

# REPORT ON CORPORATE GOVERNANCE

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

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

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

## Philosophy

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day-to-day business practices. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations and clause 49 of erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure, and accountability are the main thrusts of the working of the Bajaj group. The Company maintains the same tradition and commitment.

## Key elements of Bajaj Finance's Corporate Governance

- Compliance with applicable law.
- Proactive adherence to the regulations.
- Benchmarking and adopting best practices among banks, peers and other leading organisations.
- Number of Board and Committee meetings are more than the statutory requirements, including meetings dedicated for discussing strategy, operating plans, and risks.
- Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Audit Committee comprising of independent Board members, and with Independent Directors chairing all Committees of the Board.
- Pre-Committee meetings of the Committee's Chair with statutory auditors, internal auditor, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Independent discussions by the Committee with chief internal auditor, chief risk officer, and chief compliance officer without presence of Managing Director (including other members of senior management) on a quarterly basis.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board, and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Representation of the Company *via* non-executive and independent directors on the Board of its material subsidiary which ensures an institutionalised structure of control over subsidiary.
- Half-yearly communication from the Chairman to all shareholders/debentures holders of the Company giving an update on the Company's performance.

- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading/viewing from the Company's website. These, *inter alia*, include:
  - » Whistle Blower Policy/Vigil Mechanism;
  - » Policy on materiality of related party transactions and dealing with related party transactions;
  - » Dividend Distribution Policy;
  - » Policy on Prevention of Sexual Harassment at Workplace;
  - » Fair Practices Code in English and in vernacular languages;
  - » Employee Charter on Human rights;
  - » Equal Employment Opportunity and Non-Discrimination Policy;
  - » Compensation Policy for Directors, Key Managerial Personnel and Senior Management;
  - » Data Privacy Policy;
  - » Responsible and Sustainable Business Conduct Policy;
  - » Code of Ethics and Personal Conduct;
  - » Deputation and Advisory Services Policy for Employees within Group;
  - » Tax Governance Policy;
  - » Employee Health and Safety Manual;
- The weblinks of key policies are given as an annexure to this report.

### Board of Directors

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

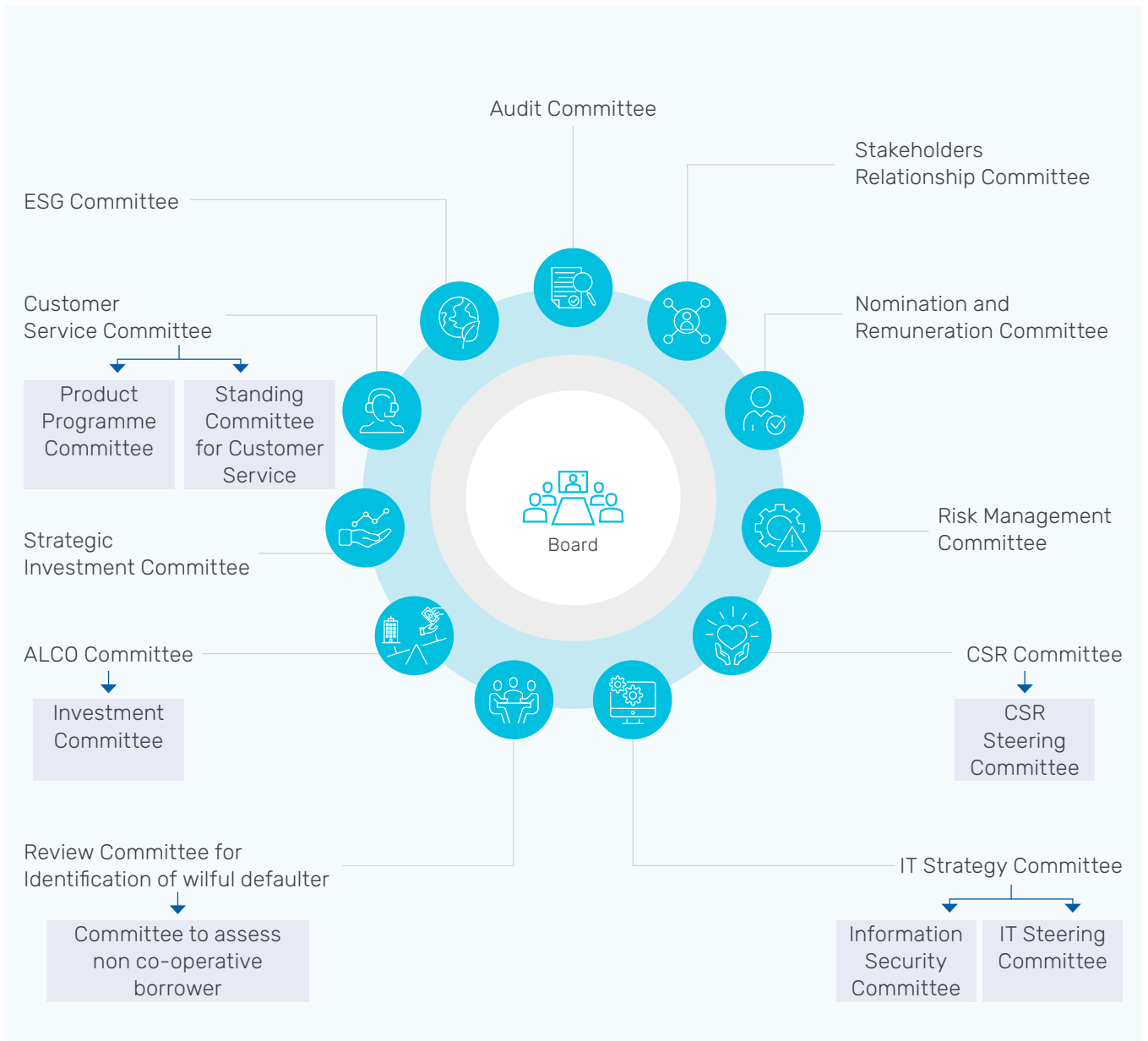
In line with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of Governance and Management.

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

The Board has constituted several Board sub-Committees. The remit of these Committees are governed by the regulations, business exigencies and such other matters warranting special and expert attention. The Company also has a calendar of review in place delineating the roles and responsibilities, terms of reference and frequency of review by the Committees.

Chart 1 gives depiction of Board and its various Committees.

**Chart 1**



## Composition of the Board

In compliance with the SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with a woman independent director. The Company has a non-executive Chairman. According to provisions of the SEBI Listing Regulations, if the non-executive Chairman is related to promoter, at least one half of the Board of the Company should consist of Independent Directors.

As on 31 March 2024, the Board of the Company consisted of nine directors, of whom two were executive, five were non-executive independent (including one-woman independent director) and two were non-executive non-independent. The Board does not have any institutional nominee director.

The Company is in compliance with the SEBI Listing Regulations.

## Changes in composition of Board during FY2024 and FY2023

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

Sr. No.	Name of director	Capacity	Nature of change	Effective date
1.	Dr. Gita Piramal	Independent director	Cessation	30 April 2022*
2.	Ranjan Sanghi	Independent director	Cessation	30 April 2022*
3.	Radhika Haribhakti	Independent director	Appointment	1 May 2022
4.	Madhur Bajaj	Non-executive director	Cessation	31 July 2022*
5.	Anup Saha	Executive director	Appointment	1 April 2023
6.	Rakesh Bhatt	Executive director	Appointment	1 April 2023
7.	Dr. Arindam Bhattacharya	Independent director	Appointment	1 April 2023
8.	D J Balaji Rao	Independent director	Cessation	28 November 2023**
9.	Rakesh Bhatt	Executive director	Cessation	31 January 2024*

\*Resigned with effect from close of business hours.

\*\*Ceased on account of demise.






























































































The Board, at its meeting held on 29 January 2024, based on the recommendation of Nomination and Remuneration Committee ('NRC'), re-designated Anup Saha as Deputy Managing Director of the Company with effect from 1 April 2024. The re-designation has been approved by the members *vide* resolution passed through postal ballot on 19 March 2024. Subject to approval of the members, the Board at its meeting held on 25 April 2024, recommended the appointment of Tarun Bajaj as an independent director for a period of 5 years effective 1 August 2024.

