BAJAJ FINSERV

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Ltd.**

Opinion

We have audited the accompanying consolidated financial statements of Bajaj Finance Ltd. (the 'Parent Company') and its subsidiaries, (the Parent Company and its subsidiaries together referred to as the 'Group'), and the Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31 March 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and associates referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and of its associates as at 31 March 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act ('SAs'). Our responsibilities under those Standards are further described in the Auditors' responsibility for the audit of the consolidated financial statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us, and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.N.	Key audit matter	Auditors' response
1.	Allowances for expected credit losses ('ECL'): As of 31 March 2024, the carrying value of loan assets carried at amortised cost and fair value through other comprehensive income ('FVOCI'), aggregated ₹ 326,293.32 crore (net of allowance for expected credit loss ₹ 5,041.03 crore) constituting approximately 87% of the Group's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of Management judgement.	Auditors of one subsidiary and we have examined the policies approved by the Boards of Directors of the Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. Auditors of the subsidiary and we have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures, and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost and FVOCI. Additionally, Auditors of the subsidiary and we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustment have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

S.N.	Key audit matter	Auditors' response
	As part of our risk assessment, we determined that ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets carried at amortised cost and fair value through other comprehensive income ('FVOCI'). • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends. • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. (Refer note no. 3.3, 9 and 48(c) to the consolidated financial statements).	Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied. • Completeness, accuracy, and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio. • Accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model; and • Validity of changes made to the structured query language ('SQL') queries used for the ECL calculations including approval thereof by the designated officials. Test of details on a sample basis in respect of the following: • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD. • The mathematical accuracy of the ECL computation by using the same input data as used by the Group. • Use of the appropriate SQL queries for calibration of ECL rates and its application to the corresponding loan asset portfolio of the Group or part thereof. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Group.
2.	The Group is dependent on its information technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.	With the assistance of IT specialists, the Auditors of a subsidiary and we obtained an understanding of the Group's IT applications, databases, and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular: • Auditors of one subsidiary and we tested the design, implementation, and operating effectiveness of the Group's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Group's controls over segregation of duties and access rights being provisioned/ modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • Auditors of a subsidiary and we also tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to consolidated financial statements. Our tests including testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the consolidated financial statements.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Information other than the financial statements and Auditors' Report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report (including annexures thereto), Business Responsibility and Sustainability Report ('BRSR') and Management Discussion and Analysis ('MD&A') (collectively referred to as 'other information'), but does not include the consolidated financial statements, standalone financial statements and our Auditors' Report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and of its associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated financial statements

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and of its associates in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and of its associates are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditors' responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

(a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 81,827.09 crore as at 31 March 2024, total revenues of ₹ 7,617.71 crore and net cash outflows amounting to ₹ 30.02 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit after tax of ₹ 1.41 crore and total comprehensive income of ₹ 1.39 crore for the period ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. The aforesaid financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) The consolidated financial statements also include the Group's share of net profit after tax of ₹ 6.23 crore and total comprehensive income of ₹ 6.15 crore for the year ended 31 March 2024, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid associate is based solely on the report of the other auditors.

(d) Further the financial statements of a subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 6,017.62 crore as at 31 March 2024, total revenues of ₹ 486.07 crore and net cash outflow amounting to ₹ 160.02 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by M/s G.M. Kapadia & Co., one of the joint auditors of the Group whose report have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the M/s G.M. Kapadia & Co. and the procedures performed by us as stated under Auditors' Responsibilities section above.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Our opinion on the consolidated financial statements above and our report on 'other legal and regulatory requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law have been kept by the Group and its associate companies including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent Company as on 31 March 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and of its associates, none of the directors of the Group and of its associates companies is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditors' Reports of the Parent Company, subsidiaries and associate company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

   g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates. Refer note no. 42(a) to the consolidated financial statements.

      ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company, its subsidiary companies and its associates.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

iv) (a) The respective Managements of the Parent Company, its subsidiaries and its associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates, respectively, that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries or associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries or associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note no. 50 to the consolidated financial statements;

(b) The respective Managements of the Parent Company and its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries and associates and from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note no. 50 to the consolidated financial statements; and

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed with respect to previous year, declared, and paid by the Parent Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note no. 45(iii) to the consolidated financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Based on our examination which included test checks and based on the other Auditors' Reports of its subsidiary companies and associate companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiary companies and associate companies incorporated in India have used accounting software systems for maintaining their respective books of account for the year ended 31 march 2024 which have feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of audit, we and respective other auditors, whose reports have been furnished to us by the Management of the Parent Company, have not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'Order') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' Report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the respective companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN: 24039826BKCOEA3139)

Date: 25 April 2024
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN: 24048243BKFFSJ6792)

Date: 25 April 2024
Place: Pune

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Ltd. (hereinafter referred to as the 'Parent Company'), its subsidiaries and its associate, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

The respective Boards of Directors of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries and associate, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India.

Meaning of internal financial controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

Annexure 'A' to the Independent Auditors' Report (Contd.)

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the 'Parent Company', its subsidiaries and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2024, based on the criteria for internal financial controls with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to a subsidiary and an associate company which are companies incorporated in India, is based solely on the corresponding report of the auditors of those company incorporated in India and our opinion on the internal financial controls with reference to consolidated financial statements, insofar as it relates to the internal financial controls with reference to the consolidated financial statements in respect of this subsidiary and an associate company is based solely on the corresponding report of the other auditors.

Further with respect to a subsidiary company included in the consolidated financial statements, which is a company incorporated in India, have been audited by M/s G.M. Kapadia & Co., one of the joint auditors of the Group, whose reports have been furnished to us by the Management and our opinion on the internal financial controls with reference to consolidated financial statements, in so far as it relates to the internal financial controls with reference to consolidated financial statements in respect of this subsidiary, is based solely on the corresponding report of M/s G.M. Kapadia & Co.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Sanjiv V. Pilgaonkar
Partner
(Membership No. 039826)
(UDIN : 24039826BKCOEA3139)

Date: 25 April 2024
Place: Pune

For G.M. Kapadia & Co.
Chartered Accountants
(Firm's Registration. No. 104767W)

Rajen Ashar
Partner
(Membership No. 048243)
(UDIN : 24048243BKFFSJ6792)

Date: 25 April 2024
Place: Pune

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2024	2023
ASSETS			
Financial Assets			
Cash and cash equivalents	5	4,034.51	1,550.75
Bank balances other than cash and cash equivalents	6	6,589.50	2,753.77
Derivative financial instruments	7	27.84	148.88
Trade receivables	8	1,733.49	1,299.72
Loans	9	326,293.32	242,268.93
Investments	10	30,880.65	22,751.84
Other financial assets	11	1,431.88	817.28
		370,991.19	**271,591.17**
Non-financial assets			
Current tax assets (net)		290.92	181.43
Deferred tax assets (net)	12	1,017.43	937.09
Property, plant and equipment	13	2,358.32	1,676.57
Capital work-in-progress	13	25.35	14.60
Intangible assets under development	13	18.11	65.24
Goodwill		3.27	3.27
Other intangible assets	13	888.31	627.78
Other non-financial assets	14	148.72	129.16
		4,750.43	**3,635.14**
Total assets		**375,741.62**	**275,226.31**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	2.12	4.01
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.73	1.86
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,063.31	1,450.26
Other payables			
Total outstanding dues of micro enterprises and small enterprises		-	0.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		764.58	638.67
Debt securities	16	117,999.54	86,845.24
Borrowings (other than debt securities)	17	111,617.47	81,549.40
Deposits	18	60,150.92	44,665.56
Subordinated liabilities	19	3,577.90	3,630.29
Other financial liabilities	20	1,844.39	1,309.29
		298,020.96	**220,095.23**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Non-financial liabilities			
Current tax liabilities (net)		108.64	139.21
Provisions	21	421.89	268.08
Other non-financial liabilities	22	494.78	351.81
		1,025.31	**759.10**
Equity			
Equity share capital	23	123.60	120.89
Other equity	24	76,571.75	54,251.09
		76,695.35	**54,371.98**
Total liabilities and equity		**375,741.62**	**275,226.31**
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

Rajen Ashar
Partner
Membership number: 048243

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2024	2023
Revenue from operations			
Interest income	25	48,306.60	35,548.57
Fees and commission income	26	5,267.17	4,355.63
Net gain on fair value changes	27	308.29	334.32
Sale of services	28	49.97	38.18
Income on derecognised (assigned) loans	29	13.33	23.17
Other operating income	30	1,024.13	1,110.29
Total revenue from operations		**54,969.49**	**41,410.16**
Other income	31	13.02	8.10
Total income		**54,982.51**	**41,418.26**
Expenses			
Finance costs	32	18,724.69	12,559.89
Fees and commission expense	33	1,931.50	1,891.47
Impairment on financial instruments	34	4,630.70	3,189.65
Employee benefits expense	35	6,396.01	5,100.19
Depreciation and amortisation expenses	13	683.32	485.38
Other expenses	36	3,314.36	2,665.49
Total expenses		**35,680.58**	**25,892.07**
Share of profit/(loss) from associates		7.64	1.67
Profit before tax		**19,309.57**	**15,527.86**
Tax expense			
Current tax		4,957.72	3,998.18
Deferred tax (credit)/charge		(99.32)	21.99
Total tax expense	12	**4,858.40**	**4,020.17**
Profit after tax		**14,451.17**	**11,507.69**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(61.65)	(27.71)
Tax impact on above		15.52	6.98
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.10)	(0.01)
Net other adjustments - Share of associates		0.01	-
Changes in fair value of fair value through OCI (FVOCI) equity instruments		151.62	(13.99)
Tax impact on above		(29.82)	3.73
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		39.45	(11.27)
Tax impact on above		(9.93)	2.84
Cash flow hedge reserve		(20.80)	22.17
Tax impact on above		5.24	(5.58)
Total other comprehensive income for the year (net of tax)		**89.54**	**(22.84)**
Total comprehensive income for the year		**14,540.71**	**11,484.85**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2024	2023
Earnings per equity share:	37		
(Nominal value per share ₹ 2)			
Basic (₹)		236.89	190.53
Diluted (₹)		235.98	189.57
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

For G.M. Kapadia & Co.
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DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Balance at the beginning of the year	120.89	120.66
Changes in equity share capital during the year	2.71	0.23
Balance at the end of the year	**123.60**	**120.89**

Other equity

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on			Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve		
Balance as at 31 March 2023	24	**17,440.98**	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,251.09**
Profit after tax		-	14,451.17	-	-	-	-	-	-	-	-	-	-	14,451.17
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(46.23)	29.52	121.80	(15.56)	-	89.53
		17,440.98	**41,772.06**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**68,791.79**
Issue of equity share capital		8,797.58	-	-	-	-	-	-	-	-	-	-	-	8,797.58
Share issue expenses		(34.55)	-	-	-	-	-	-	-	-	-	-	-	(34.55)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(2,530.00)	-	2,530.00	-	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 29C of the National Housing Bank Act, 1987		-	(111.25)	111.25	-	-	-	-	-	-	-	-	-	-
Transfer to infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	(235.00)	-	-	-	235.00	-	-	-	-	-	-	-
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	297.21	297.21
Dividend paid		-	(1,815.40)	-	-	-	-	-	-	-	-	-	-	(1,815.40)
Share based payment to employees		-	-	-	-	-	-	268.24	-	-	-	-	-	268.24
Allotment of shares to ESOP Trust		448.00	-	-	-	-	-	-	-	-	-	-	-	448.00
Transfer on exercise of stock options by employees		111.11	-	-	-	-	-	(111.11)	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	1.09	-	(1.09)	-	-	-	-	-	-
		26,763.12	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**297.21**	**76,752.87**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	-	-	-	125.94
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	307.06
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**297.21**	**76,571.75**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2023

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve		
Balance as at 31 March 2022	24	17,217.77	19,332.08	231.55	5,642.75	788.51	143.65	397.56	(80.09)	(10.49)	(61.36)	(9.90)	-	43,592.03
Profit after tax		-	11,507.69	-	-	-	-	-		-	-	-	-	11,507.69
Other comprehensive income for the year (net of tax)		-		-	-	-	-	-	(20.74)	(8.43)	(10.26)	16.59	-	(22.84)
		17,217.77	**30,839.77**	**231.55**	**5,642.75**	**788.51**	**143.65**	**397.56**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**55,076.88**
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	(0.12)
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	(2,060.00)	-	2,060.00	-	-	-	-	-	-	-	-	-
Transfer to reserve fund in terms of section 29C of the National Housing Bank Act, 1987		-	(95.56)	95.56	-	-	-	-	-	-	-	-	-	-
Transfer to infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961		-	(156.00)	-	-	-	156.00	-	-	-	-	-	-	-
Dividend paid		-	(1,207.32)	-	-	-	-	-	-	-	-	-	-	(1,207.32)
Share based payment to employees		-	-	-	-	-	-	223.76	-	-	-	-	-	223.76
Transfer on exercise of stock options by employees		65.44	-	-	-	-	-	(65.44)	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	0.42	-	(0.42)	-	-	-	-	-	-
		17,283.09	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,093.20**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2022		283.83	-	-	-	-	-	-		-	-	-	-	283.83
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-		-	-	-	-	125.94
Balance as at 31 March 2023	24	**17,440.98**	**27,320.89**	**327.11**	**7,702.75**	**788.93**	**299.65**	**555.46**	**(100.83)**	**(18.92)**	**(71.62)**	**6.69**	**-**	**54,251.09**

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

Rajen Ashar
Partner
Membership number: 048243

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(I) Operating activities		
Profit before tax	19,309.57	15,527.86
Adjustments for:		
Interest income	(48,306.60)	(35,548.57)
Depreciation and amortisation expenses	683.32	485.38
Impairment on financial instruments	4,630.70	3,189.65
Net loss on disposal of property, plant and equipment and other intangible assets	12.54	13.33
Finance costs	18,724.69	12,559.89
Share based payment expenses	268.23	224.41
Net gain on fair value changes	(308.29)	(334.32)
Service fees for management of assigned portfolio of loans	(49.97)	(38.18)
Income on derecognised (assigned) loans	(13.33)	(23.17)
Dividend income (₹ 30,225, Previous year ₹ 31,125)		
Share of (profit)/loss from associate	(7.64)	(1.67)
	(5,056.78)	(3,945.39)
Cash inflow from interest on loans	45,853.53	35,032.84
Cash inflow from service asset	89.61	106.59
Cash outflow towards finance cost	(17,044.04)	(13,107.38)
Cash generated from operation before working capital changes	**23,842.32**	**18,086.66**
Working capital changes		
(Increase)/decrease in bank balances other than cash and cash equivalents	(3,589.13)	(2,413.16)
(Increase)/decrease in trade receivables	(457.54)	(93.43)
(Increase)/decrease in loans	(88,187.48)	(54,412.09)
(Increase)/decrease in other financial assets	(306.33)	87.83
(Increase)/decrease in other non-financial assets	(33.60)	47.17
(Increase)/decrease in derivative financial instruments (net)	(24.86)	8.75
Increase/(decrease) in trade payables	611.91	292.93
Increase/(decrease) in other payables	125.26	285.69
Increase/(decrease) in other financial liabilities	125.33	75.30
Increase/(decrease) in provisions	89.81	75.83
Increase/(decrease) in other non-financial liabilities	142.16	(181.09)
	(91,504.47)	(56,226.27)
Income tax paid (net of refunds)	(5,097.99)	(3,972.18)
Net cash used in operating activities (I)	**(72,760.14)**	**(42,111.79)**
(II) Investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(603.62)	(485.88)
Purchase of other intangible assets and intangible assets under development	(434.16)	(392.44)
Sale of property, plant and equipment and other intangible assets	38.89	19.81
Purchase of investments measured at amortised cost	(6,429.43)	(148.72)
Proceeds from liquidation of investments measured at amortised cost	6,201.62	5,107.14
Purchase of investments classified as FVOCI	(23,310.68)	(21,272.49)
Proceeds from liquidation of investments classified as FVOCI	15,231.80	10,900.36
Purchase of investments classified as FVTPL	(111,040.08)	(296,988.97)
Proceeds from liquidation of investments classified as FVTPL	113,012.92	292,353.31
Purchase of equity investments designated under FVOCI	(514.96)	-
Dividend income (₹ 30,225, Previous year ₹ 31,125)		
Interest received on investments	943.99	606.71
Investment in associates	(267.47)	(92.74)
Net cash used in investing activities (II)	**(7,171.18)**	**(10,393.91)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(III) Financing activities		
Issue of equity share capital (including securities premium)	9,067.17	158.12
Issue of share warrants	297.21	-
Share issue expenses	(34.55)	(0.12)
Dividends paid	(1,814.58)	(1,206.86)
Payment of lease liability	(174.00)	(143.45)
Deposits received (net)	14,759.93	13,556.92
Short term borrowing availed (net)	22,023.50	7,923.66
Long term borrowing availed	72,666.31	66,860.38
Long term borrowing repaid	(34,375.91)	(36,473.64)
Net cash generated from financing activities (III)	**82,415.08**	**50,675.01**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**2,483.76**	**(1,830.69)**
Cash and cash equivalents at the beginning of the year	**1,550.75**	**3,381.44**
Cash and cash equivalents at the end of the year	**4,034.51**	**1,550.75**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are considered as long term borrowings.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	2023
Cash and cash equivalents comprises of		
Cash on hand	58.84	59.07
Balance with banks in current accounts	3,975.67	1,491.68
	4,034.51	**1,550.75**

As per our report of even date

On behalf of the Board of Directors

For Deloitte Haskins & Sells
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Firm's registration number: 302009E

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R Vijay
Company Secretary

Pune: 25 April 2024

1 Corporate information

Bajaj Finance Ltd. ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Ltd., is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provides broking and depository services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its susidiary company Bajaj Housing Finance Ltd. has been classified as NBFC-UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 25 April 2024, the Board of Directors approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of consolidated financial statements (other than Statement of Cash Flows) except in case of significant uncertainties [Refer note no. 3.1(i) and 3.1(ii)].

