

Directors' Report

Dear Members,

Your directors present the seventeenth Annual Report along with the audited standalone and consolidated financial statements for 2023-24 (or FY2024).

Company overview

Your Company ('Bajaj Finserv' or 'BFS' or the 'Company') was incorporated on 30 April 2007 and has its registered office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune - 411 035.

Pursuant to demerger of Bajaj Auto Ltd. in 2008, the undertaking comprising of windmills and investment in financial services were transferred to the Company. The shares of the Company were listed on the BSE Ltd. ('BSE') and National Stock Exchange of India Ltd. ('NSE') in the year 2008. As on 31 March 2024, the Company stood at 29th rank based on market capitalisation.

In accordance with the Core Investment Companies (Reserve Bank) Directions, 2016, as amended ('Directions') your Company, is a Core Investment Company with an asset size of above ₹ 100 crore but not accessing public funds. Accordingly, it is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934 and is termed as 'Unregistered CIC'. Your Company continues to carry on the business permitted for Unregistered CIC. In terms of the Directions, the Company continues to invest 90% of its investment in the group companies of which 60% is in the form of equity investment. This allows a Group with homogenous businesses to operate under a common brand while participating in multiple opportunities through its subsidiaries. Accordingly, BFS, through its various subsidiaries provides a complete suite of financial solutions for customers which includes savings products, consumer and commercial loans, mortgages, auto financing, securities brokerage services, general and life insurance and investments.

Financial Results

The financial results of the Company are elaborated in the [Management Discussion and Analysis](#).

Highlights of the [standalone financial results](#) are as under:

Particulars	(₹ In Crore)	
	FY2024	FY2023
Total Income	1,733.91	1,147.61
Total expenses	196.99	172.99
Profit before tax	1,536.92	974.62
Tax expense	366.86	242.10
Profit for the year	1,170.06	732.52
Basic and diluted earnings per share	7.3	4.6

Closing balances in reserve/other equity:

Particulars	(₹ In Crore)	
	FY2024	FY2023
Securities premium account	1,098.48	959.59
General reserve	1,219.58	1,213.79
Share based payment reserve	436.37	313.57
Treasury shares	(104.31)	(117.48)
Retained earnings	3,759.44	2,719.34
Total	6,409.56	5,088.81

Note: Detailed movement of above reserves can be seen in 'Statement of Changes in Equity'.

Highlights of the consolidated financial results are as under:

Particulars	(₹ In Crore)	
	FY2024	FY2023
Total income	110,383.00	82,072.01
Total expenses	89,016.06	65,262.07
Profit before tax	21,375.03	16,811.13
Tax expense	5,779.67	4,601.59
Profit after tax	15,595.36	12,209.54
Profit attributable to non-controlling interests	7,447.57	5,792.26
Profit for the year	8,147.79	6,417.28
Basic earnings per share (₹)	51.2	40.3
Diluted earnings per share (₹)	50.7	40.0

Dividend Distribution Policy

Pursuant to the provisions of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company has formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. As a part of the review process, the dividend distribution policy was reviewed at the meeting of the Board held on 21 March 2024 and there were no changes to the principles, criteria or parameters set out in the dividend distribution policy basis which dividend is recommended or declared.

The policy is available on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-policypdf?scl=1&fmt=pdf>.

Dividend

For FY2024, your Directors recommend, for the consideration of members at the ensuing annual general meeting (AGM), payment of final dividend of ₹ 1 per equity share (100%) of face value of ₹ 1, out of the profits for FY2024. The total amount of dividend for FY2024 is ₹ 159.55 crore.

The dividend recommended is in accordance with the principles and criteria set out in the dividend distribution policy of the Company.

The dividend, if declared at the ensuing AGM, will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer [Notice of AGM](#).

Adoption of Confederation of Indian Industry (CII) charters

The Company has established several policies covering the Code of Conduct for its directors and employees including anti-corruption clauses, as well as policies for Fair and Responsible Workplace Practices. The list of the important policies adopted by the Company is given in [Report on Corporate Governance](#).