## Number of meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year. Besides the quarterly Board meetings, meetings are also scheduled in the month of March and September every year to facilitate the Board to devote additional time on long range planning and strategic matters. The Board and Committee meetings are scheduled for one full day to enable adequate time for deliberations.

During FY2024, the Board met eight times, viz., on 26 April 2023, 26 July 2023, 14 September 2023, 5 October 2023, 17 October 2023, 21 November 2023, 29 January 2024, and 20 March 2024. The gap between two consecutive meetings has been less than 120 days.

## Attendance record of directors for FY2024:

Name of the directors	No. of Board meetings held during FY2024								Attendance at the last AGM held in July 2023
	26 April 2023	26 July 2023	14 September 2023	5 October 2023	17 October 2023	21 November 2023	29 January 2024	20 March 2024	
<b>CHAIRMAN, NON-EXECUTIVE DIRECTOR</b>									
Sanjiv Bajaj									
<b>INDEPENDENT DIRECTORS</b>									
D J Balaji Rao <sup>®</sup>							N.A.	N.A.	
Dr. Naushad Forbes			×						
Anami N Roy									
Pramit Jhaveri									
Radhika Haribhakti									
Dr. Arindam Bhattacharya						×			
<b>MANAGING DIRECTOR</b>									
Rajeev Jain									
<b>EXECUTIVE DIRECTORS</b>									
Anup Saha <sup>*</sup>									
Rakesh Bhatt <sup>^</sup>								N.A.	
<b>NON- EXECUTIVE DIRECTOR</b>									
Rajiv Bajaj								×	

 Attendance in person    Attendance through VC    Absent

Notes:

1. Sanjiv Bajaj and Rajiv Bajaj are related as brothers. None of the other directors are related inter se.
2. <sup>®</sup>D J Balaji Rao passed away on 28 November 2023 and as a result, he ceased to be an Independent Director.
3. <sup>\*</sup>Anup Saha has been re-designated as Deputy Managing Director with effect from 1 April 2024.
4. <sup>^</sup>Rakesh Bhatt was appointed with effect from 1 April 2023 and ceased to be director with effect from close of business hours on 31 January 2024.

The summary of composition of Board, total compensation for the year, and shareholding in the Company is provided below:

Sr. No.	Name of director, DIN, and capacity/category	Director since	% of meetings attended in last 3 years	Remuneration (₹ in crore)			No. of Shares held in the Company as on 31 March 2024
				Salary and other compensation	Sitting Fee	Commission <sup>§</sup>	
<b>CHAIRMAN, NON-EXECUTIVE DIRECTOR</b>							
1.	Sanjiv Bajaj (DIN:00014615) Promoter Group	18 January 2005	100	-	0.26	4.04	530,792
<b>INDEPENDENT DIRECTORS</b>							
2.	D J Balaji Rao <sup>@</sup> (DIN: 00025254)	1 April 2014	100*	-	0.06	0.24	-
3.	Dr. Naushad Forbes (DIN: 00630825)	1 April 2019	95	-	0.17	0.68	-
4.	Anami N Roy (DIN: 01361110)	1 April 2019	100	-	0.24	0.96	-
5.	Pramit Jhaveri (DIN: 00186137)	1 August 2021	100*	-	0.23	0.92	-
6.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100*	-	0.16	0.64	-
7.	Dr. Arindam Bhattacharya (DIN: 01570746)	1 April 2023	87.5*	-	0.12	0.48	724
<b>MANAGING DIRECTOR</b>							
8.	Rajeev Jain (DIN: 01550158)	1 April 2015	100	16.60	-	-	169,950
<b>EXECUTIVE DIRECTORS</b>							
9.	Anup Saha (DIN: 07640220)	1 April 2023	100*	13.10	-	-	-
10.	Rakesh Bhatt (DIN: 02531541)	1 April 2023	100*	9.78	-	-	130,520
<b>NON- EXECUTIVE DIRECTOR</b>							
11.	Rajiv Bajaj (DIN: 00018262) Promoter Group	2 May 1994	90	-	0.07	0.28	1,000

Notes:

- » \*% of meetings attended is calculated based on the number of Board meetings attended post the appointment or up to date of cessation.
- » <sup>@</sup>D J Balaji Rao passed away on 28 November 2023.
- » <sup>§</sup>The Commission will be paid post adoption of financial statements.

None of the Directors hold any convertible instrument. Rajeev Jain, Managing Director and Anup Saha, Deputy Managing Director are entitled to Employee Stock Options as per Employee Stock Option Scheme, 2009. The above remuneration is exclusive of fair value of options granted as per Black Scholes model in the year of vesting.

### Resignation of independent director during FY2024

No resignation was tendered by independent directors during the financial year 2024.

### Board diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee ('NRC') has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are persons of eminence in areas of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research, and investment banking, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

## Core skills/expertise/competencies

A brief profile of the directors is available on the website of the Company at <https://www.aboutbajajfinserv.com/finance-people-and-committees-board-of-directors>.

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

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

**Sr.**

### No. Core Skills/Expertise/Competencies

1.	Management and Governance
2.	Financial Services
3.	Consumer Behaviour, Sales, Marketing and Customer Experience
4.	Technology and Innovation
5.	Understanding of Accounting and Financial Statements
6.	Risk, Assurance and Internal Controls
7.	Regulatory, Public Policy and Economics
8.	Human Resource
9.	Business Transformation and Strategy

Name of directors	Skills/Expertise/Competencies								
	Management and Governance	Financial Services	Consumer Behaviour, Sales, Marketing, and Customer Experience	Technology and Innovation	Understanding of Accounting and Financial Statements	Risk, Assurance and Internal Controls	Regulatory, Public Policy and Economics	Human Resource	Business Transformation and Strategy
Sanjiv Bajaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Naushad Forbes	✓	-	✓	✓	✓	✓	✓	✓	✓
Anami N Roy	✓	✓	-	-	✓	✓	✓	✓	-
Pramit Jhaveri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Radhika Haribhakti	✓	✓	-	-	✓	✓	-	✓	✓
Dr. Arindam Bhattacharya	✓	-	-	✓	✓	✓	✓	✓	✓
Rajiv Bajaj	✓	-	✓	✓	✓	✓	-	✓	✓
Rajeev Jain	✓	✓	✓	✓	✓	✓	✓	-	✓
Anup Saha	✓	✓	✓	✓	-	✓	✓	✓	✓

## Opinion of the Board

The Board confirms that, in its opinion, the independent directors fulfil the conditions specified under the SEBI Listing Regulations and the Act and are independent of the Management of the Company.

## Non-executive directors' compensation

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

The members of the Company *vide* special resolution passed at the Annual General Meeting ('AGM') of the Company held on 27 July 2022 have, approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of section 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Directors) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the five years commencing from 1 April 2022.

Based on an independent benchmarking exercise carried out by the Company in relation to compensation payable to NEDs *vis-a-vis* peers and other well governed companies, the commission has been increased from ₹ 250,000 to ₹ 400,000 per meeting of the Board and/or Committee effective 1 April 2023, keeping in view the responsibilities that the NEDs are expected to bear in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes.

The Nomination and Remuneration Committee and the Board, at its meetings held on 25 April 2024, approved payment of Commission of ₹ 3 crore to Sanjiv Bajaj for FY2024 for the additional time and commitment devoted by him for reviewing businesses, governance framework, internal controls, assurance function, mentoring and supervising the senior leadership team of the Company, including the Deputy Managing Director/Managing Director, at the request of the management. Being a non-executive director, he will also be entitled to sitting fees as payable to other NEDs. The total compensation payable to Sanjiv Bajaj does not exceed 50% of the total remuneration payable to all NEDs. Hence, approval of shareholders is not required under regulation 17(6) of the SEBI Listing Regulations. Further, prior approval of the Audit Committee has also been obtained for the said payment of remuneration in terms of provisions of regulation 23 of the SEBI Listing Regulations.

The total commission payable to all directors, however, will be within the maximum permissible ceiling prescribed under Act.

The commission is paid to the directors after the adoption of audited financial statements by the shareholders at the AGM.

The directors are also entitled to a sitting fee at ₹ 100,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them.

The Company does not have a stock option programme for any of its directors other than the Managing Director(s).