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2 Basis of preparation (Contd.)

The Group generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Group intends to either settle on a net basis or to realise the asset and settle the liabilitiy simultaneously as permitted by Ind AS. Similarly, the Group offsets incomes and expenses and reports the same on net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

2.4 Material accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment [Refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [Refer note no. 3.3(i), 9 and 48]
- Provisions and contingent liabilities [Refer note no. 3.7 and 42]
- Fair value of financial instrument [Refer note no. 3.9 and 47]

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net asset of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Ltd. (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net assets of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Ltd.	India	100%	Subsidiary
Bajaj Financial Securities Ltd.	India	100%	Subsidiary
Snapwork Technologies Pvt. Ltd.#	India	41.50%#	Associate
Pennant Technologies Pvt. Ltd.*	India	26.53%*	Associate

#On 25 November 2022, the Parent Company has acquired 41.50% stake on fully diluted basis in Snapwork Technologies Pvt. Ltd.

*On 19 January 2024, the Parent Company has acquired 26.53% stake on fully diluted basis in Pennant Technologies Pvt. Ltd.

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entities in the Group	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Ltd.	82.66%	63,396.74	87.68%	12,670.88	101.19%	90.60	87.77%	12,761.48
Subsidiaries								
Bajaj Housing Finance Ltd. (BHFL)	15.88%	12,174.85	11.77%	1,701.20	(1.02%)	(0.91)	11.69%	1,700.29
Bajaj Financial Securities Ltd. (Bfinsec)	1.45%	1,114.55	0.50%	71.46	(0.07%)	(0.06)	0.49%	71.40
Associate								
Snapwork Technologies Pvt. Ltd.	0.01%	7.82	0.04%	6.23	(0.08%)	(0.07)	0.04%	6.16
Pennant Technologies Pvt. Ltd.	0.00%	1.39	0.01%	1.41	(0.02%)	(0.02)	0.01%	1.39
	100.00%	76,695.35	100.00%	14,451.18	100.00%	89.54	100.00%	14,540.72

3 Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated

3.1 Income

(i) Interest income

The Group recognises interest income using effective interest rate (EIR) method as per Ind AS 109 ‘Financial Instruments’ on all financial assets subsequently measured under amortised cost or fair value through other comprehensive income (FVOCI). The Group recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

The Group recognises delayed payment interest (penal interest and the like) for delay in repayments or non-payment of contractual cashflows on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises:

- Service and administration charges on completion of contracted service;
- Bounce charges on realisation;
- Fees on value added services and products on delivery of services and products to the customer;
- Distribution income on completion of distribution of third-party products and services; and
- Income on loan foreclosure and prepayment on realisation.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

3 Summary of material accounting policies (Contd.)

(b) Other operating income

The Group recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Parent Company is recognised as employee benefits expenses in Statement of Profit and Loss and that pertaining to employees of subsidiaries is recovered from subsidiaries.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

All financial assets are recognised initially at fair value adjusted for transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

3 Summary of material accounting policies (Contd.)

The classification depends on the contractual terms of the cash flows of the financial assets, the Group's business model for managing financial assets and, in case of equity instruments, the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Business model assessment

The Group has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Group determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Solely payments of principal and interest (SPPI) assessment

The Group assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Group considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Soley Payments of Principal and Interest (SPPI) on the principal amount outstanding.

The Group may enter into following transactions without affecting business model of the Group:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment and sale of non-NPA transactions which are infrequent and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The Group recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

The Group operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

3 Summary of material accounting policies (Contd.)

As a part of its hedging strategy, the Group enters into derivative contracts and classifies such contracts under FVTPL.

Interest and dividend incomes are recorded in Statement of Profit and Loss. Gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Parent Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to profit or loss subsequently, even on sale of those investments.

Derecognition of financial assets

The Group derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc.; or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same. A write-off of a financial asset constitutes a derecognition event.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Group adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Group on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which doesn't affect the business model of the Group.

Write-Off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

3 Summary of material accounting policies (Contd.)

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Financial assets are written off in full, when there is no realistic prospect of recovery. The Group may apply enforcement activities to certain qualifying financial assets written off.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of principal and/or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of that customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. Such loans are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and

- Other loans of such customer are not in default during this period;

(b) Significant increase in credit risk (stage 2)

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioral trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioral trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioral trends witnessed for each homogenous portfolio using behavioral analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

3 Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 48.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3.4 Taxes

Income tax comprises of current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

3 Summary of material accounting policies (Contd.)

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset basis the criteria given under Ind AS 12 'Income Taxes'.

3.5 Property, plant and equipment and depreciation thereof

The Group measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any. The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

3.7 Provisions and contingent liabilities

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Leases

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

3 Summary of material accounting policies (Contd.)

Measurement of Right-of-use assets

At the time of initial recognition, the Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right-of-use assets is provided on straight-line basis over the lease period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

3.9 Fair value measurement

The Group measures its qualifying financial instruments at fair value on each Balance Sheet date.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 47.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. Derivatives held by the Group are Cross Currency Interest Rate Swaps (CCIRS). Derivative contracts are initially recognised at fair value on the date of entering into contract and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument. For hedging instrument, the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship.

The Group designates its CCIRS derivatives as cash flow hedges of a recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

The Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk.

3 Summary of material accounting policies (Contd.)

Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedge

Hedges that meet the criteria for hedge accounting and qualify as cash flow hedges are accounted as follows :

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability and could affect profit or loss.

For designated and qualifying cash flow hedges, the effective portion of the cumulative gain or loss on the hedging instrument is initially recognised directly in OCI within equity (cash flow hedge reserve). The ineffective portion of the gain or loss on the hedging instrument is recognised immediately as finance cost in the Statement of Profit and Loss.

When the hedged cash flow affects the Statement of Profit and Loss, the effective portion of the gain or loss on the hedging instrument is recorded in the corresponding income or expense line of the Statement of Profit and Loss.

When a hedging instrument expires, is sold, terminated, exercised, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in OCI is subsequently transferred to the Statement of Profit and Loss on ultimate recognition of the underlying hedged forecast transaction. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately transferred to the Statement of Profit and Loss.

Fair value hedge

Fair value hedges is a hedge of the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Group classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Group discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Cash on hand	58.84	59.07
Balance with banks in current accounts	3,975.67	1,491.68
	4,034.51	1,550.75

Cash and cash equivalents include cash on hand and other short term highly liquid investments with original maturities of upto three months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Fixed deposits (with original maturity more than 3 months)		
Encumbered*	3,341.43	1,614.25
Unencumbered	3,165.66	1,045.19
Earmarked balance with banks:		
Against unclaimed dividend	3.07	2.25
Against unspent CSR	-	14.46
Escrow account balance	79.34	77.62
	6,589.50	2,753.77

*includes:

i. ₹ 2,200 crore (Previous year ₹ 1,000 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934,

ii. Fixed deposit under lien with stock exchanges for margin requirement of ₹ 384.43 crore (Previous year ₹ 162.54 crore),

iii. Deposits with exchange for trade of ₹ 1.74 crore (Previous year ₹ 1.70 crore),

iv. Deposits with bank for bank guarantee of ₹ 540.72 crore (Previous year ₹ 442.41 crore) and ₹ 93.57 crore (Previous year ₹ 0.01 crore) for overdraft facility.

v. Deposits with the Pension Fund Regulatory & Development Authority of ₹ 0.24 crore (Previous year ₹ 0.23 crore).

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2024 Notional amounts	As at 31 March 2024 Fair value asset	As at 31 March 2024 Fair value liability
Cash flow hedge:			
Cross currency interest rate swaps	6,015.79	15.69	1.68
Fair value hedge:			
Interest rate swaps	1,850.00	11.66	-
Futures	23.25	0.09	0.44
Options purchased	107.17	0.40	-
	7,996.21	27.84	2.12

(₹ in crore)

7 Derivative financial instruments (Contd.)

	As at 31 March 2023		
Particulars	**Notional amounts**	**Fair value asset**	**Fair value liability**
Cash flow hedge:			
Cross currency interest rate swaps	1,299.50	146.98	-
Fair value hedge:			
Interest rate swaps	100.00	1.37	-
Futures	172.25	0.07	3.62
Options purchased	108.95	0.46	-
Options sold (written)	57.17	-	0.39
	1,737.87	148.88	4.01

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency and interest rate swaps. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer note no. 48(b)(iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Considered good - unsecured		
Interest subsidy	750.01	671.45
Fees, commission and others	840.41	459.28
Service asset	148.22	173.27
	1,738.64	1,304.00
Less : Impairment loss allowance	5.15	4.28
	1,733.49	1,299.72

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (Gross) aging

(₹ in crore)

			Outstanding from due date of payment					
Particulars	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024								
(i) Undisputed trade receivables – considered good	799.22	115.18	822.99	0.02	1.09	0.14	-	1,738.64
As at 31 March 2023								
(i) Undisputed trade receivables – considered good	850.80	49.76	403.17	0.12	0.15	-	-	1,304.00

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Impairment loss allowance as at beginning of the year	4.28	-
Net increase/(decrease) during the year	0.87	4.28
Impairment loss allowance at the end of the year	5.15	4.28

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

9 Loans

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	**At fair value through OCI**	**Total**	**At amortised cost**	**At fair value through OCI**	**Total**
(A) Loans						
Term loans	272,820.72	58,037.30	330,858.02	198,899.93	47,482.45	246,382.38
Credit substitutes#	476.33	-	476.33	253.30	-	253.30
	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Total (A)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	143,667.00	58,037.30	201,704.30	95,355.04	47,482.45	142,837.49
Less: Impairment loss allowance	1,420.82	327.38	1,748.20	1,347.47	368.78	1,716.25
Total (I)	142,246.18	57,709.92	199,956.10	94,007.57	47,113.67	141,121.24
(II) Unsecured	129,630.05	-	129,630.05	103,798.19	-	103,798.19
Less: Impairment loss allowance	3,292.83	-	3,292.83	2,650.50	-	2,650.50
Total (II)	126,337.22	-	126,337.22	101,147.69	-	101,147.69
Total (B) = (I + II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Sub-total (ii)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
Total (I) = (i+ii)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93

-The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

#Subscription to debentures which, in substance, are made with the intent of giving loan have been classified as credit substitutes. This classification results in a better presentation of the substance of such transactions.

9 Loans (Contd.)

Summary of EIR impact on loans

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Total gross loan	333,778.31	248,962.24
Less: EIR impact	2,443.96	2,326.56
Total for gross term loan net of EIR impact	331,334.35	246,635.68

Summary of loans by stage distribution

(₹ in crore)

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	324,507.43	4,010.94	2,815.98	331,334.35	241,289.96	3,032.91	2,312.81	246,635.68
Less: Impairment loss allowance	2,245.48	1,189.83	1,605.72	5,041.03	1,957.26	933.29	1,476.20	4,366.75
Net carrying amount	322,261.95	2,821.11	1,210.26	326,293.32	239,332.70	2,099.62	836.61	242,268.93

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans

(₹ in crore)

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
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75
Transfers during the year								
transfers to stage 1	473.93	138.09	(332.97)	(64.30)	(140.96)	(73.79)	-	-
transfers to stage 2	(3,074.81)	(50.96)	3,104.84	65.86	(30.03)	(14.90)	-	-
transfers to stage 3	(4,461.85)	(82.28)	(1,566.01)	(571.80)	6,027.86	654.08	-	-
	(7,062.73)	4.85	1,205.86	(570.24)	5,856.87	565.39	-	-
Impact of changes in credit risk on account of stage movements	-	(125.63)	-	885.54	-	4,999.13	-	5,759.04
Changes in opening credit exposures (repayments net of additional disbursements)	(95,298.59)	(621.95)	(1,326.66)	(401.83)	(2,217.35)	(1,970.66)	(98,842.60)	(2,994.44)
New credit exposures during the year, net of repayments	185,578.79	1,030.95	1,098.83	343.07	1,045.19	717.20	187,722.81	2,091.22
Amounts written off during the year	-	-	-	-	(4,181.54)	(4,181.54)	(4,181.54)	(4,181.54)
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2023							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2022	188,833.91	1,506.76	3,860.64	1,079.41	3,133.49	1,818.62	195,828.04	4,404.79
Transfers during the period								
transfers to stage 1	783.51	133.62	(636.51)	(84.07)	(147.00)	(49.55)	-	-
transfers to stage 2	(1,913.29)	(57.68)	1,981.42	84.16	(68.13)	(26.48)	-	-
transfers to stage 3	(2,760.93)	(63.85)	(1,480.57)	(440.94)	4,241.50	504.79	-	-
	(3,890.71)	12.09	(135.66)	(440.85)	4,026.37	428.76	-	-
Impact of changes in credit risk on account of stage movements	-	(127.72)	-	546.48	-	3,774.97	-	4,193.73
Changes in opening credit exposures (repayments net of additional disbursements)	(78,987.33)	(125.10)	(1,277.20)	(456.86)	(2,104.85)	(1,633.04)	(82,369.38)	(2,215.00)
New credit exposures during the year, net of repayments	135,334.09	691.23	585.13	205.11	637.10	466.19	136,556.32	1,362.53
Amounts written off during the year	-	-	-	-	(3,379.30)	(3,379.30)	(3,379.30)	(3,379.30)
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(i) Net impairment loss allowance charge/(release) for the year	674.28	(38.04)
(ii) Amounts written off during the year	4,181.54	3,379.30
Impairment on loans	4,855.82	3,341.26
Less : Claimable/credit cover amount under Government guarantee schemes and other arrangements	307.15	200.74
Add: Impairment on other assets	82.03	49.13
Impairment on financial instruments	4,630.70	3,189.65

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

10 Investments

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	356.89	129.11
	356.89	129.11
Less: Impairment loss allowance	1.43	0.52
Total (A)	355.46	128.59
(B) At fair value through other comprehensive income		
(i) In Government securities#	22,458.94	14,166.57
Add: Fair value gain/(losses)	11.98	(27.49)
Sub-total (i)	22,470.92	14,139.08
#Includes ₹ 4,554.99 crore (Previous year ₹ 4,201.15 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934 and ₹ 16,786.58 crore (Previous year ₹ 9,348.47 crore) pledged in favour of Credit Corporation of India Ltd. for triparty repo dealing and settlement (TREPs).		
(ii) In equity instruments		
Equity shares (Quoted)	150.00	150.00
Add: Fair value gain/(losses)	(47.11)	(89.60)
	102.89	60.40
Equity shares (Unquoted)	299.58	299.58
Add: Fair value gain/(losses)	76.96	0.10
	376.54	299.68
Compulsorily convertible term loan	280.47	280.47
Add: Fair value gain/(losses)	42.21	9.94
	322.68	290.41
Sub-total (ii)	802.11	650.49
(iii) In certificate of deposits	1,450.71	565.10
Add: Fair value gain/(losses)	2.53	1.16
Sub-total (iii)	1,453.24	566.26
(iv) In commercial papers	247.13	596.19
Add: Fair value gain/(losses)	0.13	1.04
Sub-total (iv)	247.26	597.23
(v) In non-convertible debentures	212.88	-
Add: Fair value gain/(losses)	(0.49)	-
Sub-total (v)	212.39	-
Total (B) = (i+ii+iii+iv+v)	25,185.92	15,953.06

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

10 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(C) At fair value through profit or loss		
(i) In mutual funds*	2,525.61	4,987.47
Add: Fair value gains/(losses)	7.12	10.68
Sub-total (i)	2,532.73	4,998.15
*includes ₹ 8.78 crore (Previous year ₹ 52.16 crore) under lien with Indian Clearing Corporation for margin requirement and include ₹ 5.19 crore (Previous year ₹ Nil) pledged in favour of National Securities Depository Limited (NDSL) as money margin.		
(ii) In Government securities	2,269.71	1,422.62
Add: Fair value gains/(losses)	0.89	(0.20)
Sub-total (ii)	2,270.60	1,422.42
(iii) In equity shares	141.55	154.79
Add: Fair value gains/(losses)	24.97	0.43
Sub-total (iii)	166.52	155.22
Total (C) = (i+ii+iii)	4,969.85	6,575.79
(D) At cost		
Investment in associate	369.42	94.40
Total (D)	369.42	94.40
Total (A+B+C+D)	30,880.65	22,751.84

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Out of above		
In India	30,880.65	22,751.84
Outside India	-	-
	30,880.65	22,751.84

-Impairment loss allowance recognised on investments is ₹ Nil (Previous year ₹ Nil), except where specified.