The Company has also signed the following charters of CII in this regard, which further strengthens the Company's commitment to these policies.

1. Model Code of Conduct for Ethical Business Practices
2. Charter on Fair & Responsible Workplace Guidelines for Collaborative Employee Relations
3. Charter on Fair & Responsible Workplace Guidelines for Contract Labour

The said policies are available on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>

Operations

Detailed information on the operations and state of affairs of the Company and of its subsidiaries are covered in the [Management Discussion and Analysis](#).

The standalone total income for FY2024 is ₹ 1,733.91 crore as against ₹ 1,147.61 crore for FY2023, whereas the profit after tax for FY2024 stands at ₹ 1,170.06 crore as against ₹ 732.52 crore for FY2023.

The consolidated total income for FY2024 is ₹ 110,383.00 crore as against ₹ 82,072.01 crore for FY2023, whereas the consolidated profit after tax for FY2024 amounted to ₹ 8,147.79 crore as compared to ₹ 6,417.28 crore for FY2023.

Governance of subsidiaries

Through structured institutional processes including appointment of qualified and competent members on the subsidiaries' board, your Company engages with its subsidiaries on long-term strategy, annual operating plans, corporate governance, risk management, financial controls, key policies related to employee and corporate conduct, employee well-being, remuneration policies and sustainability practices. Such engagement enables your Company to pursue its vision of becoming the first choice provider of financial services for every Indian. Your Company's Board and its Committees, oversee and monitor the activities of the other group companies. The Chairman and senior management of the Company devote substantial time in engagement and policy-making with the subsidiaries. As a practice, at each meeting of the Board/Committees, key elements of the businesses of the subsidiary companies and risks emanating from subsidiaries are discussed. Further, in line with the SEBI Listing Regulations, an independent director of your Company is on the Board of all its unlisted material subsidiaries.

Subsidiaries, associates and joint venture

Following are the subsidiary and joint venture companies of the Company as at 31 March 2024:

Name of the company	% of equity	Relationship
Bajaj Allianz Life Insurance Company Ltd. (BALIC)*	74.00	Subsidiary
Bajaj Allianz General Insurance Company Ltd. (BAGIC)*	74.00	Subsidiary
Bajaj Finance Ltd. (BFL)*	51.34	Subsidiary
Bajaj Housing Finance Ltd. (BHFL) (100% subsidiary of BFL)*	-	Subsidiary
Bajaj Finserv Direct Ltd. (BFS-D)	80.13#	Subsidiary
Bajaj Financial Securities Ltd. (BFinsec) (100% Subsidiary of BFL)	-	Subsidiary
Bajaj Finserv Health Ltd. (BFS-H)	100.00	Wholly-owned subsidiary
Bajaj Finserv Ventures Ltd. (BFS-Ventures)	100.00	Wholly-owned subsidiary
Bajaj Finserv Asset Management Ltd. (BFS-AMC)	100.00	Wholly-owned subsidiary
Bajaj Finserv Mutual Fund Trustee Ltd. (BFS-Trustee)	100.00	Wholly-owned subsidiary
Bajaj Allianz Financial Distributors Ltd. (BAFDL)	50.00	Joint venture
Bajaj Allianz Staffing Solutions Ltd. (BASSL) (100% subsidiary of BAFDL)	-	Joint venture
Snapwork Technologies Private Ltd. (associate of BFL)	41.50**	-
Pennant Technologies Private Ltd. (associate of BFL)	26.53**	-

*material subsidiary of the Company within the meaning of SEBI Listing Regulations.

** On fully diluted basis.

#The remaining 19.87% shareholding is held by BFL.

The Company does not have any associate. Further, during FY2024, no new subsidiary was incorporated/acquired. The Company has not entered into a joint venture with any other company. Further, during FY2024, no company ceased to be an associate, subsidiary or joint venture of BFS.

Information on the performance and financial position of subsidiary/joint venture of the Company are provided in Form AOC-1 of [consolidated financial statements](#).

The financial statements of the subsidiary companies are also available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-material-subsidiariespdf?scl=1&fmt=pdf>

Acquisition of Vidal Healthcare Services Private Ltd.