### Information placed before the Board

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

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Listing Regulations. The independent directors of the Company met on 20 March 2024 and assessed especially from the perspective of whether these aided the Board and its Committees to effectively and reasonably perform their duties. The independent directors expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various strategic, business, compliance and regulatory matters. During FY2024 it, *inter alia*, covered the following:

- Business plans, forecast and strategic initiatives;
- Changes in regulatory landscape and Company's preparedness;
- Capital expenditure and updates;
- Internal financial controls;
- Succession planning and organisation structure;
- Details of incidence of frauds and corrective action taken thereon;
- Supervisory concerns raised by regulators;
- Performance of subsidiaries and associate companies;
- Status of compliance with Act, SEBI regulations, RBI Regulations and shareholder related matters;
- Review of investments made by the Company;



- Review of various policies framed by Company from time to time;
- Risk management system;
- Compliance with corporate governance standards;
- Minutes of meetings of various Committees;
- Compliance with fair practices code;
- Functioning of customer grievance redressal mechanism; and
- Awareness on cyber security.

### Directors and Officers liability insurance ('D&O policy')

The Company has in place a D&O policy which is renewed every year. It covers directors (including independent directors) of the Company and its subsidiaries. It also covers Company's nominee on the Board of investee companies. The Board is of the opinion that quantum and risk presently covered is adequate.

### Orderly succession to Board and Senior Management

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

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

Succession planning is a critical element of the human resources strategy at the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on building talent. This strategy is enabled by hiring most of our employees near the entry level and grooming them using a 'grow from within' career management framework.

### Directorships and memberships of Board Committees

**Table 1: Number of directorship/committee positions of directors as on 31 March 2024 (including the Company)**

Sr. No.	Name of director	No. of directorships	Directorships			Committee positions in listed and unlisted public companies	
			In equity listed companies	In unlisted public companies	In private limited companies	As member (Including as chairperson)	As chairperson
1.	Sanjiv Bajaj	18	5	5	8	7	-
2.	Dr. Naushad Forbes	13	5	1	7	7	2
3.	Anami N Roy*	11	7	3	1	10	5
4.	Pramit Jhaveri	4	3	-	1	2	-
5.	Radhika Haribhakti	8	7	-	1	8	1
6.	Dr. Arindam Bhattacharya**	6	4	1	1	6	-
7.	Rajeev Jain	2	1	1	-	2	-
8.	Anup Saha	1	1	-	-	-	-
9.	Rajiv Bajaj	11	5	2	4	1	1

Notes:

- » \*Consequent to the completion of term, he ceased to be an independent director of Bajaj Holdings & Investment Ltd. effective 31 March 2024 (close of business hours).
- » \*\*Consequent to the completion of term, he ceased to be an independent director of Lemon Tree Hotels Ltd. effective 10 April 2024 (close of business hours).
- » For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies, high value debt listed entities and companies under section 8 of the Act have been excluded. Only the Audit Committee and the Stakeholders Relationship Committee are considered for the purpose of reckoning committee positions. Bajaj Housing Finance Ltd., being a public limited company as well as High Value debt listed entity is considered under the category of public limited company.

None of the directors hold office as a director, including as an alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included; while directorships in dormant companies and section 8 of the Act are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/she is a whole-time director/managing director in any listed company. The independent directors have also confirmed that they are not on the Board of more than three NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Scale Based Regulations.

Pursuant to RBI Scale Based Regulations, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary. Rajeev Jain, Managing Director, holds office as a Non-Executive Vice Chairman of Bajaj Housing Finance Ltd., the wholly owned subsidiary of the Company. He does not hold office in any other NBFC.

None of the directors was a member in more than 10 committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

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

### Directorship in listed companies (including debt listed companies)

**Table 2: Name of listed entities where directors of the Company held directorships as on 31 March 2024 (including the Company)**

Sr. No.	Name of director	Name of listed entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Ltd.	Non-Executive, Non-Independent
		Bajaj Finance Ltd.	Chairman, Non-Executive, Non-Independent
		Bajaj Finserv Ltd.	Chairman and Managing Director, Executive
		Bajaj Holdings & Investment Ltd.	Managing Director and CEO, Executive
		Bajaj Housing Finance Ltd.	Chairman, Non-executive, Non-Independent
		Maharashtra Scooters Ltd.	Chairman, Non-Executive, Non-Independent
2.	Dr. Naushad Forbes	Bajaj Auto Ltd.	Non-Executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
3.	Anami N Roy	Zodiac Clothing Company Ltd.	Non-Executive, Independent
		Bajaj Auto Ltd.	
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
		Bajaj Housing Finance Ltd.	
		GlaxoSmithKline Pharmaceuticals Ltd.	
Finolex Industries Ltd.			
4.	Prमित Jhaveri	Siemens Ltd.	Non-Executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Larsen & Toubro Ltd.	

Sr. No.	Name of director	Name of listed entity	Category
5.	Radhika Haribhakti	Bajaj Finance Ltd.	Non-Executive, Independent
		Bajaj Finserv Ltd.	
		EIH Associated Hotels Ltd.	
		ICRA Ltd.	
		Navin Fluorine International Ltd.	
		Torrent Power Ltd.	
6.	Dr. Arindam Bhattacharya	NOCIL Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Holdings & Investment Ltd.	
		Bajaj Housing Finance Ltd.	
		Info Edge (India) Ltd.	
7.	Rajeev Jain	Lemon Tree Hotels Ltd.	Managing Director, Executive
		Bajaj Finance Ltd.	
8.	Anup Saha	Bajaj Housing Finance Ltd.	Vice Chairman, Non-Executive, Non-Independent
		Bajaj Finance Ltd.	
9.	Rajiv Bajaj	Executive (Deputy Managing Director effective 1 April 2024)	Managing Director and CEO, Executive
		Bajaj Auto Ltd.	
		Bajaj Electrical Ltd.	
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
Bajaj Holdings & Investment Ltd.	Vice Chairman, Non-Executive, Non-Independent		

### Certificate on qualification of Directors

The Company has received a certificate from Shyamprasad D. Limaye, practicing company secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI/Ministry of Corporate Affairs ('MCA') or such other statutory authority. The certificate forms a part of this Annual Report.

### Review of legal compliance reports

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

### Code of Conduct

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

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The Code of Conduct is reviewed periodically. The Code has been placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v2pdf?scl=1&fmt=pdf>.

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

### Maximum tenure of independent directors

In terms of the Act, independent directors shall hold office for a term of up to five consecutive years on the board of a company but shall be eligible for re-appointment upon passing of a special resolution by the company and disclosure of such appointment in the board's report.

Accordingly, the Board and the Nomination and Remuneration Committee, after evaluating the performance of Anami N Roy and Dr. Naushad Forbes during their first tenure as independent directors, recommended their re-appointment as independent directors of the Company for second tenure of five consecutive years commencing from 1 April 2024. The same has been approved by the members *vide* special resolutions passed through postal ballot on 19 March 2024.

The tenure of the independent directors is in accordance with the provisions of the Act.

### Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act. As per regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/appointment-letter-independent-director-27-nov-2023pdf?scl=1&fmt=pdf>.

### Familiarisation programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which the Company operates, its business model, risk metrics, mitigation and management, changes in regulatory landscape and preparedness of the Company, update on environmental social governance, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.

The Board is also regularly apprised on the major developments in the Company between two meetings.

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

The familiarisation details for FY2024 can be accessed at the link: <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme-v1pdf-1?scl=1&fmt=pdf>.

### Whistle Blower Policy/Vigil Mechanism

The Company has a Whistle Blower Policy encompassing Vigil Mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations and meeting the requirements under applicable RBI regulations.

This mechanism enables directors, employees and value chain partners to report confidentially to the Management, without fear of victimisation, any unacceptable and/or unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the organisation's interest. It provides safeguards against victimisation of directors/employees/value chain partners who avail of the mechanism. It also allows them to share their inputs or raise their concerns anonymously at the dedicated link provided for it.

The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website which can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v3pdf-1?scl=1&fmt=pdf>.

Employees of the Company are required to undergo mandatory online learning module on Code of Conduct including Whistle Blower Policy and affirm that they have understood and are aware of vital aspects of the policy.

During FY2024, no employee was denied access to the Audit Committee. During FY2024, 445 complaints were received by Company out of which 34 are pending for resolution as on 31 March 2024.