Reconciliation of impairment loss allowance on investments

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment loss allowance as at beginning of the year	0.52	-
Net increase/(decrease) during the year	0.91	0.52
Impairment loss allowance at the end of the year	1.43	0.52

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	127.71	97.20
Margin with exchanges	430.17	115.36
Advances to dealers	275.43	252.42
Credit cover under Government guarantee schemes	321.93	190.69
Receivable from debt management agencies	160.32	94.77
Receivable from online payment aggregator and gateways	43.39	6.67
Receivable from assignment servicing partners	28.98	22.26
Others	47.54	40.24
	1,435.47	819.61
Less : Impairment loss allowance	3.59	2.33
	1,431.88	817.28

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Impairment loss allowance as at beginning of the year	2.33	-
Net increase/(decrease) during the year	1.26	2.33
Impairment loss allowance at the end of the year	3.59	2.33

12 Income taxes

(A) Current tax

Reconciliation of tax expenses and profit before tax multiplied by average corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit before tax	19,309.57	15,527.86
At average corporate tax rate of 25.17% (Previous year: 25.17%)	4,858.30	3,907.95
Tax on expenditure not considered for tax provision (net of allowance)	141.16	117.12
Reversal of deferred tax on opening special reserve u/s 36(1)(viii)*	(75.42)	-
Deduction under Section 36(1)(viii) of the Income tax Act, 1961	(59.15)	-
Tax benefit on additional deductions	(6.49)	(4.90)
Tax expense (Effective tax rate of 25.161%, Previous year 25.890%)	4,858.40	4,020.17

* The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

12 Income taxes (Contd.)

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2023-24

(₹ in crore)

Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
(a) Deferred tax asset				
Property, plant and equipment and intangible assets	0.99	0.47	-	1.46
Remeasurements of employee benefits	65.33	21.65	15.52	102.50
Expected credit loss	985.06	(0.33)	-	984.73
EIR impact on financial instruments measured at amortised cost	3.40	(0.73)	-	2.67
Fair value on instruments designated under FVTPL	0.72	(0.62)	-	0.10
Cash flow hedge reserve	-	-	3.00	3.00
Mark to market impact on fair value hedge	0.01	0.56	-	0.57
Fair value on equity instruments designated under FVOCI	7.96	-	(7.96)	-
Right of use assets and lease liability (net)	13.99	5.95	-	19.94
Fair value on debt instruments designated under FVOCI	6.37	-	(6.37)	-
Other temporary differences	1.78	5.22	-	7.00
Gross deferred tax assets (a)	1,085.61	32.17	4.19	1,121.97
(b) Deferred tax liabilities				
Property, plant and equipment and intangible assets	(13.05)	(16.80)	-	(29.85)
Service asset	(48.82)	4.62	-	(44.20)
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(73.08)	73.08	-	-
Fair value on instruments designated under FVTPL	(2.45)	0.61	-	(1.84)
Fair value on equity instruments designated under FVOCI	-	-	(21.86)	(21.86)
Fair value on debt instruments designated under FVOCI	-	-	(3.56)	(3.56)
Unrealised net gain on fair value changes	-	(3.23)	-	(3.23)
Cash flow hedge reserve	(2.24)	-	2.24	-
Other temporary differences	(8.88)	8.88	-	-
Gross deferred tax liabilities (b)	(148.52)	67.16	(23.18)	(104.54)
Deferred tax assets/(liabilities), net (a+b)	937.09	99.33	(18.99)	1,017.43

12 Income taxes (Contd.)

Movement in Deferred tax asset/(liability)

For the financial year 2022-23

(₹ in crore)

Particulars		Balance as at 31 March 2022	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2023
(a)	Deferred tax asset				
	Property, plant and equipment and intangible assets	4.19	(3.20)	-	0.99
	Remeasurements of employee benefits	42.99	15.36	6.98	65.33
	Expected credit loss	974.74	10.32	-	985.06
	EIR impact on financial instruments measured at amortised cost	4.13	(0.73)	-	3.40
	Fair value on instruments designated under FVTPL	-	0.72	-	0.72
	Cash flow hedge reserve	3.34	-	(3.34)	-
	Mark to market impact on fair value hedge	-	0.01	-	0.01
	Fair value on equity instruments designated under FVOCI	4.23	-	3.73	7.96
	Right of use assets and lease liability (net)	10.59	3.40	-	13.99
	Fair value on debt instruments designated under FVOCI	3.53	-	2.84	6.37
	Other temporary differences	2.46	(0.68)	-	1.78
Gross deferred tax assets (a)		1,050.20	25.20	10.21	1,085.61
(b)	Deferred tax liabilities				
	Property, plant and equipment and intangible assets	(0.18)	(12.87)	-	(13.05)
	Service asset	(57.80)	8.98	-	(48.82)
	Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(33.82)	(39.26)	-	(73.08)
	Fair value on instruments designated under FVTPL	(2.31)	(0.14)	-	(2.45)
	Cash flow hedge reserve	-	-	(2.24)	(2.24)
	Other temporary differences	(4.98)	(3.90)	-	(8.88)
Gross deferred tax liabilities (b)		(99.09)	(47.19)	(2.24)	(148.52)
Deferred tax assets/(liabilities), net (a+b)		951.11	(21.99)	7.97	937.09

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

13 (A) Property, plant and equipment and other intangible assets

For the financial year 2023-24

(₹ in crore)

	Gross block				Depreciation and amortisation				Net block
Particulars	As at 1 April 2023	Addition	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ Adjustments	For the Year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment (a)									
Freehold land (b) (e)	271.91	5.42	4.02	273.31	-	-	-	-	273.31
Building (c) (e)	261.44	2.16	-	263.60	69.92	-	3.67	73.59	190.01
Computers and data processing units	429.21	199.35	65.63	562.93	194.41	46.42	100.11	248.10	314.83
Office equipment	268.33	86.66	12.34	342.65	179.13	11.88	46.71	213.96	128.69
Furniture and fixtures	227.17	82.29	9.88	299.58	98.62	8.36	40.06	130.32	169.26
Vehicles	241.62	165.23	33.69	373.16	54.38	15.65	57.38	96.11	277.05
Leasehold improvements	249.15	66.67	3.57	312.25	207.60	3.43	24.85	229.02	83.23
Sub-total (i)	1,948.83	607.78	129.13	2,427.48	804.06	85.74	272.78	991.10	1,436.38
Right-of-use (f)									
Right-of-use - Premises (e)	821.72	602.33	87.83	1,336.22	311.09	74.28	195.48	432.29	903.93
Right-of-use - Server	35.51	1.97	-	37.48	14.34	-	5.13	19.47	18.01
Sub-total (ii)	857.23	604.30	87.83	1,373.70	325.43	74.28	200.61	451.76	921.94
Sub-total (iii=i+ii)	**2,806.06**	**1,212.08**	**216.96**	**3,801.18**	**1,129.49**	**160.02**	**473.39**	**1,442.86**	**2,358.32**
Other intangible assets (d)									
Computer softwares	699.62	249.89	38.32	911.19	316.60	28.99	137.37	424.98	486.21
Internally generated software	288.41	231.54	2.06	517.89	43.65	0.42	72.56	115.79	402.10
Sub-total (iv)	**988.03**	**481.43**	**40.38**	**1,429.08**	**360.25**	**29.41**	**209.93**	**540.77**	**888.31**
Total (v=iii+iv)	**3,794.09**	**1,693.51**	**257.34**	**5,230.26**	**1,489.74**	**189.43**	**683.32**	**1,983.63**	**3,246.63**

For the financial year 2022-23

(₹ in crore)

	Gross block				Depreciation and amortisation				Net block
Particulars	As at 1 April 2022	Addition	Deductions/ Adjustments	As at 31 March 2023	As at 1 April 2022	Deductions/ Adjustments	For the Year	As at 31 March 2023	As at 31 March 2023
Property, plant and equipment (a)									
Freehold land (b) (e)	196.59	75.32	-	271.91	-	-	-	-	271.91
Buildings (c) (e)	248.03	13.41	-	261.44	66.37	-	3.55	69.92	191.52
Computers and data processing units	316.87	165.37	53.03	429.21	163.33	39.29	70.37	194.41	234.80
Office equipment	222.63	50.44	4.74	268.33	146.16	4.63	37.60	179.13	89.20
Furniture and fixtures	196.56	39.96	9.35	227.17	85.73	6.83	19.72	98.62	128.55
Vehicles	143.20	114.86	16.44	241.62	38.84	8.14	23.68	54.38	187.24
Leasehold improvements	227.91	25.67	4.43	249.15	181.79	4.37	30.18	207.60	41.55
Sub-total (i)	1,551.79	485.03	87.99	1,948.83	682.22	63.26	185.10	804.06	1,144.77
Right-of-use (f)									
Right-of-use - Premises (e)	604.35	278.56	61.19	821.72	211.88	54.14	153.35	311.09	510.63
Right-of-use - Server	30.15	5.54	0.18	35.51	9.61	0.18	4.91	14.34	21.17
Sub-total (ii)	634.50	284.10	61.37	857.23	221.49	54.32	158.26	325.43	531.80
Sub-total (iii=i+ii)	**2,186.29**	**769.13**	**149.36**	**2,806.06**	**903.71**	**117.58**	**343.36**	**1,129.49**	**1,676.57**
Other intangible assets (d)									
Computer softwares	530.08	204.85	35.31	699.62	235.08	25.61	107.13	316.60	383.02
Internally generated software	144.21	144.20	-	288.41	8.76	-	34.89	43.65	244.76
Sub-total (iv)	**674.29**	**349.05**	**35.31**	**988.03**	**243.84**	**25.61**	**142.02**	**360.25**	**627.78**
Total (v=iii+iv)	**2,860.58**	**1,118.18**	**184.67**	**3,794.09**	**1,147.55**	**143.19**	**485.38**	**1,489.74**	**2,304.35**

(a) See note no. 3.5
(b) Represents share in undivided portion of land on purchase/construction of office premises.
(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500).
(d) See note no. 3.6
(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.
(f) See note no. 3.8

13 (A) Property, plant and equipment and other intangible assets (Contd.)

Depreciation and amortisation

Depreciation and amortisation is provided using straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.

Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Other office equipments	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements	Lease tenure or 5 years, whichever is less
Intangible assets including those internally generated	5 years

* Evaluated useful lives is different from Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

13 (B) Capital-work-in-progress and intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening balance	14.6	13.27
Additions	22.35	1.33
Deductions/Adjustments	11.60	-
Closing balance	25.35	14.60

Aging for capital work-in-progress

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Projects in progress	31 March 2024	10.75	1.33	6.20	7.07	25.35
Projects in progress	31 March 2023	1.33	6.20	7.07	-	14.60

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening balance	65.24	20.87
Additions	431.15	406.11
Deductions/Adjustments	478.28	361.74
Closing balance	18.11	65.24

Aging for Intangible assets under development

(₹ in crore)

		Amount for a period of				
Particulars	**As at**	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Projects in progress	31 March 2024	18.11	-	-	-	18.11
Projects in progress	31 March 2023	65.24	-	-	-	65.24

-The Group does not have any project temporary suspended or any CWIP and intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2024	2023
Capital advances	24.26	39.10
Deposits against appeals	38.95	40.11
Advances to suppliers and others	85.51	49.95
	148.72	129.16

- Impairment loss allowance recognised on other non-financial assets is ₹ Nil (Previous year: ₹ Nil).

15 Payables

(₹ in crore)

Particulars		As at 31 March 2024	2023
(I)	**Trade payables**		
	Total outstanding dues of micro enterprises and small enterprises#	0.73	1.86
	Total outstanding dues of creditors other than micro enterprises and small enterprises	2,063.31	1,450.26
		2,064.04	1,452.12
(II)	**Other payables**		
	Total outstanding dues of micro enterprises and small enterprises#	-	0.65
	Total outstanding dues of creditors other than micro enterprises and small enterprises	764.58	638.67
		764.58	639.32

Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2024	2023
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	0.73	2.42
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	50.60	53.30
Interest paid to suppliers under MSMED Act (Section 16)	0.64	0.85
Interest due and payable to suppliers under MSMED Act, for payments already made	-	0.09
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	0.09

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

15 Payables (Contd.)

Trade payables aging

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2024							
(i) MSME	0.42	-	0.31	-	-	-	0.73
(ii) Others	473.27	780.04	809.73	0.11	-	0.16	2,063.31
	473.69	780.04	810.04	0.11	-	0.16	2,064.04
As at 31 March 2023							
(i) MSME	1.17	-	0.69	-	-	-	1.86
(ii) Others	492.31	896.74	60.16	0.63	0.26	0.16	1,450.26
	493.48	896.74	60.85	0.63	0.26	0.16	1,452.12

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2024	2023
(A) At amortised cost		
Redeemable non-convertible debenture		
Secured and fully paid*	84,896.28	67,288.26
Unsecured and partly paid	2,014.82	1,387.83
Unsecured and fully paid	6,258.92	6,262.16
	93,170.02	74,938.25
Commercial papers - unsecured	24,829.52	11,906.99
	117,999.54	86,845.24
(B) Out of above		
In India	117,999.54	86,845.24
Outside India	-	-
	117,999.54	86,845.24

*All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2024 are fully secured by first pari passu charge by mortgage of their immovable property at Chennai and/or by hypothecation of book debts/loan receivables to the extent as stated in their respective information memorandum. Further, the Company and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 1,750 crore (Previous year ₹ 100 crore). The total outstanding as on 31 March 2024 is ₹ 1,850 crore (Previous year ₹ 100 crore).