During FY2024, BFS-H, entered into a share purchase agreement for acquisition of 100% equity stake in Vidal Healthcare Services Private Ltd. ('VHC'). The acquisition of VHC has been completed in April 2024. Vidal Health Insurance TPA Private Ltd. and VH Medicare Private Ltd., two wholly owned subsidiaries of VHC, have in turn become indirect wholly owned subsidiaries of BFS-H and the Company. BFS-H has indirectly acquired ~21.3% equity stake in IntentHealth Technologies Private Ltd., which is an associate of VHC.

The acquisition of VHC significantly expands Bajaj Finserv's capabilities in the healthcare space, empowering it to service consumer needs for hospitalisation.

Preferential issue of warrants by BFL

During the year under review, BFL raised capital through qualified institutions placement and a preferential issue. As a token of commitment and support to BFL, your Company participated in preferential issue.

Accordingly, your Company subscribed to 1,550,000 warrants, fully convertible into equivalent number of equity shares, issued by its subsidiary i.e., BFL at a price of ₹ 7,670 per warrant, pursuant to the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

As per the terms of the preferential issue and in accordance with applicable law, 25% of the issue price of the warrants has to be subscribed upon issuance of warrants and the balance 75% may be invested within a maximum period of 18 months from the date of issue. Accordingly, your Company has invested ₹ 297.21 crore on 2 November 2023, i.e., 25% of issue price of warrants and balance ₹ 891.64 crore shall be payable within 18 months.

Directors and Key Managerial Personnel

A. Change in directorate:

i) Re-Appointment:

Anami N Roy (DIN: 01361110):

Pursuant to members approval vide their special resolution dated 7 December 2023, Anami N Roy has been re-appointed as an independent director for a second term of five years w.e.f. 1 January 2024 and also to continue as a director on the Board, post completion of 75 years during his second tenure.

The Board is of the opinion that Anami N Roy is a person of integrity, expertise, experience and proficiency to serve the Company as independent director strengthening the overall composition of the Board.

ii) Sad demise of Independent Director:

Your directors express their profound grief on the sudden demise of D J Balaji Rao. He was an independent director on the Board of the Company since 30 January 2008. He was member of Audit Committee and Chairman of Nomination and Remuneration Committee. He passed away on 28 November 2023 and consequently ceased to be a director of the Company. The Board places on record its sincere appreciation for the invaluable guidance, services and mentorship provided by him in his tenure as a director of the Company.

iii) Directors liable to retire by rotation:

Madhur Bajaj (DIN: 00014593), retires by rotation at the ensuing AGM and has not offered himself for re-appointment.

B. Key managerial personnel ('KMP'):

There were no changes during the year. For details on changes in the senior management team composition, please refer to the [Report on Corporate Governance](#).

Declaration by independent directors

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Companies Act, 2013 (the 'Act') read with regulation 16 of the SEBI Listing Regulations, as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

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

Policy on directors' appointment and remuneration

Pursuant to section 178(3) of the Act and regulation 19(4) read with Part D of schedule II to the SEBI Listing Regulations, the Board has framed a Remuneration Policy. The said policy was reviewed on 21 March 2024 and no changes were proposed. This policy, *inter alia*, lays down:

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

The policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The said policy can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-v3pdf?scl=1&fmt=pdf>

As per the requirements of the SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the [Report on Corporate Governance](#).

Compliance with code of conduct

All Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for FY2024.

A declaration to this effect signed by the Chairman & Managing Director forms part of this [Annual Report](#).

Annual Return

In compliance with section 134(3)(a) of the Act, a copy of the annual return as provided under section 92(3) of the Act in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs ('MCA'), is available on the website of Company and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

Number of meetings of Board

Seven (7) meetings of the Board were held during FY2024. Details of the meetings and attendance thereat, form part of the [Report on Corporate Governance](#).

Directors' responsibility statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments which are measured at fair value pursuant to the provisions of the Act and guidelines issued by SEBI. Accounting policies have been consistently applied except where revision to an existing Accounting Standard requires a change in the accounting policy.