## Details of material subsidiaries

The Company has one material subsidiary viz., Bajaj Housing Finance Ltd. ('BHFL').

The details of the same are as under:

Sr. No.	Particulars	Information about BHFL
1.	Date of incorporation	13 June 2008
2.	Place of incorporation	Pune
3.	Registered office	Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi Pune- 411 035
4.	Name of the Auditor	Khandelwal Jain & Co. and G.D. Apte & Co.
5.	Date of appointment	16 November 2021
6.	Period of appointment	3 years to hold office till the AGM scheduled in 2024 for audit of Financial Statements for FY2022, FY2023 and FY2024 as per RBI Guidelines.
7.	Other details	<ul style="list-style-type: none"> <li>BHFL is a wholly owned subsidiary of the Company registered as a Housing Finance Company with National Housing Bank (Registration No. 09.0127.15).</li> <li>It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations.</li> <li>It has issued debentures on private placement basis from time to time. These are listed on the Wholesale Debt Market segment of BSE Ltd. It is classified as a high value debt listed entity in terms of SEBI Listing Regulations.</li> </ul>

As on 31 March 2024, the Board of BHFL comprised of six directors out of which three are independent directors viz., Anami N Roy, Dr. Arindam Bhattacharya and Jasmine Chaney. It is a professional Board comprising of highly qualified and eminent persons. The profile of the directors can be accessed at <https://www.bajajhousingfinance.in/directors-board>.

The Policy on 'material subsidiaries', as approved by the Board, is available on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsidiaries-v3pdf?scl=1&fmt=pdf>.

In addition to above, the Company has a wholly owned subsidiary viz., Bajaj Financial Securities Ltd. ('BFinsec') and two associate companies viz., Snapwork Technologies Private Ltd. and Pennant Technologies Private Ltd.

Details of the subsidiaries and associates including their performance, businesses, are given in the [Directors' Report](#).

## Loans and advances

The Company, being NBFC in the upper layer is governed by RBI circular dated 19 April 2022 on loans and advances. The said guidelines, *inter alia*, covers grant of loan, advances, guarantee, awarding of contracts, etc. to directors and their relatives, company in which any of the directors or their relatives are major shareholders, firm in which directors or their relatives are partners, senior officers. Accordingly, details of aggregate amount of loans and advances sanctioned by the Company forms part of the Annual Financial Statement.

The Company and its subsidiaries have not provided any loans and advances in the nature of loans to firms/companies in which the directors are interested within the meaning of provisions of section 184 of the Act.

## Share Capital

As of 31 March 2024, the paid-up capital of the Company was ₹ 123.8 crore consisting of 618,996,320 equity shares of face value of ₹ 2 fully paid up.

During the year under review, the Company has made preferential allotment of 1,550,000 warrants convertible into equivalent number of equity shares to Bajaj Finserv Ltd., promoter and the holding company, at a conversion price of ₹ 7,670 per share, pursuant to the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations').

In accordance with the terms of issue and as per the provisions of SEBI ICDR Regulations, 25% of issue price amounting to ₹ 297.21 crore was received by the Company at the time of subscription as initial payment and the balance ₹ 891.64 crore will be received at the time of conversion i.e., within a period of 18 months from the date of allotment of the warrants. As on 31 March 2024, the warrants are yet to be converted.

Further details on change in share capital is given in the [Directors' Report](#).

## Utilisation of funds raised through Preferential Allotment and Qualified Institutions Placement

### Fund raising through Preferential Allotment ('PI')

On 2 November 2023, the Company allotted 1,550,000 warrants convertible into equivalent number of equity shares at a price of ₹ 7,670 per warrant aggregating to ₹ 1,188.85 crore on receipt of an amount of ₹ 297.21 crore being 25% of the issue price, on a preferential basis, to Bajaj Finserv Ltd., promoter and holding company in accordance with the SEBI ICDR Regulations and the Act.

### Fund raising through Qualified Institutions Placement ('QIP')

On 9 November 2023, the Company made a QIP of 12,104,539 equity shares of face value of ₹ 2 at a price of ₹ 7,270 per equity share (inclusive of premium of ₹ 7,268 per equity share), representing a discount of ₹ 263.81 to the floor price of ₹ 7,533.81 per share, to Qualified Institutional Buyers aggregating to approximately ₹ 8,800 crore in accordance with the provisions of SEBI ICDR Regulations and the Act.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, the Company has fully utilised the funds raised through PI and QIP for the objects stated in the offer document and notice seeking members' approval i.e., repaying loans, commercial papers, non-convertible debentures, interest thereon and general corporate purposes.

Reports from Care Ratings Ltd., monitoring agency appointed for both QIP and PI has been filed with the stock exchanges and is also available on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-stock-exchange-filings> Statement of fund utilisation pursuant to regulation 32 of the SEBI Listing Regulations has also been filed with the stock exchanges for both QIP and PI.

### Related party transactions

All related party transactions entered during FY2024 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. Prior approval of the Audit Committee was obtained for all related party transactions entered during FY2024. Details of such transactions were placed before the Audit Committee for its review on a quarterly basis.

A statement containing disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more shareholding in the Company is set out separately in this Annual Report. Disclosures relating to related party transactions are filed with the stock exchanges on a half-yearly basis.

During FY2024, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The policy is given below as required pursuant to RBI Scale Based Regulations. It is also hosted on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions-v1.pdf?scl=1&fmt=pdf>.

## Policy on materiality of related party transactions and dealing with related party transactions

### Background

Pursuant to regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of Bajaj Finance Ltd. (the Company) at its meeting held on 14 October 2014 had approved a Policy on Materiality of and dealing with related party transactions. Pursuant to SEBI circular dated 9 May 2018, which notified certain amendments effective from 1 April 2019, the Policy was revised by the Board at its meeting held on 12 March 2019.

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

### Policy:

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

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' and such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.

2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and regulation 23 of the SEBI Listing Regulations will be approved by the Audit Committee of the Board from time to time, subject to such exceptions as are provided therein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

Material modification will mean and include any modification to an existing RPT having variance of 20% of the existing limit or ₹ 1 crore whichever is higher, as sanctioned by the Audit Committee/Shareholders, as the case may be. Provided further that:

- a related party transaction to which the subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;
  - With effect from 1 April 2023, a related party transaction to which the subsidiary of a listed entity is a party, but the listed entity is not a party, shall require prior approval of the Audit Committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
3. Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:
- i) Where the transactions are below the threshold limits specified in the Companies Act, 2013 and Rules thereunder or the SEBI Listing Regulations, as may be applicable;
  - ii) Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
  - iii) Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
  - iv) Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;
  - v) Transactions entered into between the Company and any of its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
  - vi) Transactions entered into between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
4. Notwithstanding the above, approval of the Board and shareholders would be necessary, where the RPTs exceed the following threshold limits:

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

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

## Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee. All members are non-executive independent directors. Members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

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

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review statement of deviations, if any, review Management letters/letters of internal control weaknesses issued by the statutory auditors, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/audit-terms-of-referencepdf-2?scl=1&fmt=pdf>

## Meetings and attendance

During FY2024, the Audit Committee met five times viz., on 26 April 2023, 26 July 2023, 17 October 2023, 29 January 2024 and 20 March 2024. The meetings were scheduled well in advance and not more than 120 days elapsed between any two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Chief Risk Officer, Chief Compliance Officer, Chief Technology Officer, statutory auditors and other senior executives who were considered necessary for providing inputs to the Committee.

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

Anami N Roy, Chairman of the Committee, was present at the Annual General Meeting ('AGM') of the Company held through Video Conferencing ('VC') on 26 July 2023, to answer shareholders' queries.

Dr. Arindam Bhattacharya was inducted as member of the Committee effective 1 April 2023.

**Table 3: Composition of the Audit Committee and attendance record of the members for FY2024**

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2024 (5)	
				Entitled to Attend	Attended
1.	Anami N Roy	10 July 2021	Chairman, non-executive, independent	5	5
2.	Dr. Naushad Forbes	19 May 2020	Non-executive, independent	5	5
3.	Pramit Jhaveri	1 August 2021	Non-executive, independent	5	5
4.	Dr. Arindam Bhattacharya	1 April 2023	Non-executive, independent	5	4

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

## Nomination and Remuneration Committee

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

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by the Act, SEBI Listing Regulations and RBI Regulations. Detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bf-terms-of-reference-nrcpdf?scl=1&fmt=pdf>.