16 Debt securities (Contd.)

(C) Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2024

(₹ in crore)

	Residual maturity of loans				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Up to 2 years	2,000.00	1,300.00	-	-	3,300.00
Over 2 to 3 years	4,350.00	9,672.00	2,200.00	-	16,222.00
Over 3 to 4 years	5,485.00	7,495.00	1,925.00	395.00	15,300.00
Over 4 years	4,225.00	2,302.00	57.50	47,647.90	54,232.40
Redeemable at premium					
Over 3 to 4 years	-	906.00	-	-	906.00
Interest accrued	3,159.77	134.59	-	-	3,294.36
Impact of EIR (including premium and discount on NCD)					(71.65)
Fair value gain/loss on NCD hedged through interest rate swap					(13.09)
					93,170.02

-Interest rate ranges from 5.00% to 9.36% p.a as at 31 March 2024

-Amount to be called and paid is ₹ 350 crore each in May 2024, May 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore in Jan 2025 and ₹ 120 crore in Jan 2026

-Amount to be called and paid is ₹ 147 crore in Mar 2025 and ₹ 168 crore in Mar 2026

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

16 Debt securities (Contd.)

Terms of repayment of non-convertible debentures (NCDs) as at 31 March 2023

(₹ in crore)

Original maturity of loan	Residual maturity of loan: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Up to 2 years	9,390.00	2,000.00	-	-	11,390.00
2-3 years	3,400.00	5,335.00	5,860.00	-	14,595.00
3-4 years	270.00	4,500.00	5,820.00	-	10,590.00
More than 4 years	1,981.00	4,225.00	2,302.00	25,437.50	33,945.50
Redeemable at premium					
2-3 years	950.00	-	-	-	950.00
3-4 years	75.00	-	906.00	-	981.00
Interest accrued	2,412.89	13.33	65.02	-	2,491.24
Impact of EIR (including premium and discount on NCD)					(5.88)
Fair value gain/loss on NCD hedged through interest rate swap					1.39
					74,938.25

-Interest rate ranges from 4.90% to 9.36% p.a as at 31 March 2023

-Amount to be called and paid is ₹ 350 crore each in June 2023, May 2024, May 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore each in Jan 2024, Jan 2025 and ₹ 120 crore in Jan 2026

-Amount to be called and paid is ₹ 147 crore each in Mar 2024, Mar 2025 and ₹ 168 crore in Mar 2026

(D) Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2024	2023
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	24,750.39	11,877.14
Impact of EIR	79.13	29.85
	24,829.52	11,906.99

-Interest rate ranges from 7.48% to 8.85% p.a as at 31 March 2024 (Previous year 5.00% to 8.02% p.a)

-As at 31 March 2024, face value of commercial paper is ₹ 25,340 crore (Previous year ₹ 12,145 crore)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) In India		
At amortised cost:		
Term loans from banks	79,258.27	67,726.06
Term loan from National Housing Bank (NHB)#	6,837.59	2,000.00
Cash credit/Overdraft facility	681.31	446.33
Working capital demand loans	3,062.89	1,770.20
Triparty repo dealing and settlement (TREPs) against Government securities	15,758.96	8,145.36
	105,599.02	80,087.95
Outside India		
External commercial borrowing (ECB)*	6,018.45	1,461.45
	6,018.45	1,461.45
(B) Out of above		
Secured (Against hypothecation of loans, book debts and other receivables)	111,117.37	81,049.35
Unsecured	500.10	500.05
	111,617.47	81,549.40

*External commercial borrowing is denominated in foreign currency and secured against book debts.

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 5,499.38 crore during the year ended 31 March 2024 (Previous Year: ₹ 2,000 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

-The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

(C) Terms of repayment of term loans from bank as at 31 March 2024

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,015.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,071.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
Half yearly										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	15	1,151.18	14	1,133.32	14	1,133.36	3	212.50	46	3,630.36
Over 4 years	117	5,907.82	136	8,519.68	149	10,750.99	251	15,596.36	653	40,774.85
Yearly										
Over 3 to 4 years	4	800.00	-	-	-	-	-	-	4	800.00
Over 4 years	20	1,697.91	14	1,481.66	15	1,971.66	36	3,141.57	85	8,292.80
On maturity (Bullet)										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	3	2,400.00	1	499.74	-	-	-	-	4	2,899.74
Over 4 years	-	-	-	-	1	500.00	2	2,200.01	3	2,700.01
Interest accrued	-	11.19	-	-	-	-	-	-	-	11.19
Impact of EIR										(3.35)
										79,258.27

-Interest rate ranges from 5.05% to 9.20% p.a as at 31 March 2024.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

17 Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loans from bank as at 31 March 2023

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	12	1,122.16	-	-	-	-	-	-	12	1,122.16
Over 3 to 4 years	25	940.00	30	1,440.00	16	550.00	8	271.88	79	3,201.88
Over 4 years	158	4,137.04	119	2,624.16	89	1,769.37	157	3,636.37	523	12,166.94
Half yearly										
Up to 3 years	2	200.00	2	200.00	1	100.00	-	-	5	500.00
Over 3 to 4 years	8	517.86	10	851.18	8	708.32	8	708.36	34	2,785.72
Over 4 years	74	3,777.50	85	4,338.21	88	5,907.21	186	13,115.13	433	27,138.05
Yearly										
Over 3 to 4 years	6	922.50	4	800.00	-	-	-	-	10	1,722.50
Over 4 years	24	1,879.58	18	1,542.92	12	1,326.67	29	4,223.33	83	8,972.50
On maturity (Bullet)										
Up to 3 years	3	1,250.00	5	1,120.00	2	1,500.00	-	-	10	3,870.00
Over 3 to 4 years	-	-	3	2,400.00	1	499.74	-	-	4	2,899.74
Over 4 years	3	650.00	-	-	-	-	3	2,700.00	6	3,350.00
Interest accrued		5.90		-		-		-		5.90
Impact of EIR										(9.33)
										67,726.06

-Interest rate ranges from 5.05% to 9.02% p.a as at 31 March 2023.

(D) Terms of repayment of working capital demand loans from bank

	As at 31 March 2024		As at 31 March 2023	
Particulars	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	6	3,062.24	7	1,770.06
Interest accrued		0.65		0.14
	6	3,062.89	7	1,770.20

-Interest rate ranges from 7.10% to 8.75% p.a as at 31 March 2024 (Previous year 7.00% to 8.35% p.a).

(E) Terms of repayment of TREPs

	As at 31 March 2024		As at 31 March 2023	
Particulars	Total no. of installments	₹ in crore	Total no. of installments	₹ in crore
On maturity (Bullet)				
Up to 1 year	35	15,758.96	20	8,145.36
	35	15,758.96	20	8,145.36

-Interest rate ranges from 6.26% to 7.25% p.a as at 31 March 2024 (Previous year 6.76% to 6.99% p.a).

17 Borrowings (other than debt securities) (Contd.)

(F) Terms of repayment of term loan from NHB as at 31 March 2024

	Residual maturity of loans								Total	
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 years			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
										6,837.59

-Interest rate ranges from 5.25 % to 8.25 % p.a. as at 31 March 2024.

Terms of repayment of term loan from NHB as at 31 March 2023

	Residual maturity of loans								Total	
	Due within 1 year		Due in 1 to 2 Years		Due in 2 to 3 Years		Due in more than 3 years			
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	21	180.98	28	241.31	28	241.31	172	1,336.40	249	2,000.00
										2,000.00

-Interest rate ranges from 5.52% to 7.55% p.a as at 31 March 2023.

(G) Terms of repayment of external commercial borrowing

	As at 31 March 2024		As at 31 March 2023	
Original maturity of loan	Total no. of installments	₹ in crore	Total no. of installments	₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	-	-	1	822.17
Original maturity over 3 years	-	-	1	616.63
Due within 2 to 3 year				
Original maturity over 2 to 3 years	5	3,543.39	-	-
Original maturity over 3 years	4	2,501.22	-	-
Interest accrued		10.01		24.14
Impact of EIR		(36.17)		(1.49)
	9	6,018.45	2	1461.45

-Contracted interest rate ranges from 5.96% to 6.61% p.a as at 31 March 2024 (Previous year 5.33% to 5.76% p.a).

-Interest rate ranges from 7.40% to 8.11% p.a under Cross currency interest rate swap (CCIRS) as at 31 March 2024 (Previous year 5.85% to 6.70% p.a).

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2024	2023
(A) At amortised cost		
Public deposits*	38,012.62	28,303.10
From others	22,138.30	16,362.46
	60,150.92	44,665.56

*As defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

(B) Terms of repayment of deposits as at 31 March 2024

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	11,645.18	-	-	-	11,645.18
Over 1 to 2 years	9,012.39	3,409.77	-	-	12,422.16
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,782.64	9,265.73	8,865.68	22,265.04
Interest accrued	1,269.13	451.67	378.50	141.75	2,241.05
Impact of EIR					(184.80)
					60,150.92

Terms of repayment of deposits as at 31 March 2023

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	11,139.95	-	-	-	11,139.95
Over 1 to 2 years	5,453.75	3,402.69	-	-	8,856.44
Over 2 to 3 years	2,886.33	4,872.30	4,514.22	-	12,272.85
Over 3 years	846.82	1,381.17	2,982.35	5,855.16	11,065.50
Interest accrued	839.95	382.66	171.95	82.59	1,477.15
Impact of EIR					(146.33)
					44,665.56

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,577.90	3,630.29
	3,577.90	3,630.29
(B) Outside India	-	-

(C) Terms of repayment of subordinated liabilities as at 31 March 2024

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	452.50	290.00	2,060.00	600.00	3,402.50
Interest accrued	183.48	-	-	-	183.48
Impact of EIR					(8.08)
					3,577.90

-Interest rate ranges from 8.05% to 10.15% p.a as at 31 March 2024

Terms of repayment of subordinated liabilities as at 31 March 2023

(₹ in crore)

	Residual maturity of loan				
Original maturity of loan	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Redeemable at par					
Over 5 years	50.00	452.50	290.00	2,660.00	3,452.50
Interest accrued	188.08	-	-	-	188.08
Impact of EIR					(10.29)
					3,630.29

-Interest rate ranges from 8.05% to 10.15% p.a as at 31 March 2023

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Unclaimed dividends*	3.07	2.25
Book overdraft	98.00	-
Security deposits	175.13	168.07
Lease liability+	1,001.16	587.37
Unclaimed matured deposits*	0.44	0.84
Payable to assignment partners	12.24	7.56
Outstanding liability for prepaid instrument	59.38	49.43
Unspent CSR liability	6.19	35.27
Others	488.78	458.50
	1,844.39	1,309.29

*There are no undisputed amounts which were due and remained unpaid to Investor Education and Protection Fund as at the close of the year.

+Disclosures as required by Ind AS 116 'Leases' are stated below

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considerd for application of Ind AS 116 have lease period ranging from 12 to 180 months. The discount rate ranges from 5.26% to 9.15% p.a.

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance	587.37	455.06
Add : Addition during the year	604.28	284.10
Interest on lease liability	64.85	42.88
Less : Deletion during the year	16.48	8.34
Lease rental payments	238.86	186.33
Balance at the end of the year	1,001.16	587.37

(B) Future lease cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Not later than one year	262.94	181.05
Later than one year but not later than five years	746.25	447.41
Later than five years	238.50	70.61
	1,247.69	699.07

20 Other financial liabilities (Contd.)

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Within 12 months	193.24	142.81
After 12 months	807.92	444.56

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	64.85	42.88
Depreciation charge for the year	200.60	158.26
Expense related to short term leases	5.82	2.26
(Gain)/loss on pre-mature lease closure	(2.93)	(1.23)
	268.34	202.17

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Gratuity	288.34	181.01
Compensated absences*	31.23	28.70
Other long term service benefits	75.08	46.05
Impairment allowance on undrawn loan commitments	27.24	12.32
	421.89	268.08

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 19.83 crore (Previous year ₹ 14.98 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Statutory dues	470.13	313.18
Income received in advance	0.01	0.03
Others	24.64	38.60
	494.78	351.81

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
618,996,320 (605,429,233) equity shares of ₹ 2 each	123.80	121.09
Subscribed and paid up		
618,996,320 (605,429,233) equity shares of ₹ 2 each fully called up and paid up	123.80	121.09
Less: 988,329 (1,008,401) equity shares of ₹ 2 each held in a Trust for employees under ESOP Scheme [See footnote (f) below]	0.20	0.20
	123.60	120.89

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
As at 1 April 2022	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	-	-
	605,429,233	121.09
Less: Equity shares held in Trust for employees under ESOP scheme	1,008,401	0.20
As at 31 March 2023	604,420,832	120.89
As at 1 April 2023	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	1,462,548	0.29
Add: Issued during the year to eligible Qualified Institutional Buyers#	12,104,539	2.42
	618,996,320	123.80
Less: Equity shares held in Trust for employees under ESOP scheme	988,329	0.20
As at 31 March 2024	618,007,991	123.60

*The Allotment Committee alloted 489,305 equity shares and 973,243 equity shares on 2 June 2023 and 1 March 2024, respectively, having face value of ₹ 2 each at applicable grant price to the BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

On 9 November 2023, the Group through Qualified Institutions Placement (QIP) allotted 12,104,539 equity shares to eligible Qualified Institutional Buyers (QIBs) at a price of ₹ 7,270 per equity share of ₹ 2 face value (inclusive of premium of ₹ 7,268 per share) aggregating to approximately ₹ 8,800 crore. The issue was made in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Funds raised by way of QIP have been utilised for the purpose mentioned in the objects of the issue in the offer document.

(b) Terms/rights/restrictions attached to equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Ltd.*	317,816,130	63.56	317,816,130	63.56

* An associate of Bajaj Holdings and Investments Ltd.

23 Equity share capital (Contd.)

(d) Details of shareholders holding more than 5% shares in the Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd. *	317,816,130	51.34%	317,816,130	52.49%

* An associate of Bajaj Holdings and Investments Ltd.

(e) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2024		As at 31 March 2023		% Changes during the year	% Changes during previous year
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Ltd.	317,816,130	51.34%	317,816,130	52.49%	0.00%	0.00%
Promoter Group :						
Aryaman Kejriwal*	2,000	0.00%	-	0.00%	Nil	Nil
Bachhraj Factories Private Ltd.	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj Allianz Life Insurance Company Ltd.	247,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Ltd.*	308,500	0.05%	308,500	0.05%	0.00%	8.25%
Baroda Industries Private Ltd.	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Estate of Rahulkumar Bajaj	-	0.00%	10,000	0.00%	(100.00%)	0.00%
Jamnalal Sons Private Ltd.	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Ltd.	18,974,660	3.07%	18,974,660	3.13%	0.00%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Madhur Bajaj)	61,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal*	2,000	0.00%	-	0.00%	Nil	Nil
Rajivnayan Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj*	2,000	0.00%	-	0.00%	Nil	Nil
Sanjali Bajaj	65,104	0.01%	63,104	0.01%	3.17%	0.00%
Sanjivnayan Bajaj	467,688	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	63,104	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	65,104	0.01%	63,104	0.01%	3.17%	0.00%
Suman Jain	7,015	0.00%	7,093	0.00%	(1.10%)	(0.37%)

*Where shares have been issued for the first time during the reporting period, such percentage change have been computed from date of such issuance

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

23 Equity share capital (Contd.)

(f) Shares reserved for issue under employee stock option plan

Particulars	No. of Stock options/Equity shares as at 31 March 2024	31 March 2023
a. Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	35,071,160	35,071,160
b. Options granted under the scheme	31,503,611	29,940,214
c. Options cancelled up to 31 March 2024 and added back to pool for future grants	4,083,318	4,012,171
d. Options granted net of cancellation under the scheme (d = b-c)	27,420,293	25,928,043
e. Balance available under the scheme for future grants (e = a-d)	7,650,867	9,143,117
f. Equity shares allotted to BFL Employee Welfare Trust	22,917,522	21,454,974
g. Stock options exercised	21,929,193	20,446,573
h. Balance stock options available with BFL Employee Welfare Trust (h = f-g)	988,329	1,008,401

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the Trust at the close of the year have been reduced against the share capital as if the Trust is administered by the Parent Company itself. The securities premium related to the unexercised equity shares held by the Trust at the close of the year aggregating to ₹ 307.06 crore (As at 31 March 2023 ₹ 125.94 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

Dividends declared by the Parent Company do not accrete to the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Parent Company and adjusted against the source from which dividend has been paid.