In accordance with the provisions of section 134(3)(c) of the Act and based on the information provided by the Management, the Directors state that:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for FY2024;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Audit Committee

Anami N Roy was inducted as a member of the Committee effective 1 April 2023. D J Balaji Rao ceased to be a member of the Committee, consequent to his demise.

The Audit Committee comprises of the following independent directors: Dr. Naushad Forbes (DIN: 00630825), Chairman, Pramit Jhaveri (DIN: 00186137) and Anami N Roy (DIN: 01361110). All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

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

The brief terms of reference, number of meetings and attendance record of members are given in the [Report on Corporate Governance](#).

Particulars of loans, guarantees or investments

Details of loans, guarantees and investments, if any, covered under the provisions of section 186 of the Act are provided in the notes to financial statements.

Employee stock option scheme

The Company offers stock options to select employees of the Company & its subsidiaries, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the 'SBEB Regulations'), to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the senior management team. Stock options are granted to employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Your Company has a group talent management programme which seeks to provide employees to work across group companies and thereby preparing them for future roles in a well-planned manner. Grant of stock options also allows the Company to maintain the right balance between fixed pay, short-term incentives and long-term incentives to effectively align with the risk considerations and build the focus on consistent long-term results.

On 23 March 2024, the shareholders approved modification to the Bajaj Finserv Limited Employee Stock Option Scheme ('BFS ESOS') through postal ballot, to include enabling provisions for inclusion of employees from the Group and associate companies and treatment of stock options in case of retirement, death, permanent incapacity, transfers and deputation. BFS ESOS, as amended, is in compliance with the SBEB Regulations. As per BFS ESOS, the total number of options that can be granted is 45,000,000 convertible into equivalent number of equity shares of face value of ₹1.

A statement giving complete details as at the year ended 31 March 2024, in terms of regulation 14 of SBEB Regulations is available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>

Grant wise details of options vested, exercised and cancelled are provided in the notes to the standalone financial statements.

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2024.

Capital Structure

The authorised capital of the Company as on 31 March 2024 stood at ₹ 200 crore consisting of 200 crore equity shares of face value of ₹ 1.

On 31 July 2023, the Allotment Committee allotted 2,673,353 equity shares of face value of ₹ 1 to the Bajaj Finserv ESOP Trust under the BFS ESOS, thereby increasing the paid up capital from ₹ 159.28 crore consisting of 1,592,815,460 fully paid- up equity shares to ₹ 159.55 crore consisting of 1,595,488,813 fully paid - up equity shares.

Except as stated above, there was no other issue of shares by way of public issue, rights issue, bonus issue or preferential issue during the year under review.

Related party transactions

All contracts/ arrangement/ transactions entered by the Company during FY2024 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Such transactions are reviewed by the Audit Committee, on a quarterly basis.

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. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

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

The policy on materiality of related party transactions and on dealing with related party transactions is hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf?scl=1&fmt=pdf>

Succession planning

The Company has in place a succession planning framework to address anticipated as well as unscheduled changes in leadership. The said framework is re-evaluated and updated every year. The Company has several programs through which high performing talent are identified. Series of journey of interventions and experiential environments are organised to develop their leadership qualities and skills. In line with the principles of governance, changes are planned from time to time in the Board of Directors, Committees and Top management as part of succession planning.

Material changes and commitments

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

Conservation of energy and technology absorption

The Company being an unregistered Core Investment Company, does not manufacture products and therefore, does not discharge effluents directly. However, the Company has windfarms in addition to its financial services activities which produce green energy.

(A) Conservation of energy –

(i) Steps taken or impact on conservation of energy:

- Optimum usage of parking and common area lights.
- Elevator usage optimisation.
- Installation of LED lamps in place of tube lights and CFL.

During FY2024, the energy consumption of the Company was reduced by 71,600 units by taking above mentioned steps.

(ii) Steps taken by the Company for utilising alternate sources of energy:

- The Company has installed a renewable energy (wind) project with a capacity of 65.2 MW.
- During FY2024, it generated 9.04 crore units, which it sold to Maharashtra State Electricity Distribution Company Ltd.