The Committee acts as the Compensation Committee for administration of the Company's Employee Stock Option Scheme, 2009.



## Meetings and attendance

During FY2024, the Committee met four times viz., on 26 April 2023, 29 January 2024, 12 February 2024 and 20 March 2024.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held through VC on 26 July 2023, to answer shareholders' queries.

**Table 4: Composition of the NRC and attendance record of the members for FY2024**

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2024 (4)	
				Entitled to Attend	Attended
1.	Radhika Haribhakti	1 May 2022	Chairperson, non-executive, independent	4	4
2.	Sanjiv Bajaj	14 October 2009	Non-executive, non-independent	4	4
3.	Anami N Roy	17 March 2020	Non-executive, independent	4	4

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

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for evaluation of independent directors, *inter alia*, includes attendance and participation, acting in good faith, openness to ideas, pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition, independence and independent views and judgment, etc.

These criteria are hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-for-board-committees-of-board-chairperson-and-directors-v1pdf?scl=1&fmt=pdf>.

## Risk Management Committee

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

The terms of reference of RMC, *inter alia*, includes formulation of a detailed Risk Management Policy, reviewing and guiding the Management on reputational and market (investment) risk, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems, appointment, removal and terms of remuneration of the Chief Risk Officer. The detailed terms of reference of the Committee can also be accessed at <https://www.aboutbajajfinserv.com/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-people-and-committee/people-and-committee.-board-of-committee/terms-of-reference-of-rmc.pdf>.

The Company has a risk management framework duly approved by the Board. The details of Risk Management and various mitigants are covered in detail in [Management and Discussion Analysis](#) and in the [Directors' Report](#).

Fakhari Sarjan is the Chief Risk Officer of the Company.

## Meetings and attendance

During FY2024, the Committee met four times viz., on 26 April 2023, 26 July 2023, 17 October 2023 and 29 January 2024.

**Table 5: Composition of the RMC and attendance record of the members for FY2024**

Sr. No.	Name of director/ member	Member of Committee since	Category	No. of Meetings held during FY2024 (4)		No. of shares held in the Company as on 31 March 2024
				Entitled to Attend	Attended	
1.	Pramit Jhaveri	1 April 2022	Chairman, non-executive, independent	4	4	Nil
2.	Sanjiv Bajaj	20 October 2015	Non-executive, non-independent	4	4	530,792
3.	Anami N Roy	10 July 2021	Non-executive, independent	4	4	Nil
4.	Rajeev Jain	21 May 2008	Managing Director, executive	4	4	169,950
5.	Fakhari Sarjan	12 March 2019	Senior Executive, Chief Risk Officer	4	4	Nil
6.	Sandeep Jain	3 February 2016	Senior Executive, Chief Financial Officer*	4	4	80,275
7.	Deepak Bagati	29 January 2020	Senior Executive, President, Debt Management Services*	4	4	Nil

Note:

» \*Elevated as Chief Operating Officer with effect from 1 April 2024.

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

### Stakeholders Relationship Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee ('SRC'). This Committee specifically looks into the grievances of debenture holders and fixed deposit holders, in addition to the equity shareholders of the Company.

The terms of reference of the Committee, *inter alia*, includes to resolve the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards in respect of various services rendered by the Registrar and Share Transfer Agent ('RTA') and review various measures and initiatives taken for reducing the quantum of unclaimed dividends. The detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-for-stakeholders-relationship-committeepdf-4?scl=1&fmt=pdf>

More details on this subject and on shareholders' related matters including unclaimed suspense account have been furnished in [General Shareholder Information](#).

### Meetings and attendance

During FY2024, the Committee met once on 20 March 2024 to review the status of investors' services rendered. The secretarial auditor as well as the Company Secretary were present at the said meeting.

The Committee was apprised of the major developments on matters relating to investors. The Committee also reviewed the service standards of the Company's RTA and the measures taken for timely and effective investors grievance redressal that can facilitate better investor services and relations.

Consequent to demise of D J Balaji Rao, he ceased to be a member of SRC on 28 November 2023. Dr. Arindam Bhattacharya was inducted as a member of the Committee with effect from 30 January 2024. Further, Radhika Haribhakti was appointed as Chairperson of the Committee with effect from 30 January 2024.

**Table 6: Composition of the SRC and attendance record of the members for FY2024**

Sr. No.	Name of director	Member of Committee Since	Category	No. of Meetings held during FY2024 (1)	
				Entitled to Attend	Attended
1.	Radhika Haribhakti	1 May 2022	Chairperson, non-executive, independent	1	1
2.	Sanjiv Bajaj	11 May 2010	Non-executive, non-independent	1	1
3.	Dr. Arindam Bhattacharya	30 January 2024	Non-executive, independent	1	1

R Vijay, Company Secretary, acts as the Compliance Officer.

Late D J Balaji Rao, Chairman of the Committee, was present at the AGM of the Company held through VC on 26 July 2023, to answer shareholders' queries.

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

**Table 7: Details of the investor complaints received during FY2024**

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints solved	No. of pending complaints at the end of the year
0	38	0	38	0

### Duplicate Share Certificate Issuance Committee

To meet the requirement of the Act and SEBI Listing Regulations, the Company has constituted a Duplicate Share Certificate Issuance Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

As a measure to enhance ease of dealing in securities market by the investors, SEBI through its circular dated 25 January 2022 has mandated listed entities to issue of securities in dematerialised form only while processing any service request including issue of duplicate share certificate.

### Meeting and Attendance

During FY2024, the Committee met once on 20 March 2024.

**Table 8: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2024**

Sr. No.	Name of director	Category	No. of Meetings held during FY2024 (1)	
			Entitled to Attend	Attended
1.	Sanjiv Bajaj	Chairman, non-executive, non-independent	1	1
2.	Rajeev Jain	Managing Director, executive	1	1
3.	Dr. Naushad Forbes	Non-executive, independent	1	1

### Information Technology (IT) Strategy Committee

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

### Meeting and attendance

During FY2024, the Committee met three times viz., on 26 April 2023, 14 September 2023 and 29 January 2024 as required under the above Master Direction.

Consequent to resignation of Rakesh Bhatt, he ceased to be a member of IT Strategy Committee with effect from close of business hours on 31 January 2024.

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

Sr. No.	Name of director/member	Member of Committee since	Category	No. of Meetings held during FY2024 (3)		No. of shares held in the Company as on 31 March 2024
				Entitled to Attend	Attended	
1.	Dr. Naushad Forbes	17 March 2020	Chairman, non-executive, Independent	3	3	Nil
2.	Sanjiv Bajaj	13 September 2017	Non-executive, non-independent	3	3	530,792
3.	Rajeev Jain	13 September 2017	Managing Director, executive	3	3	169,950
4.	Rakesh Bhatt	13 September 2017	Executive Director	3	3	130,520
5.	Anurag Chottani*	13 September 2017	Senior Executive, Chief Technology Officer	3	3	7,700
6.	Rajendra Bisht	12 March 2019	Senior Executive, Vice President – Technology and Digital	3	3	Nil

Note:

» \*Elevated as Chief Operating Officer with effect from 1 April 2024.

The Chief Information Security Officer is a permanent invitee of the IT Strategy Committee.

In terms of RBI guidelines, the terms of reference of the Committee were amended during the year under review. The same, *inter alia*, includes evaluation of risks related to cyber security/information security and review of Business Continuity Plan /Disaster Recovery Plan. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/it-strategy-committee-1pdf?scl=1&fmt=pdf>.

During FY2024, the Committee reviewed IT Infrastructure Projects, Information Security Projects, Governance Framework, Cyber Security, System Audit Reports, etc.

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

### Customer Service Committee

To strengthen the customer engagement and monitoring process, the Company has suo moto constituted a Customer Service Committee headed by an independent director.

### Meeting and attendance

During FY2024, the Committee met three times viz., on 14 September 2023, 25 January 2024 and 18 March 2024.