24 Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2024	2023
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	26,582.00	17,440.98
(ii)	Retained earnings	Retained earnings represents the surplus in profit and loss account after appropriations made to/from retained earnings.	37,080.41	27,320.89
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act,1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act,1987 as a statutory reserve.	438.36	327.11
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to Section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	10,232.75	7,702.75
(v)	General reserve	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	790.02	788.93
(vi)	Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of Section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	534.65	299.65

24 Other equity (Contd.)

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2024	2023
(vii)	Share options outstanding account	Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for employees of the Group.	711.50	555.46
(viii)	Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(147.06)	(100.83)
(ix)	Other comprehensive income			
	(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	10.60	(18.92)
	(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investment are derecognised.	50.18	(71.62)
	(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	(8.87)	6.69
	(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(x)	Money received against share warrants**	It represents application money received from subscriber of warrants, against which shares are yet to be alloted.	297.21	-
			76,571.75	54,251.09

* The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Balance as at the beginning of the year	-	-
Fair value changes during the year	(41.40)	28.87
Impairment loss allowances transferred to profit or loss	41.40	(28.87)
Balance as at the end of the year	-	-

**On 2 November 2023, Preferential Issue Allotment Committee duly constituted by the Board of Directors of the Group has approved the allotment of 1,550,000 warrants to the Bajaj Finserv Ltd., the promoter and holding company, at the issue price of ₹ 7,670 per warrant, of which an amount equivalent to 25% of the consideration was received at the time of subscription and allotment of warrants aggregating to ₹ 297.21 crore pursuant to the issue, in accordance with the relevant provisions of the SEBI ICDR Regulations. The remaining 75% of the consideration will be received at the time of conversion of warrants into equity shares, anytime within eighteen months from the date of allotment.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

25 Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2024				For the year ended 31 March 2023			
	On financial assets measured at				On financial assets measured at			
	FVOCI	**Amortised cost**	**FVTPL**	**Total**	**FVOCI**	**Amortised cost**	**FVTPL**	**Total**
On loans	5,039.51	41,588.29	-	46,627.80	3,703.61	31,088.54	-	34,792.15
On investments	1,213.86	16.10	121.81	1,351.77	512.07	70.15	96.91	679.13
On others	-	3.08	-	3.08	-	2.76	-	2.76
On deposits with bank	-	323.95	-	323.95	-	74.53	-	74.53
	6,253.37	41,931.42	121.81	48,306.60	4,215.68	31,235.98	96.91	35,548.57

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Service and administration charges	1,772.75	1,484.79
Fees on value added services and products	653.24	607.41
Foreclosure income	439.59	319.11
Distribution income	2,299.12	1,893.75
Brokerage income	102.47	50.57
	5,267.17	4,355.63

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on debt instruments at FVTPL	278.60	350.36
Unrealised gain/(loss) on debt instruments at FVTPL	(2.49)	0.91
Realised gain/(loss) on equity instruments at FVTPL	29.57	0.21
Unrealised gain/(loss) on equity instruments at FVTPL	24.55	0.43
Realised derivative gain/(loss) financial instruments at FVTPL	(24.52)	8.90
Unrealised derivative gain/(loss) financial instruments at FVTPL	3.20	(3.64)
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	(0.62)	(22.85)
	308.29	334.32

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Service fees for management of assigned portfolio of loans	49.97	38.18
	49.97	38.18

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Income on derecognised (assigned) loans	13.33	23.17
	13.33	23.17

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Recoveries against written off financial assets	854.28	1,104.87
Net realisation on sale of written off loans	0.59	-
Marketing, branding and allied services	122.74	1.62
Grant towards QR deployment operating expenditure*	7.14	-
Others	39.38	3.80
	1,024.13	1,110.29

*The Parent Company has received Government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 7.14 crore in current year (Previous year ₹ Nil). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 'Accounting for Government grants and disclosure of Government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Interest on income tax refund	0.01	0.38
Dividend income	2.06	0.67
Miscellaneous income	10.95	7.05
	13.02	8.10

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
On financial liabilities measured at amortised cost:		
On debt securities	7,625.56	5,114.67
On borrowings other than debt securities	6,667.25	4,420.86
On deposits	4,040.50	2,647.18
On subordinated liabilities	302.60	316.83
On lease liability	64.85	42.88
On others	8.97	10.04
Other interest expenses*	14.96	7.43
	18,724.69	12,559.89

*Includes net interest on net defined benefit liability of gratuity of ₹ 12.46 crore (Previous year ₹ 7.43 crore)

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Commission and incentives	111.42	93.00
Recovery costs	1,624.54	1,686.82
Credit guarantee fees	189.06	104.72
Loan portfolio management service charges	6.48	6.93
	1,931.50	1,891.47

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2024			For the year ended 31 March 2023		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans	4,548.12	0.55	4,548.67	3,072.41	68.11	3,140.52
On others	82.03	-	82.03	49.13	-	49.13
	4,630.15	0.55	4,630.70	3,121.54	68.11	3,189.65

35 Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Employees emoluments	5,697.43	4,533.02
Contribution to provident fund and other funds	202.01	158.01
Gratuity expense	60.33	56.79
Share based payment to employees	272.22	226.75
Staff welfare expenses	164.02	125.62
	6,396.01	5,100.19

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Communication expenses	175.99	165.97
Outsourcing/back office expenses	554.78	341.46
Travelling expenses	447.26	372.53
Information technology expenses	714.52	567.83
Bank charges	161.33	140.72
Net loss on disposal of property, plant and equipment and other intangible assets	12.54	13.33
Auditor's fees and expenses	2.16	2.19
Insurance charges	8.19	6.26
Rent, taxes and energy cost	74.92	56.83
Director’s fees, commission and expenses	13.05	4.88
Advertisement, branding and promotion expenses	349.18	361.99
Expenditure towards Corporate Social Responsibility activities	206.64	151.19
Repairs, maintenance and office expenses	162.72	149.14
Employee training, recruitment and management expenses	92.60	70.09
Printing and stationery expenses	11.47	14.62
Legal and professional charges	51.43	27.18
Customer experience cost	144.24	126.27
Miscellaneous expenses	131.34	93.01
	3,314.36	2,665.49

37 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March 2024	2023
(A) Net profit attributable to equity shareholders (₹ in crore)	14,451.17	11,507.69
(B) Weighted average number of equity shares for basic earnings per share	610,032,743	603,976,750
Effect of dilution:		
Employee stock options	2,350,306	3,067,977
(C) Weighted average number of equity shares for diluted earnings per share	612,383,049	607,044,727
Earning per share (basic) (₹) (A/B)	236.89	190.53
Earning per share (diluted) (₹) (A/C)	235.98	189.57

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

38 Segment information

The Parent Company and one of its subsidiary viz BHFL is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 'Operating Segments'.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

39 Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

The Group has not transferred any assets that are derecognised in their entirety where the Group continues to have continuing involvement.

40 Revenue from contracts with customers

(₹ in crore)

	For the year ended 31 March	
Particulars	**2024**	**2023**
Type of services		
Service and administration charges	1,772.75	1,484.79
Fees on value added services and products	653.24	607.41
Foreclosure charges	439.59	319.11
Distribution income	2,299.12	1,893.75
Brokerage income	102.47	50.57
Marketing, branding and allied services	122.74	1.62
	5,389.91	4,357.25
Geographical markets		
India	5,389.91	4,357.25
Outside India	-	-
	5,389.91	4,357.25
Timing of revenue recognition		
Services transferred at a point in time	5,389.91	4,357.25
Services transferred over time	-	-
	5,389.91	4,357.25

Contract balances

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Fees, commission and other receivable	840.41	459.28
	840.41	459.28

- Impairment allowance recognised on contract balances is ₹ 1.97 crore (Previous year ₹ 1.34 crore)

-Contract asset as on 31 March 2024 is ₹ Nil (Previous year ₹ Nil)

41 Employees benefit plans

(I) Defined benefit plans

A) Gratuity

The Group has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The level of benefits provided depends on the employee's length of service, managerial grade and salary at retirement age.

Gratuity plan is funded by the Group. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with an actuary and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Risk associated with defined benefit plan

S. No	Type of Risk	Description of risk
(i)	Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to Government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities, although this will be partially offset by an increase in the value of the plan asset.
(ii)	Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
(iii)	Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
(iv)	Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants will increase the plan's liability.

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Defined benefit obligation as at the beginning of the year	375.74	283.98
Current service cost	66.19	51.78
Past service cost	–	9.00
Interest on defined benefit obligation	26.95	19.93
Remeasurement due to :		
Actuarial loss/(gain) arising from change in financial assumptions	13.38	(7.59)
Actuarial loss/(gain) arising from change in demographic assumptions	13.08	4.66
Actuarial loss/(gain) arising on account of experience changes	35.28	25.54
Benefits paid	(14.02)	(11.36)
Liabilities assumed/(settled)*	(6.09)	(0.20)
Defined benefit obligation as at the end of the year	510.51	375.74

* Towards continuity of service offered to employees on movement

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

41 Employees benefit plans (Contd.)

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Fair value of plan asset as at the beginning of the year	194.74	165.19
Employer contributions	32.75	33.78
Interest on plan assets	14.70	12.43
Remeasurements due to:		-
Actual return on plan assets less interest on plan assets	0.09	(5.10)
Benefits paid	(14.02)	(11.36)
Assets acquired/(settled)*	(6.09)	(0.20)
Fair value of plan asset as at the end of the year	222.17	194.74

* Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Net defined benefit liability/(asset) as at the beginning of the year	181.01	118.80
Expense charged to Statement of Profit and Loss	78.44	68.28
Amount recognised in other comprehensive income	61.64	27.71
Employers contributions	(32.75)	(33.78)
Net defined benefit liability/(asset) as at the end of the year	288.34	181.01

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Current service cost	66.19	51.79
Past service cost	-	9.00
Interest cost	12.25	7.49
	78.44	68.28

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening amount recognised in other comprehensive income	133.29	105.59
Changes in financial assumptions	13.38	(7.59)
Changes in demographic assumptions	13.08	4.66
Experience adjustments	35.28	25.54
Actual return on plan assets less interest on plan assets	(0.09)	5.09
Closing amount recognised outside profit or loss in other comprehensive income	194.94	133.29

41 Employees benefit plans (Contd.)

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2024	2023
Present value of funded defined benefit obligation	510.51	375.74
Fair value of plan assets	222.17	194.73
Net funded defined benefit obligation	288.34	181.01
Net defined benefit liability recognised in Balance Sheet	288.34	181.01

Key actuarial assumptions

(₹ in crore)

Particulars	As at 31 March 2024	2023
Discount rate	7.20%	7.45%
Salary escalation rate (p.a.)	11.00%	11.00%
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Sensitivity analysis for significant assumptions

Particulars	As at 31 March 2024 Discount rate	As at 31 March 2024 Salary escalation rate	As at 31 March 2023 Discount rate	As at 31 March 2023 Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(5.14%)	5.35%	(4.78%)	4.96%
Impact of decrease in 50 bps on defined benefit obligation	5.57%	(4.99%)	5.15%	(4.65%)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2024	2023
Maturity profile		
Expected benefits for year 1	29.73	25.39
Expected benefits for year 2	29.75	27.05
Expected benefits for year 3	32.20	26.99
Expected benefits for year 4	33.88	29.49
Expected benefits for year 5	36.98	29.01
Expected benefits for year 6	44.18	30.12
Expected benefits for year 7	38.35	36.96
Expected benefits for year 8	40.32	30.84
Expected benefits for year 9	42.99	32.63
Expected benefits for year 10 and above	992.31	667.75

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

41 Employees benefit plans (Contd.)

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Expected contribution to fund in the next year	28.50	31.50

(B) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Maturity Profile		
Present value of unfunded obligations	11.40	13.72
Expense recognised in the Statement of Profit and Loss	4.02	4.94
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a)	11.00%	11.00%

(C) Long term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Present value of unfunded obligations	75.08	46.05
Expense recognised in the Statement of Profit and Loss	34.79	25.71
Discount rate (p.a.)	7.20%	7.45%

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions, if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss Account is as below:

(₹ in crore)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Provident fund and pension scheme of Employees' Provident Fund Orgnisation	165.13	127.41
National pension scheme	8.89	6.13
Superannuation fund	0.39	0.59

42 Contingent liabilities and commitments

(A) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2024	2023
Disputed claims against the Group not acknowledged as debts	126.89	66.94
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Gurantees provided	2.50	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,293.64	2,164.00
On additional reversal of credit on investment activity [Refer footnote (iii) below]	602.06	573.73
On penal interest/charges [Refer footnote (iv) below]	-	265.49
On reversal of input tax credit on credit note by the customer [Refer footnote (v) below]	12.90	30.41
On difference in ITC claimed in GSTR 3B Vs 2B & diff in GSTR-1 Vs GSTR 3B	26.02	-
On others	17.44	14.30
Income tax matters:		
Appeals by the Group	1.61	16.09
Appeals by the Income tax department	0.28	0.28

i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/ defense.

ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy the Parent Company received from manufacturers and dealers during the period 1 April 2010 to 30 September 2016. The Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 980.92 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received from manufacturers and dealers during the period 1 October 2016 to 30 June 2017. The Principal Commissioner has also demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 230.18 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period 1 October 2014 to 30 June 2017.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

42 Contingent liabilities and commitments (Contd.)

In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 225.32 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

iv) Vide order dated 7 August 2023, the Customs, Excise and Service Tax Appellant Tribunal, Mumbai set aside an order issued by the Commissioner, Central Excise and CGST, Pune -I, Commissionerate dated 7 September 2018 demanding service tax of ₹ 53.87 crore and penalties of ₹ 53.87 crore in relation to the penal interest/charges received by the Parent Company from its customers during the period 1 July 2012 to 31 March 2016. Accordingly, the Parent Company has not considered demand of service tax on penal interest/charges as a part of contingent liability for period from 1 July 2012 to June 2017.

v) The Assistant Commissioner, West Bengal, through an order dated 06 February 2023, has confirmed the demand of GST of ₹ 11.46 crore and penalty of ₹ 11.46 crore from the Parent Company alleging that input tax credit to the extent of credit notes issued by Company was not reversed by customers for the period 1 July 2017 to 31 March 2020. In accordance with legal advice, the Parent Company has filed an appeal on 4 May 2023 before the Additional Commissioner, West Bengal disputing the demands. The Additional Commissioner, West Bengal vide orders dated 27 March 2024 and 28 March 2024, has reduced the demand under appeal to ₹ 6.82 crore and imposed penalty of ₹ 0.68 crore from the Parent Company basis the verification of reversal of credit by the customers. The Additional Commissioner has also demanded payment of interest on the GST liability confirmed until the date the Parent Company pays the GST demanded, which as at 31 March 2024 amounted to ₹ 5.40 crore. In accordance with legal advice, the Parent Company is in the process of filing an appeal before GST Appellate Tribunal against the demand order.

vi) It is not practicable for the Parent Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

(B) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	63.74	52.45
Intangible	4.91	14.44
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	5,281.28	6,209.01
Towards investment	35.00	-
Towards future corporate social responsibility spend	218.85	165.83
	5,603.78	6,441.73

43 Changes in liability arising from financing activities

(A) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flows')

The Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group without the use of cash and cash equivalents.

(B) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flows')

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows	Change in fair value	Other	As at 31 March 2024
Debt securities	86,845.24	30,123.42	13.09	1,017.79	117,999.54
Borrowings (other than debt securities)	81,549.40	30,207.28	(110.49)	(28.72)	111,617.47
Deposits	44,665.56	14,759.93	-	725.43	60,150.92
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
	216,690.49	75,040.64	(97.40)	1,712.10	293,345.83

(₹ in crore)

Particulars	As at 1 April 2022	Cash flows	Change in fair value	Other	As at 31 March 2023
Debt securities	76,223.07	11,394.75	-	(772.58)	86,845.24
Borrowings (other than debt securities)	54,363.56	27,150.55	9.59	25.70	81,549.40
Deposits	30,799.13	13,563.31	-	303.12	44,665.56
Subordinated liabilities	3,845.77	(207.12)	-	(8.36)	3,630.29
	165,231.53	51,901.49	9.59	(452.12)	216,690.49

44 (A) Disclosure of transactions with related parties as required by Ind AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Ltd.	Contribution to equity (317,816,130 shares of ₹ 2 each)	-	(63.56)	-	(63.56)
	Preferential warrants application money received	297.21	(297.21)	-	-
	Secured non-convertible debentures issued	-	(1,095.00)	-	(1,320.00)
	Secured non-convertible debentures redemption	225.00	-	415.00	-
	Interest paid on non-convertible debentures	88.22	-	71.31	-
	Inter-corporate deposits accepted	550.00	(550.00)	-	-
	Interest accrued on inter-corporate deposits	31.72	(28.54)	-	-
	Dividend paid	953.45	-	635.63	-
	Asset purchases	-	-	0.08	(0.09)
	Asset sales	0.07	-	0.15	-
	Business support charges received	1.42	-	1.55	-
	Business support charges paid	18.72	-	45.13	-
	Fair value of ESOP charged	3.54	-	2.94	(3.24)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
(B) Fellow subsidiaries					
1. Bajaj Allianz Life Insurance Company Ltd.	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)
	Secured non-convertible debentures issued	-	(50.00)	-	(200.00)
	Unsecured non-convertible debentures issued	287.00	(3,420.00)	642.00	(3,133.00)
	Secured non-convertible debentures redemption	200.00	-	-	-
	Unsecured non-convertible debentures redemption	-	-	0.70	-
	Interest paid on non-convertible debentures	291.50	-	230.01	-
	Dividend paid	0.74	-	0.49	-
	Security deposit for leased premises	-	1.82	0.29	1.82
	Advance towards insurance	-	4.75	-	2.64
	Commission income	103.38	25.77	25.81	0.47
	Marketing, branding and allied services	8.50	3.00	-	-
	Insurance expenses	100.99	-	85.63	-
	Rent and maintenance expenses	2.55	-	2.70	-
2. Bajaj Allianz General Insurance Company Ltd.	Secured non-convertible debentures issued	-	(393.50)	-	(393.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Secured non-convertible debentures redemption	100.00	-	760.00	-
	Interest paid on non-convertible debentures	31.84	-	74.29	-
	Asset purchases	0.06	-	-	-
	Asset sales	0.13	0.13	0.07	-
	Advance towards insurance	-	6.31	-	0.74
	Commission income	61.95	11.17	19.08	2.02
	Interest subsidy received (transaction value reversal of ₹ 35,162)		-	3.08	-
	Insurance expenses	71.44	-	54.54	0.63