However, captive use would be possible only after operative guidelines of the Nodal Agency are issued, following the Maharashtra Electricity Regulatory Commission's notification of Green Energy Open Access.

(iii) Capital investment on energy conservation equipment;

- The amount of capital investment made by the Company on energy conservation equipments during FY2024, was approximately ₹ 1.35 lakh.
- The Company implements various energy conservation measures and initiatives which are highlighted in the [Business Responsibility and Sustainability Report](#) which forms part of this [Annual Report](#). The same is available on the Company's website and can be accessed at <https://www.bajajfinserv.in/finserv-investor-relations-annual-reports>

(B) Technology Absorption –

Being essentially an investment company, no particulars regarding technology absorption are provided considering the nature of operations of the Company.

Foreign exchange earnings and outgo

During FY2024, the Company did not have foreign exchange earnings. The foreign exchange outgo in terms of actual outflow amounted to ₹ 1.68 crore, as against ₹ 0.46 crore in FY2023.

Risk management

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and regulation 17(9) of the SEBI Listing Regulations. Managing risk is fundamental to financial services industry and it is key to ensure sustained profitability and stability. In a rapidly changing economic, geopolitical, regulatory and financial environment, your Company and its subsidiaries have continued to leverage on their strong risk management capabilities.

Risk to the Company stems largely from its subsidiaries. Hence, the primary approach of the Company's risk management is monitoring the risks of material subsidiaries, which individually or in aggregate could culminate into a key capital or reputational risk for the Company. The Company engages with the subsidiaries on a continuous basis to understand the nature of risks, the assessment of risks as regards its criticality (severity and likelihood), mitigating actions and controls, monitoring and reporting of the same on a periodical basis to its Risk Management Committee.

Information on the development and implementation of a Risk Management Policy for the Company is given in the [Management Discussion and Analysis](#). The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

Corporate social responsibility ('CSR')

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

The Committee comprises of three directors viz., Dr. Naushad Forbes (DIN: 00630825), Chairman, Sanjiv Bajaj (DIN: 00014615) and Anami N Roy (DIN: 01361110).

During FY2024, the Committee met twice. Details of meetings and attendance thereat forms part of the [Annual Report on CSR activities](#).

The CSR obligation of the Company for FY2024 was ~ ₹ 0.61 crore. As on 31 March 2024, total amount spent on CSR activities by Company was ~ ₹ 0.99 crore.

Pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the [Annual Report on CSR activities](#) is annexed to this Report. Detailed information on CSR Policy, its salient features, details pertaining to spent and unspent amount, if any, forms part of [Annual Report on CSR activities](#).

The CSR policy is hosted on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policypdf-1?scl=1&fmt=pdf>

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

Formal annual evaluation

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

Further, as per Schedule IV of the Act and provisions of the SEBI Listing Regulations, the performance evaluation of independent directors shall be done by the entire Board excluding the director being evaluated. On the basis of the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

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

The manner in which formal annual evaluation of performance was carried out by the Board for the year 2023-24 is given below:

- The NRC at its meeting held on 15 March 2023, reviewed the criteria for performance evaluation. The said criteria are available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/board-evaluation-criteriapdf?scl=1&fmt=pdf>.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking confidential feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors. As advised by the NRC and Board, an option for qualitative feedback, was introduced.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the year 2023-24 and a consolidated report thereof were arrived at.
- Other than Chairman of the Board and NRC, no other director has access to the individual ratings given by directors.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 21 March 2024.

Based on the report and evaluation, the Board and NRC at their respective meetings held on 21 March 2024, determined that the term of appointment of all independent directors may continue.

Details on the evaluation of Board, non-independent directors and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 21 March 2024, have been furnished in a separate paragraph elsewhere in this Report.

The process followed by the Company was reviewed by the NRC at its meeting held on 21 March 2024 which opined it to be compliant with applicable provisions. Further the Board, at its meeting held on 21 March 2024, advised the management to benchmark the processes and criteria with best practices.

