,886.24	537.69	67,348.55	355.25	182.44

* Computed on the value as per the IRACP norms

Notes to financial statements for the year ended 31 March 2024 (Contd.)

60. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No. BP. BC/3/21.04.048/2020-21 dated 6 August 2020

For the half year ended 30 September 2023

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2023 (A) [§]	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A), amount written off during the half-year [#] (C)	Of (A) amount paid by the borrowers during the half-year* (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2023 (E)
	(A)	(B)	(C)	(D)	(E)
Personal Loans	386.60	17.68	0.21	38.26	330.66
Corporate persons	2.53	-	-	0.88	1.65
Of which, MSMEs	1.23	-	-	0.85	0.38
Others	1.30	-	-	0.03	1.27
Total	389.13	17.68	0.21	39.14	332.31

For the half year ended 31 March 2024

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2023 (A) [§]	Of (A), aggregate debt that slipped into NPA during the half-year (B)	Of (A), amount written off during the half-year [#] (C)	Of (A) amount paid by the borrowers during the half-year* (D)	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2024 (E)
	(A)	(B)	(C)	(D)	(E)
Personal Loans	330.66	15.54	0.37	29.04	286.08
Corporate persons	1.65	-	-	0.04	1.61
Of which, MSMEs	0.38	-	-	0.01	0.37
Others	1.27	-	-	0.03	1.24
Total	332.31	15.54	0.37	29.08	287.69

[#] represents debt that slipped into NPA and was written off during the half-year.

^{*} represents receipts net of interest accruals and drawdown, if any.

[§] Includes restructuring implemented pursuant to OTR 2.0 executed till 31 December 2021 for personal loans, individual business loans and small business loans.

61. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR REC.51/21.04.048/2021-22 dated 24 September 2021

(a) Details of loans (not in default) transferred through assignment

For the year ended 31 March

Particulars	2024		2023	
Number of accounts assigned through Direct Assignment	5,458	358	6,257	1,964
Amount of loan account assigned (₹ in crore)	6,758.14	333.78	1,789.89	444.81
Retention of beneficial economic interest (MRR) [*]	1%	10%	1%	10%
Weighted average residual maturity (in months)	170.20	142.03	126.71	133.74
Weighted average holding period (in months)	14.32	14.78	18.15	18.24
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

^{*} Retained by the originator

Notes to financial statements for the year ended 31 March 2024 (Contd.)

(b) Details of loans (not in default) acquired through assignment

Particulars	For the year ended 31 March			
	2024		2023	
Number of accounts acquired through Direct Assignment	17,288	19		299
Amount of loan account acquired (₹ in crore)	2,895.02	61.68		24.84
Beneficial economic interest acquired *	90%	80%		90%
Weighted average residual maturity (in months)	206.73	205.37		192.54
Weighted average holding period (in months)	15.20	10.37		43.19
Coverage of tangible security	100%	100%		100%
Rating-wise distribution of rated loans	Unrated	Unrated		Unrated

* Acquired by the assignee

Details of stressed loans transferred during the year	For the year ended 31 March 2024			For the year ended 31 March 2023		
	To ARC	To permitted transferees	To other transferees	To ARC	To permitted transferees	To other transferees
No. of accounts	-	-	-	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-	-	-	-
Net book value of loans transferred (at the time of transfer)	-	-	-	-	-	-
Aggregate consideration	-	-	-	-	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-	-

62. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR REC.53/21.04.177/2021-22 dated 24 September 2021

The Company has not entered into any securitisation transactions during the current year and previous year.

63. Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.

64. 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

On behalf of the Board of Directors

 For G. D. Apte & Co.
Chartered Accountants
Firm Registration No.: 100515W

 For Khandelwal Jain & Co.
Chartered Accountants
Firm Registration No.: 105049W

 Atul Jain
Managing Director
DIN: 09561712

 Sanjiv Bajaj
Chairman
DIN: 00014615

 Umesh S. Abhyankar
Partner
Membership No.: 113053

 Manish Kumar Singhal
Partner
Membership No.: 502570

 Gaurav Kalani
Chief Financial Officer
DIN: 01550158

 Rajeev Jain
Vice Chairman
DIN: 01550158

Pune: 24 April 2024

 Atul Patni
Company Secretary
FCS: F10094

 Anami N Roy
Director
DIN: 01361110

Annexure (Forming part of financial statements)

Schedule to the Balance Sheet

As required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC CC.No.120/03.10.136/2020-21, updated as on 28 December, 2021.

Particulars	(₹ in crore)			
	Amount outstanding as at 31 March 2024	Amount overdue as at 31 March 2024	Amount outstanding as at 31 March 2023	Amount overdue as at 31 March 2023
Liabilities side				
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid				
(a) Debentures				
Secured	22,725.94	-	18,476.39	-
Unsecured	1,269.10	-	1,015.04	-
(other than falling within the meaning of public deposits*)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	41,380.34	-	33,495.22	-
(d) Inter-corporate loans and borrowing	184.26	-	175.77	-
(e) Commercial Paper	2,650.29	-	423.49	-
(f) Public Deposits (As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21, updated as on 28 December, 2021.)	-	-	-	-
(g) Other Loans (Cash credit and working capital demand loan)	919.39	-	159.48	-
2 Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of Unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-	-	-
(c) Other public deposits	-	-	-	-

Particulars	Amount outstanding as at 31 March	
	2024	2023
Assets side		
3 Break-up of Loans and Advances including bills receivables [other than those included in (4) below]		
(a) Secured	77,282.82	60,037.05
(b) Unsecured	2,017.93	2,076.84
4 Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	-
(b) Operating lease	-	-
(ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire	-	-
(b) Repossessed Assets	-	-
(iii) Other loans counting towards asset financing activities		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-

Annexure (Forming part of financial statements) (Contd.)

Schedule to the Balance Sheet (Contd.)

Particulars	Amount outstanding as at 31 March	
	2024	2023
5 Break-up of Investments		
Current Investments		
1 Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	0.67	578.49
(iv) Government Securities	1,417.52	1,422.42
(v) Others (Certificate of Deposits and Commercial Paper)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-
Long Term investments		
1 Quoted		
(i) Share		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government Securities	-	-
(v) Others (please specify)	-	-

6 Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in crore)

Category	Amount net of provisions as at 31 March 2024		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	77,282.82	2,017.93	79,300.75
	77,282.82	2,017.93	79,300.75

Category	Amount net of provisions as at 31 March 2023		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	60,037.05	2,076.84	62,113.89
	60,037.05	2,076.84	62,113.89

Annexure (Forming part of financial statements) (Contd.)

Schedule to the Balance Sheet (Contd.)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(₹ in crore)

Category	Amount as at 31 March 2024	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	1,938.57	1,938.57
	1,938.57	1,938.57

(₹ in crore)

Category	Amount as at 31 March 2023	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	2,000.91	2,000.91
	2,000.91	2,000.91

8 Other information

(₹ in crore)

Particulars	As at 31 March	
	2024	2023
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	215.61	137.33
(ii) Net Non-Performing Assets*		
(a) Related parties	-	-
(b) Other than related parties	78.17	49.99
(iii) Assets acquired in satisfaction of debt	-	-

* Provision for ECL Stage 3 has been considered.

On behalf of the Board of Directors

Atul Jain Managing Director DIN: 09561712	Sanjiv Bajaj Chairman DIN: 00014615
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Gaurav Kalani Chief Financial Officer	Rajeev Jain Vice Chairman DIN: 01550158
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Atul Patni Company Secretary FCS: F10094	Anami N Roy Director DIN: 01361110
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Pune: 24 April 2024



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