**Table 10: Composition of the Customer Service Committee and attendance record of the members for FY2024**

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2024 (3)	
				Entitled to Attend	Attended
1.	Pramit Jhaveri	14 March 2022	Chairman, non-executive, independent	3	3
2.	Sanjiv Bajaj	14 March 2022	Non-executive, non-independent	3	3
3.	Rajeev Jain	14 March 2022	Managing Director, executive	3	3
4.	Dr. Naushad Forbes	14 March 2022	Non-executive, independent	3	2

The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/customer-service-committee-v1?scl=1&fmt=pdf>.

During FY2024, the Committee reviewed, *inter alia*, customer service and grievance related matters and also had discussions with internal ombudsmen. Details of various initiatives with respect to customer service are provided in the [Directors' Report](#).

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

## Review Committee for Wilful Defaulter's Identification ('Review Committee')

In line with RBI Guidelines, the Company is required to constitute a Committee for identifying a non-cooperative borrower as specified in the guidelines. To review the decision of this Committee, a Review Committee of the Board has been constituted. The order shall become final only after it is confirmed by the said Review Committee.

**Table 11: Composition of the Review Committee**

Sr. No.	Name of director	Member of Committee since	Category
1.	Sanjiv Bajaj	15 September 2015	Chairman, non-executive, non-independent
2.	Rajeev Jain	15 September 2015	Managing Director, executive
3.	Radhika Haribhakti	27 July 2022	Non-executive, independent
4.	Anami N Roy	19 May 2020	Non-executive, independent

The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-for-review-committeepdf-2?scl=1&fmt=pdf>.

During FY2024, there have been no instances of declaration of any borrower as non-cooperative.

## Strategic Investment Committee

To expand the Company's strategic footprint, it explores various investment opportunities in financial services, technology, and related areas. To facilitate the Board with appropriate recommendations on these strategic investments, the Board at its meeting held on 26 July 2023 constituted a Strategic Investment Committee. It comprises majority of independent directors. An Independent director chairs the meetings of the Committee.

The terms of reference of the Committee, *inter alia*, includes to evaluate, scrutinize, consider and recommend to the Board, strategic investment opportunities and business acquisitions in companies, bodies corporate and other entities, recommend and review terms and conditions of investment, to obtain or review outside legal or other professional advice or reports, review and recommend all investments including investments and disinvestments by the Company in its subsidiaries and affiliates, etc. The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-for-strategic-investment-committeepdf?scl=1&fmt=pdf>.

## Meeting and Attendance

During FY2024, the Committee met three times viz., on 14 September 2023, 5 October 2023 and 20 March 2024.

**Table 12: Composition of the Strategic Investment Committee and attendance record of the members for FY2024:**

Sr. No.	Name of director	Member of Committee since	Category	No. of meetings held during FY2024 (3)	
				Entitled to Attend	Attended
1.	Pramit Jhaveri	26 July 2023	Chairman, non-executive, independent	3	3
2.	Radhika Haribhakti	26 July 2023	Non-executive, independent	3	3
3.	Anami N Roy	26 July 2023	Non-executive, independent	3	3
4.	Sanjiv Bajaj	26 July 2023	Non-executive, non-independent	3	3

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

## Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place an Asset Liability Management Committee. The Committee comprises of Managing Director/Executive Directors and other senior executives of the Company.

The Managing Director chairs the meetings of the Committee.

The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically covering liquidity risk management, management of market risks, funding and capital planning, profit planning etc.

The Committee meets on a monthly basis. The Board is updated on the decisions of the Committee.

## Investment Committee

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

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

The said Committee meets on a monthly basis. The Board is updated on decisions of the Committee.

## Remuneration of Directors

### Pecuniary relationship/transaction with non-executive directors

During FY2024, there were no pecuniary relationship/transactions of any non-executive directors with the Company, other than receiving remuneration as directors.

### Criteria of making payments to non-executive directors

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

The criteria of making payments to non-executive directors is placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/criteria-for-payments-of-remuneration-to-non-executive-directors-v1pdf?scl=1&fmt=pdf>.

### Details of Remuneration of directors

Additionally, the details of remuneration payable to all non-executive directors are provided in the Form MGT-7 ('annual return') which is hosted on the website of the Company and can be accessed at <https://www.bajajfinserv.in/finance-investor-relation-annual-reports>.

## Remuneration to Executive Directors

### » Rajeev Jain

During FY2024, the details of remuneration paid to Rajeev Jain, Managing Director ('MD') is provided in the annual return and elsewhere in this report. The tenure of the MD is of five years up to 31 March 2025 with a notice period of six months or salary in lieu thereof. The performance pay/bonus of the MD is based on the performance of the Company and his contribution towards the same. During FY2024, 1,37,980 stock options were granted to the MD at a grant price of ₹ 6,075.25, being the closing market price on the NSE on the day preceding the day of grant. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. The MD is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company. Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations.

He is also on the Board of Bajaj Housing Finance Ltd. ('BHFL') as its Non-Executive Vice Chairman. In his capacity as a non-executive director, he draws sitting fees and profit linked commission from BHFL at par with other non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2024 is ₹ 63 lakh. He has also been awarded one time grant of stock options of Bajaj Finserv Ltd. ('BFS'), holding company, during FY2023. All options will vest entirely post completion of 5 years from the grant date.

### » Anup Saha

Anup Saha, Executive Director of the Company has been re-designated as Deputy Managing Director with effect from 1 April 2024. The Company paid remuneration to Anup Saha as provided in the annual return and elsewhere in this report. The tenure of the Anup Saha is of five years up to 31 March 2028 with a notice period of six months or salary in lieu thereof. The performance pay/bonus of Anup Saha is based on the performance of the Company and his contribution towards the same. During FY2024, Anup Saha was granted 47,676 stock options at a grant price of ₹ 6,075.25, being the closing market price on the NSE on the day preceding the day of grant. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. He is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company.

Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations. He has also been awarded one time grant of stock options of BFS during FY2023. All options will vest entirely post completion of 5 years from the grant date.

#### » **Rakesh Bhatt**

During the year under review, Rakesh Bhatt resigned from the post of Executive Director with effect from close of business hours on 31 January 2024. During his tenure as Executive Director, the Company paid remuneration to Rakesh Bhatt as provided in the annual return and elsewhere in this report. During FY2024, Rakesh Bhatt was also granted 47,620 stock options at a grant price of ₹ 6,075.25, being the closing market price on the NSE on the day preceding the day of grant. He was also awarded one time grant of stock options of BFS during FY2023 and stock option of BFS as per the details given elsewhere in this report during his association with Bajaj Finserv Direct Ltd. Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations.

During FY2024, none of the directors, other than Rajeev Jain, Anup Saha and Rakesh Bhatt were paid any performance-linked incentive.

The Company currently has no stock option plans for any of its directors other than Managing Director/ Executive Directors.

## **Management**

### **Management discussion and analysis**

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

### **Disclosure of material transactions**

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

### **Compliances regarding Insider Trading**

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, ('SEBI PIT Regulations') the Company has a Board approved Code of Conduct to regulate, monitor and report trading by Designated Persons ('Code of Conduct') and a code of practices and procedures for fair disclosure of unpublished price sensitive information ('Code of Fair Disclosure'). Whenever non-compliance by a Designated Person concerned was observed, penalty was levied, and the amount was remitted to the SEBI stipulated fund.

Training sessions are also organised for Designated Persons on a periodic basis for creating awareness of various obligations under SEBI PIT Regulations. The Audit Committee and the Board at its meeting held on 20 March 2024 had reviewed the compliance in terms of regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating effectively.

### **Means of communication**

Quarterly and annual financial results are published in the Business Standard and Lokmat. An abridged version of the financial results is also published in all editions of the Mint, Hindu Business Line, Economic Times, Financial Express, Ananda Bazar Patrika and Hindustan Times.

The Company's website, viz., <https://www.aboutbajajfinserv.com/finance-about-us> under the section of 'investor relations', contains all important information including financial results, various policies framed/ approved by the Board, presentations made to the media, analysts and institutional investors, schedule and transcripts of earnings call with investors, matters concerning the shareholders, etc.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

## Green Initiatives

Sections 20 and 136 of the Act, read with relevant Rules, permit companies to service delivery of documents electronically to the registered email ID of the members.

In compliance with the said provisions and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email ID with their depository participant's/Company's RTA. The same is available on the website of the Company at <https://www.aboutbajajfinserv.com/finance-investor-relations-green-initiative>.