Significant and material orders

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

Internal financial controls

Internal financial controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically.

The Board reviewed the internal financial controls of the Company and is of the opinion that internal financial controls with reference to the financial statements were adequate, and operating effectively and are commensurate with the size, scale and complexity of operations.

Internal Control Systems and their adequacy has been discussed in more detail in [Management Discussion and Analysis](#).

Independent directors' meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without the presence of non-independent directors and members of the management.

Accordingly, independent directors of the Company met on 21 March 2024 and:

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

The independent directors present elected Dr. Naushad Forbes as the Chairman for the meeting. All independent directors were present at the meeting.

Whistle-blower policy/vigil mechanism

The Company has a whistle-blower policy encompassing vigil mechanism pursuant to the requirements of section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The whistle-blower framework has been introduced with an aim to provide employees and directors with a safe and confidential channel to share their inputs about such aspects which are adversely impacting their work environment. The policy/vigil mechanism enables employees and directors to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by an Enforcement Committee comprising senior management representatives from within the organisation. Pursuant to the Whistle-Blower Policy, a summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practice.

The whistle-blower policy is uploaded on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policypdf-1?scl=1&fmt=pdf>

Investor Education and Protection Fund ('IEPF')

The details pertaining to the transfer of unclaimed dividend amount and shares to the IEPF have been provided in General Shareholder Information, which forms part of this [Annual Report](#).

Uma Shende, Company Secretary is the Nodal Officer of the Company, appointed pursuant to rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of which are available on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-listing-on-stock-exchange>.

Corporate governance

Pursuant to the SEBI Listing Regulations, a separate section titled [Report on Corporate Governance](#) has been included in this Annual Report, along with the [Management Discussion and Analysis](#) and report on [General Shareholder Information](#).

The Chairman & Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.

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

Business Responsibility and Sustainability Report ('BRSR')

SEBI vide its Master circular dated 11 July 2023 had prescribed the Business Responsibility and Sustainability Reporting (BRSR).

Further, SEBI vide its circular dated 12 July 2023 introduced BRSR Core. The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes of the Company.

DNV Business Assurance India Pvt. Ltd. has provided reasonable assurance for BRSR Core and limited assurance on rest of the BRSR, in line with SEBI's circular of 12 July 2023.

The BRSR in the format prescribed by SEBI is annexed to the Annual Report.

Also, the Company has adopted a Policy for Responsible and Sustainable Business Conduct. A detailed ESG report describing various initiatives, actions and processes of the Company towards the ESG has been hosted on Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>

Maintenance of cost records

Provisions relating to maintenance of cost records as specified by the Central Government under section 148 of the Act, as applicable to the Company have been complied with for FY2024.

Secretarial standards of ICSI

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

Internal audit

The internal audit is an integral part of corporate governance. The objective of internal audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of internal audit are assurance on Controls, Governance and Compliance, Risk Assessment and its Mitigation and Process Optimisation.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are discussed by the Audit Committee on a quarterly basis.

The Audit Committee periodically reviews the adequacy of the internal audit structure.

Auditors

Statutory Auditor

KKC & Associates LLP (FRN 105146W/ W100621) continue to be the Statutory Auditor of the Company. They hold office for a period of 4 years upto the 19th AGM scheduled in the year 2025.

The statutory audit reports for FY2024, is unmodified i.e., does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report.

As per regulation 24A(1) of the SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Directors Report. In line with the same, the secretarial audit reports of BHFL (Debt listed), BALIC and BAGIC for the FY2024 are annexed to this Report and also placed on Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2024 has been issued by Shyamprasad D. Limaye and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

The secretarial audit report for FY2024, is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditor

Pursuant to section 148 of the Act, and the Rules made thereunder, the Board of Directors, on the recommendation of the Audit Committee, have re-appointed Dhananjay V Joshi & Associates (firm registration no. 000030), Cost Accountants, to audit the cost records of the Company for FY2025 on a remuneration of

₹ 70,000 plus taxes, out-of-pocket, travelling and living expenses, subject to ratification by the shareholders at the ensuing AGM.