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
3. Bajaj Finserv Direct Ltd.	Investment in equity shares	-	2.69	-	2.69
	Compulsorily convertible term loan (Deemed equity) at cost	-	280.47	-	280.47
	Platform development and customisation charges	69.94	-	67.22	(8.17)
	Asset purchases	0.82	(0.29)	1.29	-
	Asset sales (previous year outstanding ₹ 39,703)	0.22	0.06	0.19	
	Business support charges received	10.17	-	6.94	-
	Business support charges paid	62.82	(4.96)	50.00	(0.43)
	Sourcing commission paid	135.15	(16.60)	122.32	(14.07)
	Platform usage charges	41.85	(5.35)	37.47	(4.42)
	Annual maintenance charges on loan	6.74	-	7.44	(0.79)
	Guarantee/service fees paid for FLDG	2.28	-	-	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	22.66	(22.40)	-	-
	Invocation of FLDG	0.26	-	-	-
	Interest accrued on cash deposit received towards FLDG	0.25	(0.21)	-	-
4. Bajaj Finserv Health Ltd.	Asset purchases	-	-	3.18	-
	Asset sales	0.25	-	0.02	-
	Commission income	93.52	14.96	79.35	10.11
	Interest subsidy received	0.13	-	0.83	-
	Business support charges received	0.06	0.07	-	-
	Product distribution fee	0.58	-	2.36	(0.39)
	Business support charges paid	0.50	-	-	-
5. Bajaj Finserv Asset Management Ltd.	Business support charges received	0.02	-	0.01	-
	Asset sales	0.04	-	-	-
6. Bajaj Finserv Ventures Ltd.	Asset sales (outstanding ₹ 263)	5.63		-	-
	Business support charges received	18.46	21.78	-	-
	Manpower support service charges	59.81	-	-	-
	Reimbursements of employee cost	1.41	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
(C) Associates					
1. Snapwork Technologies Pvt. Ltd. (Associate w.e.f. 25 Nov 2022)	Investment in equity shares	-	28.49	28.49	28.49
	Investment in compulsorily convertible preference shares (Deemed equity)	-	64.25	64.25	64.25
	Information technology design and development charges	20.86	(0.83)	5.61	-
	Support charges	0.48	-	-	-
2. Pennant Technologies Pvt. Ltd. (Associate w.e.f. 19 Jan 2024)	Investment in equity shares	-	113.75	-	-
	Investment in compulsorily convertible preference shares (Deemed equity)	153.72	153.72	-	-
	Information technology design and development charges	6.80	(12.33)	-	-
	Annual maintenance charges paid	0.82	(0.43)	-	-
(D) Key management personnel (KMP) of the entity or its parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.39	-	0.37	-
	Commission	4.30	(4.17)	0.64	(0.58)
2. Rajeev Jain (Managing Director)	Short-term employee benefits:				
	Remuneration	20.02	(2.87)	17.91	-
	Sitting fees	0.21	-	0.15	-
	Commission	0.42	(0.38)	0.11	(0.09)
	Share-based payment	29.18	-	26.25	-
	Equity shares issued pursuant to stock option scheme	52.22	-	5.09	-
3. Rakesh Bhatt (Executive Director from 1 Apr 2023 till 31 Jan 2024)	Short-term employee benefits:				
	Remuneration	9.20	(0.19)	-	-
	Share-based payment	6.92	-	-	-
	Equity shares issued pursuant to stock option scheme	25.27	-	-	-
4. Anup Saha (Executive Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Remuneration	14.36	(7.38)	-	-
	Share-based payment	9.40	-	-	-
	Loan repayment received (transaction value ₹ 14,468)		-	-	-
	Fixed deposit accepted (transaction value ₹ 25,000)		(0.01)	-	-
	Interest accrued on fixed deposit (transaction value ₹ 5,966, outstanding ₹ 6,499)			-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
5. Madhur Bajaj (Promoter group) (Director till 31 Jul 2022)	Short-term employee benefits:				
	Sitting fees	-	-	0.02	-
	Commission	-	-	0.05	(0.05)
6. Rajiv Bajaj (Director and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.07	-	0.06	-
	Commission	0.28	(0.25)	0.15	(0.14)
7. Ranjan Sanghi (Director till 30 Apr 2022)	Short-term employee benefits:				
	Sitting fees	-	-	0.02	-
	Commission	-	-	0.05	(0.05)
8. D J Balaji Rao (Director till 28 November 2023	Short-term employee benefits:				
	Sitting fees	0.06	-	0.07	-
	Commission	0.28	(0.25)	0.18	(0.16)
9. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.42	-	0.34	-
	Commission	1.32	(1.19)	0.54	(0.49)
10. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.17	-	0.15	-
	Commission	0.68	(0.61)	0.38	(0.34)
11. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.23	-	0.17	-
	Commission	0.92	(0.83)	0.43	(0.38)
12. Radhika Haribhakti (Director w.e.f. 1 May 2022)	Short-term employee benefits:				
	Sitting fees	0.16	-	0.08	-
	Commission	0.64	(0.58)	0.20	(0.18)
	Fixed deposit repaid	-	-	0.30	-
	Interest accrued on fixed deposit	-	-	0.01	-
13. Dr. Arindam Bhattacharya (Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Sitting fees	0.32	-	-	-
	Commission	0.84	(0.76)	-	-
14. Manish Kejriwal (Director of parent Company)	Secured non-convertible debentures redemption	-	-	15.00	-
	Interest paid on non-convertible debentures	-	-	1.07	-

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
(E) Close members of the families of key management personnel of the entity or its parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.13	-	0.13	-
2. Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	0.24	(1.59)	-	-
	Fixed deposit Repaid	0.04	-	-	-
	Interest accrued on fixed deposit	0.10	-	-	-
3. Hina Bhatt (Spouse of Rakesh Bhatt, Executive Director of the Company form 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	0.60	(3.80)	-	-
	Interest accrued on fixed deposit	0.23	(0.19)	-	-
4. Tapati Saha (Spouse of Anup Saha, Executive Director of the Company w.e.f. 1 Apr 2023)	Fixed deposit accepted	0.45	(1.66)	-	-
	Interest accrued on fixed deposit	0.11	(0.19)	-	-
5. Mrinalini Jain (Daughter of Rajeev Jain, Managing Director of the company)	Stipend paid (transaction value ₹ 10,000)		-	-	-
(F) Other entities/persons					
1. Bajaj Auto Ltd.	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Secured non-convertible debentures issued	-	-	-	(500.00)
	Secured non-convertible debentures redemption	500.00	-	-	-
	Interest paid on non-convertible debentures	25.25	-	25.25	-
	Inter-corporate deposits accepted	500.00	(500.00)	500.00	(500.00)
	Inter-corporate deposits repaid	500.00	-	-	-
	Interest accrued on inter-corporate deposits	37.82	(17.91)	9.52	(8.57)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 21,000, previous year ₹ 21,000)		-		-
	Business support charges received	3.07	-	7.37	8.48
	Interest subsidy received	1.35	-	0.87	0.46
	Business support charges paid	38.80	-	31.49	(1.39)
	Rent and maintenance expenses	1.65	-	1.55	-
	Advance given (outstanding ₹ 7,615)	-		-	-

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship		Nature of transaction	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet	FY2022-23 Transaction value	FY2022-23 Outstanding amounts carried in Balance Sheet
2.	Bajaj Auto Credit Ltd.	Asset sales (outstanding ₹ 6,059)	0.94		-	-
3.	Bajaj Holdings & Investments Ltd.	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
		Secured non-convertible debentures redemption	-	-	150.00	-
		Interest paid on non-convertible debentures	-	-	12.98	-
		Security deposit for leased premises	0.70	0.70	-	-
		Dividend received (transaction value ₹ 9,225, previous year ₹ 10,125)		-		-
		Business support charges received	0.58	-	0.97	-
		Business support charges paid	23.38	-	18.22	-
		Rent and maintenance expenses	1.17	-	-	-
4.	Hind Musafir Agency Ltd.	Services received	46.39	(0.98)	31.68	-
		Advance given	-	-	-	0.01
5.	Bajaj Electricals Ltd.	Inter-corporate deposits accepted	95.00	(60.00)	70.00	(70.00)
		Inter-corporate deposits repaid	105.00	-	-	-
		Interest accrued on inter-corporate deposits	4.19	(1.46)	0.54	(0.48)
		Interest subsidy received	0.54	0.06	0.15	0.07
		Asset purchases (previous year outstanding ₹ 17,400)	0.23	(0.19)	0.16	
6.	Jamnalal Sons Pvt. Ltd.	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
		Dividend paid	0.38	-	0.26	-
		Security deposit for leased premises	-	-	0.03	0.13
		Security deposit repayment received	0.13	-	0.12	-
		Rent and maintenance expenses	0.10	-	0.35	-
7.	Maharashtra Scooters Ltd.	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
		Secured non-convertible debentures issued	-	(225.00)	-	(175.00)
		Secured non-convertible debentures redemption	100.00	-	85.00	-
		Interest paid on non-convertible debentures	9.94	-	17.12	-
		Dividend paid	56.92	-	37.95	-
		Business support charges received	0.18	-	0.15	-

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

		FY2023-24		FY2022-23	
Name of the related party and nature of relationship	**Nature of transaction**	**Transaction value**	**Outstanding amounts carried in Balance Sheet**	**Transaction value**	**Outstanding amounts carried in Balance Sheet**
8. Hercules Hoists Ltd.	Fixed deposit repaid	-	-	6.50	-
	Interest accrued on fixed deposit	-	-	0.51	-
9. Bachhraj Factories Pvt. Ltd.	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.22	-	0.14	-
10. Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.35	-	0.24	-
11. Bajaj Sevashram Pvt. Ltd.	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
	Dividend paid	0.93	-	-	-
12. Bajaj Allianz Staffing Solutions Ltd.	Manpower supply services (outstanding ₹ 26)	76.54		12.79	-
13. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
14. Niraj Bajaj (Promoter group)	Nil	-	-	-	-
(G) Post employment benefit plans					
1. Bajaj Auto Ltd. Provident Fund	Unsecured non-convertible debentures issued	-	(36.00)	-	(36.00)
	Unsecured non-convertible debentures redemption	-	-	10.00	-
	Interest paid on non-convertible debentures	3.35	-	4.34	-
2. Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.27	-	0.40	-
3. Bajaj Auto Employees Group Gratuity Fund	Premium paid for life cover of employees	1.80	-	-	-
	Gratuity contribution	12.67	-	14.48	-
4. Bajaj Auto Senior Staff Group Gratuity Fund	Premium paid for life cover of employees	0.10	-	-	-
	Gratuity contribution	20.00	-	20.73	-

Notes

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where the Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Group on insurance cover taken by it on its assets are not in nature of related party transaction, hence not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Group. All above transactions are in the ordinary course of business

44 (A) Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

and on arms' length basis. All outstanding balances are to be settled in cash (except deemed equity and preferntial warrants) and are unsecured (except secured non-convertible debentures issued to related parties which are disclosed appropriately).

- Provisions for gratuity, compensated absences and other long term service benefits are made for the Group as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- During the year, Bajaj Finance Ltd. has allotted 1,550,000 warrants to its parent, Bajaj Finserv Ltd. convertible into equivalent number of equity shares of face value of ₹ 2 each, allotted at issue price of ₹ 7,670 per warrant. An amount equivalent to 25% of the consideration has been received for subscription and allotment of warrants aggregating to ₹ 297.21 crore. The remaining 75% of the consideration shall be receivable on the exercise of options against each such warrant within a period of eighteen months from the date of allotment.
- Bajaj Finance Ltd. has entered into a default loss guarantee arrangement with Bajaj Finserv Direct Ltd. for a portfolio comprising of personal loans, salaried loans, business loans and professional loans. As of 31 March 2024, total guarantee received is ₹ 34.70 crore, against which ₹ 22.66 crore is received in the form of cash deposit.
- As on 31 March 2024, the Group has issued purchase order amounting to ₹ 0.06 crore to Bajaj Finserv Direct Ltd. towards purchase of assets on transfer of employees.
- During the year, the Group has received broking and other charges amounting to ₹ 2.34 crore from 73 related parties with respect to purchase and sale of securities (Previous year ₹ 0.73 crore from 58 related parties). Net amount payable towards such transaction amounts to ₹ 0.09 from 59 related parties is outstanding as on 31 March 2024. (Previous year ₹ 2,294 from 25 related parties)
- As on 31 March 2024, 25 non-corporate related parties held Parent Company's equity shares amounting to ₹ 0.23 crore (1,159,182 shares of ₹ 2 each) (Previous year 20 parties amounting to ₹ 0.20 crore, 1,017,905 shares of ₹ 2 each). During the year, dividend paid to such related parties amounts to ₹ 3.35 crore (Previous year ₹ 2.04 crore).
- During the year, Bajaj Finance Ltd. has given cashback to two related party amounting to ₹ 841 (Previous year ₹ Nil)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Ind As 24 'Related Party Disclosures'.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

44 (B) Summary of total compensation to key management personnel

(₹ in crore)

S No	Categories	For the year ended 31 march	
		2024	2023
1	Short-term employee benefits	55.29	22.05
2	Share-based payment	45.51	26.25
3	Equity shares issued pursuant to stock option scheme	77.49	5.09
		178.29	53.39

45 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

The Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group endeavours to maintain its CRAR higher than the mandated regulatory norm. Accordingly, increase in capital is planned well in advance to ensure adequate funding for its growth.

The Parent Company's dividend distribution policy states that subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Further, the Parent Company supports funding needs of its wholly owned subsidiaries, associates and other investee companies by way of capital infusion and loans. Similarly, the Company also makes investment in other companies for operating and strategic reasons. These investments are funded by the Company through its equity share capital and other equity which inter alia includes retained profits.

45 Capital (Contd.)

(ii) Regulatory capital

Bajaj Finance Ltd.

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Tier I capital	67,796.11	46,152.01
Tier II capital	3,166.61	3,513.81
Total capital (Tier I + Tier II)	70,962.72	49,665.82
Risk weighted assets	315,149.85	198,890.13
Tier I CRAR	21.51%	23.20%
Tier II CRAR	1.01%	1.77%
Total CRAR (Tier I + Tier II)	22.52%	24.97%

Bajaj Housing Finance Ltd.

(₹ in crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Tier I capital	11,857.24	10,184.74
Tier II capital	348.45	359.66
Total capital (Tier I+Tier II)	12,205.69	10,544.40
Risk weighted assets	57,351.83	45,901.75
Tier I CRAR	20.67%	22.19%
Tier II CRAR	0.61%	0.78%
Total CRAR (Tier I + Tier II)	21.28%	22.97%

(iii) Dividend distribution made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Subsidiaries have not paid any dividend so far and have not recommended any dividend for financial year ended 31 March 2024 as well.

Dividends on equity shares paid and proposed by Bajaj finance Ltd. during the year:

(₹ in crore)

Particulars	FY2024	FY2023
Dividend paid out of profits of previous year*	1,817.76	1,210.86
Profit for the relevant year	10,289.74	6,350.49
Dividend as a percentage of profit for the relevant year	17.67%	19.07%

* includes amount paid ₹ 2.36 crore (Previous year ₹ 3.54 crore) to Trust on unexercised option which do not accrete to it.

Proposed for approval at the annual general meeting (not recognised as a liability as on 31 March 2024)

(₹ in crore)

Dividend on equity share at ₹ 36 per share (a)	2,228.39
Profit after tax for the year ended 31 March 2024 (b)	12,644.11
Dividend proposed as a percentage of profit after tax (a/b)	17.62%

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Events after reporting date

There have been no events after the reporting date that require adjustment/disclosure in these financial statements.

47 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans has been determined under level 3.

47 Fair values (Contd.)

- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated external commercial borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cashflows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.