During FY2024, the Company sent documents, such as notice convening the annual general meeting, audited financial statements, Directors' Report, Auditors' report, credit of dividend intimation letters, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the Depositories.

## Information on general body meetings and details of special resolution(s) passed

### A. Details of the AGMs held during last three years:

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated		
			Particulars	% favour	% Against
34th AGM – Through VC Deemed Venue: Registered office	20 July 2021 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement.	Particulars	% favour	% Against
			All shareholders	99.99	0.01
			Non-promoter category	99.98	0.02
35th AGM – Through VC Deemed Venue: Registered office	27 July 2022 at 3:30 P.M.	1. Appointment of Radhika Haribhakti as an independent director for a period of 5 consecutive years effective 1 May 2022.	Particulars	% favour	% Against
			All shareholders	94.08	5.92
			Non-promoter category	81.54	18.46
		2. Issue of non-convertible debentures through private placement.	Particulars	% favour	% Against
			All shareholders	99.31	0.69
			Non-promoter category	97.90	2.10
		3. Payment of commission to non-executive directors for a period of five years commencing from 1 April 2022.	Particulars	% favour	% Against
			All shareholders	98.41	1.59
			Non-promoter category	95.17	4.83
36th AGM – Through VC Deemed Venue: Registered office	26 July 2023 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement.	Particulars	% favour	% Against
			All shareholders	99.35	0.65
			Non-promoter category	98.10	1.90
		2. Alteration of Articles of Association of the Company.	Particulars	% favour	% Against
			All shareholders	100.00	0.00
			Non-promoter category	100.00	0.00



## B. Details of Extraordinary General Meeting ('EGM') held during last year:

Details of EGM	Date and time of EGM	Details of special resolution(s) passed at the EGM	Voting percentage of shareholders participated		
			Particulars	% favour	% Against
EGM - Through VC Deemed Venue: Registered office	31 October 2023 at 12:30 P.M.	1. Issuance of Warrants on a preferential basis to Bajaj Finserv Ltd., Promoter and the holding Company up to ₹ 1,200 crore.	Particulars	%	%
			All shareholders	97.22	2.78
			Non-promoter category	91.74	8.26
		2. Fund Raising Activities and Issuance of Securities by way of Qualified Institutions Placement up to ₹ 8,800 Core.	Particulars	%	%
			All shareholders	99.98	0.02
			Non-promoter category	99.94	0.06
		3. Alteration of the Object Clause of the Memorandum of Association of the Company.	Particulars	%	%
			All shareholders	100.00	0.00
			Non-promoter category	100.00	0.00

## C. Details of special business passed through Postal Ballot during last year

During FY2024, the Company had sought approval of the members through postal ballot, the details of the same are given below:

### I. Postal Ballot notice dated 26 April 2023:

Sr. No.	Items of special business	Voting percentage of shareholders participated		
		Particulars	% favour	% Against
1.	Appointment of Dr. Arindam Bhattacharya as an Independent Director for a term of five consecutive years with effect from 1 April 2023.	Particulars	%	%
		All shareholders	99.30	0.71
		Non-promoter category	97.92	2.08
2.	Appointment of Anup Saha as an executive director of the Company, and fixation of remuneration.	Particulars	%	%
		All shareholders	90.29	9.71
		Non-promoter category	70.82	29.18
3.	Appointment of Rakesh Bhatt as an executive director of the Company, and fixation of remuneration.	Particulars	%	%
		All shareholders	90.29	9.71
		Non-promoter category	70.82	29.18

### II. Postal Ballot notice dated 12 February 2024:

Sr. No.	Items of special business	Voting percentage of shareholders participated		
		Particulars	% favour	% Against
1.	Increase in borrowing powers of the Company.	Particulars	%	%
		All shareholders	99.31	0.69
		Non-promoter category	98.09	1.91

2.	Creation of charge/security on the Company's assets with respect to borrowing.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	99.31	0.69
		Non-promoter category	98.09	1.91
3.	Re-appointment of Anami N Roy as an independent director of the Company for a second term of five consecutive years with effect from 1 April 2024.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	89.34	10.66
		Non-promoter category	68.30	31.70
4.	Re-appointment of Dr. Naushad Forbes as an independent director of the Company for a second term of five consecutive years with effect from 1 April 2024.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	91.54	8.46
		Non-promoter category	74.33	25.67
5.	Re-designation of Anup Saha as the Deputy Managing Director of the Company with effect from 1 April 2024.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	99.83	0.17
		Non-promoter category	99.53	0.47
6.	Modification to the Employee Stock Option Scheme, 2009.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	95.46	4.54
		Non-promoter category	87.48	12.52
7.	Approval to extend the benefits and grant of options to the employees of holding and/or subsidiary company(ies) under the Employee Stock Option Scheme, 2009.	<b>Particulars</b>	<b>% favour</b>	<b>% Against</b>
		All shareholders	86.18	13.82
		Non-promoter category	60.22	39.78

The Company had appointed Shyamprasad D Limaye, Practicing Company Secretary (FCS No. 1587, CP No. 572) as Scrutiniser for conducting the postal ballot including remote e-voting process in a fair and transparent manner.

It can be seen from the above, all resolutions proposed by the Board have been passed with overwhelming majority by the shareholders. The recording of last AGM and EGM is hosted on the website of Company at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-general-meeting-recordings> and written transcripts of the same can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-general-meeting-and-postal-ballots>.

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

#### D. Procedure for postal ballot

- Pursuant to the provisions of the Act and SEBI Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('remote e-voting'), in addition to physical ballot.
- Postal ballot notices and forms are dispatched along with the postage pre-paid business reply envelope to members/beneficial owners through email at their registered email IDs and through physical copy to the members who have not registered their email IDs.
- The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.
- Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman and the voting results are announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or remote e-voting.

- In view of the relaxation granted by MCA, postal ballot notice will be sent only through email, to all those members who had registered their email IDs with the Company/Depositories. Arrangements will also be made for other members to register their email ID to receive the postal ballot notice and cast their vote online.

### Details of capital market non-compliance, if any

A fine of ₹ 50,000 was levied by BSE Ltd. for delayed intimation of payment of interest and principal in respect of 4 ISINs of privately placed Non-Convertible Debentures in FY2023. The aforementioned intimations pertain to June 2021, November 2021 and September 2022. The Company has paid the requisite fine. There has been no delay or default in the payment of interest or principal to the debenture holders.

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

### Compliance with covenants

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

### Details of non-compliance with requirements of Companies Act, 2013

During the year under review there has been no instances of default in compliance with the requirements of the Act, including with respect to compliance with accounting and secretarial standards.

### Details of penalties imposed by the Reserve Bank of India ('RBI')

During FY2024, following orders were passed by RBI:

- RBI has passed an order against the Company under section 45 (1) (b) of the Reserve Bank of India Act, 1934 on 15 November 2023. *Vide* the said order, the Company has been directed to stop sanction and disbursal of loans under its two lending products namely, 'eCOM' and 'Insta EMI Card', with immediate effect, particularly with respect to non-issuance of Key Fact Statements to the borrowers under these two lending products and the deficiencies in the Key Facts Statement issued in respect of other digital loans sanctioned by the Company. For further details, please refer to the section on [Management Discussion and Analysis](#).
- RBI *vide* its order dated 28 September 2023 has imposed penalty of ₹ 8.5 lakh for delay in reporting of frauds under paragraph 1 (iv) and 1 (v) of Chapter IV of Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016 for the Financial Year 2021-22.

### Compliance Certificate

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

### Report on Corporate Governance

This section read together with the information given in the [Directors' Report](#), the section on [Management Discussion and Analysis](#) and [General Shareholder Information](#), constitute the compliance report on Corporate Governance for FY2024. The Company has been regularly submitting the quarterly corporate governance compliance report to the stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

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

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

Number of complaints filed during FY2024	9
Number of complaints disposed of during FY2024	6
Number of complaints pending at the end of FY2024	3

## Fees paid to statutory auditors

Deloitte Haskins & Sells and G. M. Kapadia & Co. were appointed as joint statutory auditors of the Company effective 17 November 2021. Further, G. M. Kapadia & Co. were appointed as statutory auditor of BFinsec, subsidiary of the Company effective 16 November 2021.