The Group has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans, floating rate loans, trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2024

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31-Mar-24	4,969.85	-	-	4,969.85
Equity instrument designated under FVOCI (Unquoted)	31-Mar-24	-	-	699.22	699.22
Equity instrument designated under FVOCI (Quoted)	31-Mar-24	102.89	-	-	102.89
Other investments designated under FVOCI	31-Mar-24	22,470.92	1,912.89	-	24,383.81
Loans designated under FVOCI	31-Mar-24	-	57,709.92	-	57,709.92
Derivative financial instrument (net)	31-Mar-24	0.05	25.67	-	25.72
		27,543.71	59,648.48	699.22	87,891.41

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2023

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31-Mar-23	6,575.79	-	-	6,575.79
Equity instrument designated under FVOCI (Unquoted)	31-Mar-23	-	-	590.09	590.09
Equity instrument designated under FVOCI (Quoted)	31-Mar-23	60.40	-	-	60.40
Other investments designated under FVOCI	31-Mar-23	14,139.08	1,163.49	-	15,302.57
Loans designated under FVOCI	31-Mar-23	-	47,113.67	-	47,113.67
Derivative financial instrument (net)	31-Mar-23	(3.48)	148.35	-	144.87
		20,771.79	48,425.51	590.09	69,787.39

- The Group does not carry any financial asset and liability which it fair values on a non recurring basis

- During the year there were no transfers across fair value hierarchy (level 1, 2 and 3).

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

47 Fair values (Contd.)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets:

(₹ in crore)

Particulars	For the year ended 31 March 2024	2023
Opening balance	590.09	608.73
Acquisitions during the year	-	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	109.13	(18.64)
Closing balance	699.22	590.09

Sensitivity analysis of significant unobservable input on the fair value of equity instrument designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2024		Sensitivity to fair value as at 31 March 2023	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(49.87)	57.87	(21.52)	25.18
Cash flows	35.85	(31.03)	14.86	(12.89)

Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)*	Significant unobservable inputs (Level 3)*	Total
Financial assets					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
	268,938.86	-	-	268,090.74	268,090.74
Financial liabilities					
Debt securities	117,999.54	-	118,395.03	-	118,395.03
Borrowings (other than debt securities)	111,617.47	-	-	111,617.47	111,617.47
Deposits	60,150.92	-	-	60,199.94	60,199.94
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
	293,345.83	-	122,016.90	171,817.41	293,834.31

*Fair value computed using discounted cash flow method

47 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)*	Significant unobservable inputs (Level 3)*	Total
Financial assets					
Loans	195,155.26	-	-	194,741.34	194,741.34
Investments	128.59	-	-	129.45	129.45
	195,283.85	-	-	194,870.79	194,870.79
Financial liabilities					
Debt securities	86,845.24	-	87,168.55	-	87,168.55
Borrowings (other than debt securities)	81,549.40	-	-	81,549.40	81,549.40
Deposits	44,665.56	-	-	44,571.40	44,571.40
Subordinated liabilities	3,630.29	-	3,725.52	-	3,725.52
	216,690.49	-	90,894.07	126,120.80	217,014.87

*Fair value computed using discounted cash flow method

48 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations • when long term assets cannot be funded at the expected term resulting in cashflow mismatches; • amidst volatile market conditions impacting sourcing of funds from banks and money markets	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by - identification of gaps in the structural and dynamic liquidity. - assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. - liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. • monitored by - assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. - a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. - periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	Board constituted RMC and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

48 Financial risk management (Contd.)

(a) Liquidity risk

The Group's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Group maintains a judicious mix of borrowings from banks, money markets, foreign market, public and other deposits and continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has helped the Group to maintain a healthy asset liability position and interest rate during the financial year 2022-23 (FY2022). The overall borrowings including debt securities, deposits and Subordinated liabilities stood at ₹ 293,345.83 crore as of 31 March 2024 (previous year ₹ 216,690.49 crore). The weighted average cost of borrowing was 7.73% for FY2024 (previous year 7.04%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings in normal market scenario.

RBI vide Circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Group has a Board approved Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). At present, the LCR requirement is at 70% for the Parent Company, which will move up in a phased manner to 85% from 1 December 2023 and 100% by 1 December 2024. For BHFL, the current LCR requirement is at 60% which will move up to 100% in phased manner by 1 December 2025. As of 31 March 2024, the Parent Company and BHFL maintained a LCR of 168.91% and 192.31% respectively. Both are well above the RBI's stipulated norms.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group or systemic events limiting its ability to maintain normal operations and service to customers. The CFP defines the framework to assess, measure, monitor, and respond to potential contingency funding needs. CFP also clearly lays down the Specific contingency funding sources, conditions related to the use of these sources and when they would be used. Roles and responsibilities of the Crisis Management Group constituted under the CFP have been identified to facilitate the effective execution of CFP in a contingency event.

The table below summarises the maturity profile of the undiscounted contractual cashflow of the Group's financial liabilities :

(₹ in crore)

	As at 31 March 2024			As at 31 March 2023		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Debt securities	50,694.28	119,233.64	169,927.92	33,467.75	75,887.98	109,355.73
Borrowings (other than debt securities)	42,018.31	68,603.73	110,622.04	31,925.83	63,452.28	95,378.11
Deposits	29,808.17	38,278.22	68,086.39	22,925.20	27,015.23	49,940.43
Subordinated liabilities	752.05	3,479.89	4,231.94	354.87	4,232.06	4,586.93
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Other financial liabilities	1,106.09	984.82	2,090.91	902.89	518.10	1,420.99
	127,207.52	230,580.30	357,787.82	91,667.98	171,105.65	262,773.63

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities :

(₹ in crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,034.51	-	4,034.51	1,550.75	-	1,550.75
Bank balances other than cash and cash equivalents	4,262.41	2,327.09	6,589.50	1,481.46	1,272.31	2,753.77
Derivative financial instruments	16.18	11.66	27.84	148.88	-	148.88
Trade receivables	1,623.92	109.57	1,733.49	1,299.72	-	1,299.72
Loans	101,324.01	224,969.31	326,293.32	76,261.32	166,007.61	242,268.93
Investments	24,419.99	6,460.66	30,880.65	18,189.57	4,562.27	22,751.84
Other financial assets	1,222.81	209.07	1,431.88	643.68	173.60	817.28
Non-financial assets						
Current tax assets (net)	-	290.92	290.92	-	181.43	181.43
Deferred tax assets (net)	-	1,017.43	1,017.43	-	937.09	937.09
Property, plant and equipment	-	2,358.32	2,358.32	-	1,676.57	1,676.57
Capital work-in-progress	-	25.35	25.35	-	14.60	14.60
Intangible assets under development	-	18.11	18.11	-	65.24	65.24
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	888.31	888.31	-	627.78	627.78
Other non-financial assets	109.77	38.95	148.72	89.05	40.11	129.16
	137,013.60	238,728.02	375,741.62	99,664.43	175,561.88	275,226.31
LIABILITIES						
Financial liabilities						
Derivative financial instruments	2.12	-	2.12	4.01	-	4.01
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Debt securities	44,015.15	73,984.39	117,999.54	30,453.73	56,391.51	86,845.24
Borrowings (other than debt securities)	38,282.90	73,334.57	111,617.47	27,403.30	54,146.10	81,549.40
Deposits	27,831.73	32,319.19	60,150.92	21,137.90	23,527.66	44,665.56
Subordinate liabilities	635.10	2,942.80	3,577.90	238.05	3,392.24	3,630.29
Other financial liabilities	1,089.32	755.07	1,844.39	915.39	393.90	1,309.29
Non-financial liabilities						
Current tax liabilities (net)	108.64	-	108.64	139.21	-	139.21
Provisions	28.47	393.42	421.89	22.99	245.09	268.08
Other non-financial liabilities	471.09	23.69	494.78	315.24	36.57	351.81
	115,293.14	183,753.13	299,046.27	82,721.26	138,133.07	220,854.33

48 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On investment book other than equity

The Group manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR, PV01 and Modified Duration and other parameters as defined in its Board approved Investment and Market risk policy.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Investment at amortised cost	355.46	357.55	(5.77)	5.94
Investment at FVTPL	4,969.85	4,969.85	(50.75)	50.75
Investment at FVOCI (other than equity)	24,383.81	24,383.81	(467.08)	467.08

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Investment at amortised cost	128.59	129.45	(3.09)	3.20
Investment at FVTPL	6,575.79	6,575.79	(14.31)	14.31
Investment at FVOCI (other than equity)	15,302.57	15,302.57	(152.85)	152.85

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis and market value of equity (MVE) and net interest income analysis. The same is monitored monthly by ALCO. Sensitivity of the market value of unquoted equity investments other than those in subsidiaries and associates assuming varied changes in interest rates is presented in note no. 47.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Loans	326,293.32	325,443.11	(2,689.52)	2,773.92
Debt securities	117,999.54	118,395.03	1,784.51	(1,921.76)
Borrowings (other than debt securities)	111,617.47	111,617.47	-	-
Deposits	60,150.92	60,199.94	816.84	(841.34)
Subordinated liabilities	3,577.90	3,621.87	65.98	(68.08)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% interest increase	1% interest decrease
Loans	242,268.93	241,855.01	(1,968.35)	2,027.46
Debt securities	86,845.24	87,168.55	1,153.68	(1,239.11)
Borrowings (other than debt securities)	81,549.40	81,549.40	-	-
Deposits	44,665.56	44,571.40	587.91	(605.24)
Subordinated liabilities	3,630.29	3,725.52	93.47	(97.22)

(ii) Price risk

The Group's quoted equity instruments and derivative instruments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, the Group periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gains/losses.

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	269.41	269.41	26.94	(26.94)
Derivative financial instrument (future and options)	0.05	0.05	0.01	(0.01)

Sensitivity analysis as at 31 March 2023

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	215.62	215.62	21.56	(21.56)
Derivative financial instrument (future and options)	3.48	3.48	0.35	(0.35)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk largely for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by RBI guidelines (RBI master direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (Principal & Coupon). As a matter of prudence, the Group has hedged the entire ECB exposure for the full tenure as per Board approved interest rate risk, currency risk and hedging policy.

The Group evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives

48 Financial risk management (Contd.)

contracts as hedge positions and the same are being governed through the Board approved Interest rate risk, Currency risk and Hedging policy.

The Group's exposure of foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ in crore)

	As at 31 March	
	2024	2023
Particulars	USD	USD
Hedged		
ECB	(6,015.79)	(1,299.50)
Derivative Financial Instrument*	6,015.79	1,299.50
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Impact of hedge on the Balance Sheet:

As at 31 March 2024

(₹ in crore)

Particulars	Notional amount	Carrying amount of hedging instrument asset	Carrying amount of hedging instrument liability
INR USD CCIRS	6,015.79	15.69	0.85
INR - Interest rate swap	1,850.00	11.66	0.83
INR - Future and options	130.42	0.49	0.44

As at 31 March 2023

(₹ in crore)

Particulars	Notional amount	Carrying amount of hedging instrument asset	Carrying amount of hedging instrument Liability
INR USD CCIRS	1,299.50	146.98	-
INR - Interest rate swap	100.00	1.37	-
INR - Future and options	338.37	0.53	4.01

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

- Stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classifcation methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no 3.3 (i).

The Group recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information do not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

48 Financial risk management (Contd.)

The table below summarises the approach adopted by the Group for various components of ECL viz. PD, EAD and LGD across major product lines using empirical data where relevant :

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="6">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.</td><td rowspan="6">emperical performance across different DPD (Days Past Due) ranges</td><td rowspan="11">100%</td><td rowspan="7">Ascertained based on past trends of proportion of outstanding at time of default to the opening outstanding of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="7">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>SME lending (excluding car loan)</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C (excluding gold loan)</td><td>Personal loans to salaried, self employed customers, professionals and gold loans</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers, and also basis DPD bucket approach for retail loans and management evaluation/judgement for wholesale loans.</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td colspan="2">Determined basis empirical risk performance</td><td>Determined basis empirical risk performance</td><td>Assumption based</td></tr>
<tr><td>Car loans</td><td>New and used car financing</td><td colspan="2">Determined basis empirical risk performance for User Car Financing and proxy PDs for new Cars owing to low vintage of the portfolio.</td><td>Determined basis empirical risk performance</td><td>Proxy from Two wheeler finance portfolio</td></tr>
<tr><td>Loans against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Determined basis empirical risk performance</td><td>Determined basis empirical risk performance</td><td>Based on associated risk of the underlying securities</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Internal evaluation/judgement applied at customer or industry segment.</td><td>100%</td><td>Based on estimates of cash flows</td></tr>
</table>

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2024

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	198,420.15	1,904.89	1,379.26	126,087.28	2,106.05	1,436.72
Allowance for ECL	657.10	335.61	755.49	1,588.38	854.22	850.23
ECL coverage ratio	0.33%	17.62%	54.78%	1.26%	40.56%	59.18%

As at 31 March 2023

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	139,973.06	1,627.61	1,236.82	101,316.90	1,405.30	1,075.99
Allowance for ECL	691.31	357.38	667.56	1,265.95	575.91	808.64
ECL coverage ratio	0.49%	21.96%	53.97%	1.25%	40.98%	75.15%

Collateral valuation

The Group offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Rural B2C - Gold loans	Pledge of gold jewellery.
SME lending (Secured)	Hypothecation of underlying product e.g. used car and medical equipment etc.
Mortgages	Equitable mortgage of residential and commercial properties.
Loans against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

48 Financial risk management (Contd.)

Guarantee cover taken on loans

To secure its eligible pool, the Parent Company takes guarantee cover for its portfolios across B2C, MSME and three-wheeler financing business under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI. As on 31 March 2024, the Parent Company has covered ₹ 14,094 crore of its loan assets under this scheme. This has helped the Group to offset ₹ 307 crore worth of credit losses during the current year.

Further, the Parent Company has also granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers, as of 31 March 2024 ₹ 210 crore of loans are outstanding under ECLGS.

Additionally in FY2024, BFL has also registered itself with Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC) for seeking guarantee cover for its self employed customers with exposure upto specified amount. As on 31 March 2024, the Group covered ₹ 244 crore of its loan assets under this scheme.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

The ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market and the external environment as at the reporting date. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Methodology

The Group has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the Upside and Downside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

The Group uses multiple economic factors and test their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates etc.

Based on past correlation results Real GDP and unemployment rate reflected acceptable correlation with past observed default rates loss trends and basis their linkage with Company's business were considered appropriate by the Management. Unemployment has a direct relation with the income levels and thus the growth of the economy from the expenditure side. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For Unemployment, the Parent company has considered data published by a leading business information (BI) company engaged in monitoring of Indian economic indicators.

In FY2024, unemployment rate over the quarters has been oscillating around 8.1% versus pre COVID levels of around 7%, indicating normalisation towards its central scenario pre COVID levels.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Financial risk management (Contd.)

- While formulating the central scenario, for the year end, the Parent Company has considered current unemployment rate as rate as a quarterly average of 7.2% which may move towards the average of 7.5% over the next few years.
- For the downside scenario the Parent Company believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.8%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.5% within next three years.
- For the upside scenario, the Parent Company acknowledges various surveys and studies indicating improving employment situation as also industrial recovery. Therefore, while forecasting, a positive stance has been adopted with the expectation that the unemployment levels may not drop significantly. The unemployment rate may improve to a best case of 3.1% by the end of June 2025 but may come back to an historical year average of 7.5%.
- For real GDP growth, Parent company has chosen to follow the RBI predictions. The real GDP growth for Q3 2024 is at 8.4% y-o-y. This was not only defying consensus expectations of 6.6% y-o-y, but also stood at a six-quarter high.
- Considering the overall movements in GDP and the upcoming general elections, the Parent Company has chosen to stick to the RBI projected real GDP forecast of 7% y-o-y in the central scenario. The expectation for real GDP is to moderate to 6.06% over a 3 year period.
- For the downside scenario, the Parent Company considers that the risk may continue due to various uncertainties (geopolitical conflict, elections etc), and therefore assumes the GDP growth to reduce to 3.26% in Q2 FY2025, which is aligned to the lowest pre COVID GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.06% within next three years.
- For the upside scenario, an optimistic GDP estimate of 10% has been considered for Q1FY25, which is aligned to the highest pre COVID GDP growth levels, before averaging back to 6.06% over three years.

Additionally, the ECL model and its input variables are recalibrated periodically using available incremental and recent information. It is possible that internal estimates of PD and LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

	As at 31 March	
Particulars	**2024**	**2023**
Gross carrying amount of loans	331,334.35	246,635.68
Reported ECL on loans	5,041.03	4,366.75
Reported ECL coverage	1.52%	1.77%
Base ECL without macro overlay	4,741.03	3,406.74
Add : Management overlay	144.00	797.00
ECL before adjustment for macro economic factors	4,885.03	4,203.74
ECL amounts for alternate scenario		
Central scenario (80%)	5,043.66	4,352.44
Downside scenario (10%)	5,543.48	5,437.38
Upside scenario (10%)	4,517.55	3,410.46
Reported ECL	5,041.03	4,366.74
Management and macro economic overlay	300.00	960.00
-Management overlay	144.00	797.00
-Overlay for macro economic factors	156.00	163.00
ECL coverage ratios by scenario		
Central scenario (80%)	1.52%	1.76%
Downside scenario (10%)	1.67%	2.20%
Upside scenario (10%)	1.36%	1.38%

49 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Ltd.

The Board of Directors at its meeting held on 14 October 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Parent Company aggregating to 1,829,803 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of the Parent Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Parent Company under one or more Employee Stock Option Scheme(s). The shareholders, at the Annual General Meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the stock options scheme of the Company i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Plan, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares of face value of ₹ 2 each.

Further, vide the Special Resolution passed by the members of the Parent Company through postal ballot on 19 April 2021, the aforesaid limit of options was enhanced by 10,000,000 options. The maximum limit under the scheme now stand revised from 25,071,160 options to 35,071,160 options.

The options issued under the ESOP Scheme vest over a period not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Parent Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Parent Company has approved the following grants to select senior level executives of the Parent Company in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under :

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

49 Employee stock option plan (Contd.)

As on 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	81,500	-	2,393,750	340,750	-	81,500
20-May-15	448.16	1,935,000	158,800	-	1,406,700	369,500	-	158,800
24-May-16	765.37	1,430,000	302,800	-	901,825	225,375	-	302,800
17-May-17	1,347.75	1,120,750	355,494	-	623,893	141,363	-	355,494
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	21,702	-	49,334	48,964	-	21,702
17-May-18	1,919.95	1,273,416	511,235	-	555,967	206,214	-	511,235
16-May-19	3,002.75	1,123,900	477,036	244,897	316,936	85,031	-	721,933
19-May-20	1,938.60	2,054,250	569,830	912,853	405,973	165,594	-	1,482,683
27-Apr-21	4,736.55	936,643	180,681	659,013	48,915	48,034	-	839,694
26-Apr-22	7,005.50	1,003,756	-	986,280	-	17,476	-	986,280
25-Jul-22	6,258.25	19,349	-	19,349	-	-	-	19,349
		29,940,214	2,659,078	2,822,392	20,446,573	4,012,171	-	5,481,470

Weighted average fair value of stock options granted during the year is as follows:

(₹ in crore)

Particulars	FY2024	FY2023	
Grant date	26-Apr-23	25-Jul-22	26-Apr-22
No. of options granted	1,563,397	19,349	1,003,756
Weighted average fair value (₹)	2,756.16	2,683.83	3,212.49

49 Employee stock option plan (Contd.)

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2024

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

As on 31 March 2023

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,671,450	138.04-4,736.55	2,219.04	4.49
Granted during the year	1,023,105	6,258.25-7,005.5	6,691.37	
Cancelled during the year	72,094	1919.95-7,005.5	4,010.24	
Exercised during the year	1,140,991	138.04-4,736.55	1,385.83	
Outstanding at the end of the year	5,481,470	219.66-7,005.5	3,259.66	4.42
Exercisable at the end of the year	2,659,078	219.66-4,736.55	1,959.63	2.66

The weighted average market price of equity shares for options exercised during the year is ₹ 6,920.42 (Previous year ₹ 6,564.81).

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

49 Employee stock option plan (Contd.)

Method used for accounting for share based payment plan:

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*	Options granted	Vesting period
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55	936,643	4 years on SLM basis
26-Apr-22	6.52%	3.5 - 6.5 years	42.12%	0.29%	7,005.50	946,983	4 years on SLM basis
26-Apr-22	6.95%	7.5 years	39.54%	0.29%	7,005.50	56,773	5 year bullet
25-Jul-22	7.09%	3.5 - 6.5 years	42.20%	0.32%	6,258.25	7,544	4 years on SLM basis
25-Jul-22	6.91%	3.5 years	44.71%	0.32%	6,258.25	8,202	1 year bullet
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	18 month bullet
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis

*Adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2024, the Group has accounted expense of ₹ 268.94 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 224.41 crore). The balance in employee stock option outstanding account is ₹ 711.50 crore as of 31 March 2024 (Previous year ₹ 555.46 crore).

(B) Employee stock option plan of Bajaj Finserv Ltd.

The Nomination and Remuneration Committee of the Holding Company has approved grant of 230,390 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Group in accordance with the Stock Option Scheme of the Holding Company. Of the options granted, no option has vested, cancelled or exercised during the year. The weighted average fair value of the option granted is ₹ 689.20.

The Holding Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

For the year ended 31 March 2024, the Group has accounted expense of ₹ 3.99 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 3.00 crore)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

50 Ultimate beneficiary

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds (which are material either individually or in the aggregate) have been received by the Parent Company and its subsidiary viz BFinsec from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company and BFinsec shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

One of the subsidiary viz BHFL has received fund from entities (Funding Party) with the understanding that the BHFL shall directly or indirectly lend to other entities.

Details of transaction in FY 2023-24

(₹ in crore)

Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
Chayadeep Properties Pvt Ltd	22-Sep-22	8.34	Karuna Business Solutions LLP	31-Aug-23	5.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 CIN: U45203KA2003PTC094179			Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Banglore, Karnataka, 560036 LLP IN: AAD-0057	22-Sep-23	3.00
	23-Sep-23	10.83		27-Sep-23	1.76

Details of transaction in FY 2022-23

Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
J.V.N Exports Pvt Ltd	29-Aug-22	6.00	Radiant Equity Management Pvt Ltd	31-Aug-22	6.00
Address: No B05, 5th Floor, Solus Jain Heights, J C Road, 1st Cross Road, Bangalore - 560027, Karnataka PAN: AAACJ4483F CIN: U07010KA1993PTC014766	14-Sep-22	0.30	Address: No 255-B, Bommasandra Industrial Area, Bommasandra Village Anekal T K, Bangalore - 560099, Karnataka PAN: AABCR3645N CIN: U63090KA1994PTC143382	17-Sep-22	0.30
	18-Nov-22	0.30		19-Nov-22	0.30
	18-Jan-23	0.50		19-Jan-23	0.50
Chayadeep Properties Pvt Ltd	14-Sep-22	26.45	Karuna Ventures Pvt Ltd	22-Sep-22	157.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	15-Sep-22	38.58	Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AADCK7179G CIN: U74110KA2009PTC05057		
	19-Sep-22	29.76			
	21-Sep-22	40.78			
	22-Sep-22	29.76			

BHFL does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiary companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act have been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

51 Relationship with struck off companies

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as on 31 March 2024	2023
1	Abhilash Global Corporation Pvt. Ltd.	Loan receivables	No	0.05	0.09
2	Aditya Infocom Pvt. Ltd.	Loan receivables	No	-	-
3	AKK Agencies Pvt. Ltd.	Loan receivables	No	-	-
4	Alpic Formulations Pvt. Ltd.	Loan receivables	No	0.04	0.06
5	Anand IT Solutions Pvt. Ltd.	Loan receivables	No	-	-
6	Asquare Events And Production Pvt. Ltd.	Loan receivables	No	0.13	0.13
7	Astor Metal Industries Pvt. Ltd.	Loan receivables	No	0.18	0.17
8	Attract Force Management Service Pvt. Ltd.	Loan receivables	No	0.03	0.05
9	Ayuh Meditech Solutions Pvt. Ltd.	Loan receivables	No	-	-
10	Balsam Publishing House Pvt. Ltd.	Loan receivables	No	-	-
11	Bhandari Hotels Pvt. Ltd.	Loan receivables	No	0.08	0.09
12	CP Hydro Projects India Pvt. Ltd.	Loan receivables	No	-	-
13	CSE Computer Solutions East Pvt. Ltd.	Loan receivables	No	0.44	0.50
14	Daffodils Daily OPC Pvt. Ltd.	Loan receivables	No	0.11	0.12
15	Dheer Software Solutions Pvt. Ltd.	Loan receivables	No	-	-
16	Economic Gateway Consultants Pvt. Ltd.	Loan receivables	No	-	-
17	Enkoway Motors Pvt. Ltd.	Loan receivables	No	-	-
18	Explore India Events Pvt. Ltd.	Loan receivables	No	-	-
19	First Office Solutions India Pvt. Ltd.	Loan receivables	No	0.04	0.07
20	First Paper Idea India Pvt. Ltd.	Loan receivables	No	0.11	0.11
21	Fortuner Con Serve Pvt. Ltd.	Loan receivables	No	-	-
22	Gintara Pvt. Ltd.	Loan receivables	No	-	-
23	Grabstance Techonologies Pvt. Ltd.	Loan receivables	No	0.01	0.03
24	Green Way Super Market Pvt. Ltd.	Loan receivables	No	0.11	0.11
25	Hyper Collective Creative Technologies Pvt. Ltd.	Loan receivables	No	0.00	0.00
26	Indira Smart Systems Pvt. Ltd.	Loan receivables	No	0.08	0.09
27	Indochin Electrotech Pvt. Ltd.	Loan receivables	No	0.13	0.13
28	Invision Entertainment Pvt. Ltd.	Loan receivables	No	0.13	2.06
29	Jamson Pharmaceutical Pvt. Ltd.	Loan receivables	No	-	-
30	Janhavi Exim Pvt. Ltd.	Loan receivables	No	-	-
31	Jay Gurudev Agrotech Pvt. Ltd.	Loan receivables	No	-	-
32	Jey Pee Nets Pvt. Ltd.	Loan receivables	No	-	-
33	K Cube Communications Pvt. Ltd.	Loan receivables	No	-	-
34	Kk Diabetes Men&Women Care Centre Pvt. Ltd.	Loan receivables	No	-	-
35	Kool Gourmet Pvt. Ltd.	Loan receivables	No	0.10	0.10
36	Koolair Systems Pvt. Ltd.	Loan receivables	No	-	-
37	Mazda Agencies Pvt. Ltd.	Loan receivables	No	-	0.11
38	Mechwing Engineering & Services Pvt. Ltd.	Loan receivables	No	0.08	0.10
39	Multi Tech System Industrial Automation Pvt. Ltd.	Loan receivables	No	0.00	0.00
40	Multiton Equipments Pvt. Ltd.	Loan receivables	No	-	-
41	Niche Events And Promotions Pvt. Ltd.	Loan receivables	No	-	-
42	Nur Automation Pvt. Ltd.	Loan receivables	No	0.06	0.07

51 Relationship with Struck off Companies (Contd.)

(₹ in crore)

S. No	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as on 31 March 2024	Balance outstanding as on 31 March 2023
43	Pallavi Shelters Pvt. Ltd.	Loan receivables	No	-	-
44	PC Print Control Pvt. Ltd.	Loan receivables	No	-	-
45	Prematix Software Solution Pvt. Ltd.	Loan receivables	No	-	-
46	Priyanka Management Solutions India Pvt. Ltd.	Loan receivables	No	-	-
47	R R Movers And Logistics Pvt. Ltd.	Loan receivables	No	0.13	0.13
48	Reliance Beverages Pvt. Ltd.	Loan receivables	No	-	-
49	Relied Staffing Solution Pvt. Ltd.	Loan receivables	No	0.12	0.12
50	Riddhi Siddhi Emporium Pvt. Ltd.	Loan receivables	No	-	-
51	Seven Oaks Engineering Pvt. Ltd.	Loan receivables	No	-	-
52	Shrine Infrastructure Pvt. Ltd.	Loan receivables	No	0.52	0.56
53	Singh Hindustan Marine Pvt. Ltd.	Loan receivables	No	0.00	0.00
54	Solaris People Solutions Pvt. Ltd.	Loan receivables	No	-	0.10
55	Spice Flora India Pvt. Ltd.	Loan receivables	No	-	-
56	Sri Beera Barji Trading Co. Pvt. Ltd.	Loan receivables	No	0.05	0.06
57	Tei Marketing Pvt. Ltd.	Loan receivables	No	-	-
58	Tejas India Buildtech Pvt. Ltd.	Loan receivables	No	0.14	0.14
59	Times Partner Pvt. Ltd.	Loan receivables	No	(0.00)	(0.00)
60	Tulsians Kharidiye Pvt. Ltd.	Loan receivables	No	-	-
61	Underground Pipeline And Non-Destructive Testing Services Pvt. Ltd.	Loan receivables	No	-	-
62	Vijayasree Rearing And Processing Pvt. Ltd.	Loan receivables	No	-	-
63	Wave Aquatic Pvt. Ltd.	Loan receivables	No	-	-
64	Indo Sale Pvt. Ltd.	Deposit taken	No	(0.05)	(0.05)
65	Akshda Well Wisher Advisory (OPC) Pvt. Ltd.	Payables	No	-	-
66	Aleem Autos Pvt. Ltd.	Payables	No	(0.00)	(0.00)
67	Visakam Motors Pvt. Ltd.	Payables	No	(0.00)	(0.00)
68	Daytoday Technologies (OPC) Pvt. Ltd.	Payables	No	(0.00)	(0.00)
69	Fuehrer Fintech Pvt. Ltd.	Payables	No	-	-
70	Keen Financial Services Pvt. Ltd.	Payables	No	(0.00)	(0.00)
71	Keynote Management Accountancy And Consulting Pvt. Ltd.	Payables	No	-	(0.00)
72	Progency Consultancy Pvt. Ltd.	Payables	No	-	(0.00)

The above disclosure has been prepared basis the relevant information compiled by the Group on best effort basis.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

52 Disclosure pertaining to stock statement filed with banks or financial institutions

The Group has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Group shall provide or create or arrange to provide or have created, security interest by way of a first pari passu charge of the loans. Security interest is created by charge creation towards security and debenture trustee on behalf of security holders and debenture holders.

For Parent Company:

For the financial year ended 31 March 2024 and previous year ended 31 March 2023, the quarterly statements or returns of current assets filed by the Group with banks are in agreement with books of accounts.

For Subsidiaries:

For the financial year ended 31 March 2024 and previous year ended 31 March 2023, the quarterly statements or returns of current assets filed by subsidiaries with banks or financial institutions or debenture trustees are in agreement with the books of accounts.

53 Amounts less than ₹ 50,000 have been shown at actuals against respective line items statutorily required to be disclosed.

54 Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants
Firm's registration number: 302009E

Sanjiv V. Pilgaonkar
Partner
Membership number: 039826

For G.M. Kapadia & Co.
Chartered Accountants
Firm's registration number: 104767W

Rajen Ashar
Partner
Membership number: 048243

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024

Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

(₹ in crore)

1	Name of the subsidiary	Bajaj Housing Finance Ltd.	Bajaj Financial Securities Ltd.
2	The date since when subsidiary was acquired	01.11.2014	10.08.2018
3	Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	NA	NA
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
5	Share capital	6,712.16	802.88
6	Other equity	5,521.34	156.53
7	Total assets	81,827.09	6,017.62
8	Total liabilities	69,593.59	5,058.21
9	Investments	1,938.57	177.89
10	Turnover	7,617.71	486.07
11	Profit before taxation	2,161.32	71.07
12	Provision for taxation (net)	430.10	15.19
13	Profit after taxation	1,731.22	55.88
14	Proposed dividend	NA	NA
15	% of shareholding	100%	100%

Part B: Associates and Joint Ventures –

(₹ in crore)

1	Name of the associates	Snapwork Technologies Private Ltd.	Pennant Technologies Private Ltd.
2	Date on which the associate was associated	25.11.2022	19.01.2024
3	Latest audited Balance Sheet date	31.03.2024	31.03.2024
4	Shares of Associate held by the company on the year end		
	- Number	65,098*	994,006*
	- Amount of investment in associate	92.74	267.47
	- Extend of holding %	41.50%*	26.53%*
5	Description of how there is significant influence	By way of shareholding	By way of shareholding
6	Reason why the associate is not consolidated	N.A	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	47.28	64.39
8	Profit/Loss for the year		
	- Considered	6.23	1.41
	- Not Considered	-	-

* On fully diluted basis

Note:

1. Name of subsidiaries/associate which are yet to commence operations: NIL
2. Name of subsidiaries/associate which have been liquidated or sold during the year: NIL

On behalf of the Board of Directors

Rajeev Jain
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 25 April 2024