- A. Fees paid to G. M. Kapadia & Co., on a consolidated basis, including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount in (₹)
1.	Audit Fees	3,100,000
2.	Fees for other services	5,047,897*

- B. Fees paid by the Company to Deloitte Haskins & Sells LLP, including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount in (₹)
1.	Audit Fees	5,500,000
2.	Fees for other services	17,494,720*

\*Includes services rendered for QIP.

## Senior Management

The Board of Directors, based on the recommendation of NRC, has identified group of Senior Management Personnel(s) ('SMTs'), in accordance with regulation 16(1)(d) of the SEBI Listing Regulations.

Details of SMTs as on 31 March 2024 and changes therein during FY2024 pursuant to provisions of Schedule V (C)(5B) of the SEBI Listing Regulations are as follows:

Sr. No.	Name of SMTs	Designation	Changes
1.	Nitish Asthana	President - Payments	
2.	Deepak Reddy	President - Rural Lending, Gold Loans and Insurance	
3.	Harjeet Toor	President - Bharat Lending and Strategic Partnerships	
4.	Deepak Bagati	President - Debt Management Services	Elevated as Chief Operating Officer with effect from 1 April 2024. The updated designation is Chief Operating Officer and President - Debt Management Services.
5.	Sandeep Jain	Chief Financial Officer	Elevated as Chief Operating Officer with effect from 1 April 2024. The updated designation is Chief Operating Officer and Chief Financial Officer.
6.	Amit Raghuvanshi	President - Sales Finance, Urban Two Wheeler and Cars	
7.	Anurag Chottani	Chief Technology Officer	Elevated as Chief Operating Officer with effect from 1 April 2024. The updated designation is Chief Operating Officer and Chief Technology Officer.
8.	Manish Jain	President - Consumer Finance B2B, Credit Cards, Fixed Deposits and Rewards	
9.	Kurush Irani	President - Credit Operations	Up to 30 June 2023. With effect from 1 July 2023, President - Corporate Social Responsibility.
10.	Fakhari Sarjan	Chief Risk Officer	
11.	Sidhaant Dadwal	President - SME and Consumer Finance B2C	
12.	Manav Mianwal	President - Digital Platforms	
13.	Vivek Likhite	President - Corporate Audit Services	
14.	Anupam Sirbhैया	Chief Human Resources and Administration Officer	

Sr. No.	Name of SMTs	Designation	Changes
15.	Babu Rao	General Counsel	
16.	Nitin Neema	Executive Vice President - Operations and Service	
17.	Anand Bagri	Executive Vice President - Treasury	
18.	Neelesh Sarda	Chief Compliance Officer	
19.	Vijay R	Company Secretary	
20.	Prashant Verma	Chief Information Security Officer	Appointed as Chief Information Security Officer with effect from 1 February 2024.
<b>Additions in SMTs effective 1 April 2024</b>			
21.	Dr. Gauri Chandratreya	Chief - Corporate Audit Services	
22.	Anand Kumar	President - Microfinance	
23.	Mudit Mehrish	Chief Information Officer	
24.	Ajay Sharda	Senior Executive Vice President - Debt Management Services	

### Disclosure of certain types of agreements binding listed entities

The Company has not entered into agreements with shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or impose any restrictions or create any liability upon the Company.

### Auditors' certificate on Corporate Governance

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

This certificate is annexed to the [Directors' Report](#).

### Compliance of mandatory and discretionary requirements

#### Mandatory

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said Regulations.

#### Discretionary

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

##### 1. The Board

A Chairman's office has been made available for the Non-Executive Chairman. He is allowed reimbursement of expenses incurred in performance of his duties.

##### 2. Shareholder rights

A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to members.

##### 3. Modified opinion(s) in audit report

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

##### 4. Separate posts of Chairperson and the Managing Director

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

**List of key policies of Bajaj Finance Ltd.**

<b>Sr. No.</b>	<b>Name of Policy</b>	<b>Website Link</b>
1.	Whistle Blower Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v3pdf-1?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v3pdf-1?scl=1&amp;fmt=pdf</a>
2.	Remuneration Policy(ies)	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v1pdf?scl=1&amp;fmt=pdf</a> <a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-rbi-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-rbi-v1pdf?scl=1&amp;fmt=pdf</a>
3.	Policy on materiality and dealing with related party transactions	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions-v1pdf?scl=1&amp;fmt=pdf</a>
4.	Policy on appointment of statutory auditors	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-appointment-of-statutory-auditors-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-appointment-of-statutory-auditors-v1pdf?scl=1&amp;fmt=pdf</a>
5.	Policy for determining Material Subsidiaries	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsiadiaries-v3pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsiadiaries-v3pdf?scl=1&amp;fmt=pdf</a>
6.	Policy on determination of materiality for disclosure of events or information	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-determination-of-materiality-for-disclosure-of-events-or-information-v4pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-determination-of-materiality-for-disclosure-of-events-or-information-v4pdf?scl=1&amp;fmt=pdf</a>
7.	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-for-board-committees-of-board-chairperson-and-directors-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-for-board-committees-of-board-chairperson-and-directors-v1pdf?scl=1&amp;fmt=pdf</a>
8.	Interest Rate Model	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/interest-rate-modelpdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/interest-rate-modelpdf?scl=1&amp;fmt=pdf</a>
9.	Guidelines on Corporate Governance	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-governance-policypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-governance-policypdf?scl=1&amp;fmt=pdf</a>
10.	Dividend Distribution Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-v1pdf?scl=1&amp;fmt=pdf</a>
11.	Criteria for payment of remuneration to non-executive directors	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/criteria-for-payments-of-remuneration-to-non-executive-directors-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/criteria-for-payments-of-remuneration-to-non-executive-directors-v1pdf?scl=1&amp;fmt=pdf</a>
12.	Corporate Social Responsibility Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibilitypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibilitypdf?scl=1&amp;fmt=pdf</a>
13.	Fair Disclosure Code	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-practices-and-procedures-for-fair-disclosure-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-practices-and-procedures-for-fair-disclosure-v1pdf?scl=1&amp;fmt=pdf</a>
14.	Code of Conduct for Directors and Members of Senior Management	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v2pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v2pdf?scl=1&amp;fmt=pdf</a>
15.	Policy for claiming unclaimed amounts with respect to NCDs from Escrow Account	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-unclaimed-amounts-ncds-8-march-2024pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-unclaimed-amounts-ncds-8-march-2024pdf?scl=1&amp;fmt=pdf</a>
16.	Archival Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/archival-policy-v3pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/archival-policy-v3pdf?scl=1&amp;fmt=pdf</a>
17.	Disciplinary Action Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/disciplinary-action-policypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/disciplinary-action-policypdf?scl=1&amp;fmt=pdf</a>
18.	Employee Charter – Human Rights	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/employee-charter-human-rightspdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/employee-charter-human-rightspdf?scl=1&amp;fmt=pdf</a>
19.	Equal employment opportunity and non- discrimination Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/equal-employment-opportunity-and-non-discrimination-policypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/equal-employment-opportunity-and-non-discrimination-policypdf?scl=1&amp;fmt=pdf</a>
20.	Policy for prevention of sexual harassment at workplace	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-policy-v1pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-policy-v1pdf?scl=1&amp;fmt=pdf</a>
21.	Data Privacy Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/final-data-privacy-policypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/final-data-privacy-policypdf?scl=1&amp;fmt=pdf</a>
22.	Environmental Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/environmental-policypdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/environmental-policypdf?scl=1&amp;fmt=pdf</a>
23.	Responsible and Sustainable Business Conduct Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/responsible-and-sustainable-business-conduct-policy-22-11-2023pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/responsible-and-sustainable-business-conduct-policy-22-11-2023pdf?scl=1&amp;fmt=pdf</a>
24.	Deputation and Advisory Services Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bfi-deputation-and-advisory-policy-2022pdf-1?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bfi-deputation-and-advisory-policy-2022pdf-1?scl=1&amp;fmt=pdf</a>

### **Declaration by the Chief Executive Officer/Managing Director**

[Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors

**Bajaj Finance Ltd.**

I, Rajeev Jain, Managing Director of Bajaj Finance Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended 31 March 2024.

**Rajeev Jain**

Managing Director

25 April 2024

Pune