Accordingly, a resolution seeking members' ratification for the remuneration payable to the Cost Auditor is included in the [Notice of AGM](#).

The cost audit report for FY2023, is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>
- Details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended containing, *inter alia*, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Disclosure as required under section 197(14):

Sanjiv Bajaj (DIN: 00014615), who is also the Non-executive, Chairman of Bajaj Finance Ltd. ('BFL') and Bajaj Housing Finance Ltd. ('BHFL') has been paid sitting fees and commission as follows:

(₹ in lakh)

Sr. No.	Particulars	Sitting Fees		Commission	
		FY2024	FY2023	FY2024*	FY2023
1.	BFL	26.00	23.00	404.00	60.50
2.	BHFL	13.00	14.00	26.00	6.75

*will be payable post adoption of financial statements for FY2024.

He is entitled for sitting fees and commission in line with the remuneration policy and as determined by NRC / Board from time to time in BHFL and BFL. He does not draw any remuneration from any other subsidiary of which he is a non-executive director.

- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under rule 5(3) of the said Rules, which form part of this Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.
- The auditors, i.e., statutory auditor, secretarial auditor and cost auditor have not reported any matter under section 143(12) of the Act and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of the composition of the Committee is given in the said policy. The number of complaints received, disposed of and pending during FY2024 is given in the [Corporate Governance Report](#). The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harrasement-at-workplace-v2pdf?scl=1&fmt=pdf>
- There is no change in the nature of business of the Company during FY2024.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during FY2024 against the Company.
- The Company has not accepted any deposits covered under Chapter V of the Act during the year under review nor has ever accepted.

- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013 and SEBI Regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The [Report on Corporate governance](#) contains web-links of major policies hosted on website.
- During FY2024, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

Acknowledgement

The Board places its gratitude and appreciation for the support and co-operation from its members and regulators.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company, its subsidiaries and joint ventures and thanks them for yet another excellent year of performance.

On behalf of the Board of Directors

Sanjiv Bajaj

Chairman & Managing Director
DIN: 00014615
Pune: 26 April 2024

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

1. Brief outline of Company's CSR Policy

Introduction

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

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

Through its social investments, Bajaj Group addresses the needs of India's next generation, mainly, in the areas of skilling, health and education. Additionally, the Group supports creation of healthcare and other infrastructure and relief efforts in response to natural calamities and pandemics. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

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

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

Guiding principles:

The Company believes that social investments should:

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

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy was approved and adopted by the Board of Directors in its meeting held on 28 April 2021. The Policy, *inter alia*, covers the following:

- Philosophy, Approach & Direction;
- Guiding Principles for selection, implementation and monitoring of activities; and
- Guiding Principles for formulation of Annual Action Plan.

2. Composition of CSR Committee:

During FY2024, Committee met two times on 26 April 2023 and 20 March 2024:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman, Independent Director	2	2
2.	Anami N Roy	Member, Independent Director	2	2
3.	Sanjiv Bajaj	Member, Chairman of Board & Managing Director	2	2

3. Web-link where the following are disclosed on the website of the Company:

Composition of CSR Committee	:	https://www.aboutbajajfinserv.com/people-and-committees-corporate-social-responsibility-committee
CSR Policy	:	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policypdf-1?scl=1&fmt=pdf
CSR projects approved by the Board	:	https://www.aboutbajajfinserv.com/investor-relations-forms

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135 of the Act : ₹ 30.28 crore
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 of the Act : ₹ 0.61 crore
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set-off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 0.61 crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 0.99 crore
 (b) Amount spent in Administrative Overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Not Applicable
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 0.99 crore

(e) CSR amount spent or unspent for the financial year :

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

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	(₹ In Crore)
		Amount
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	0.61
ii.	Total amount spent for the Financial Year	0.99
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.38
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	0.35

*The Board at its meeting held on 26 April 2024, approved to set off ₹ 0.35 crore, being amount spent in excess as against the requirement under sub- Section 135(5) of Companies Act, 2013 for FY2024 till the immediate subsequent three financial year.

- 7.** Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years : Not Applicable
- 8.** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : None
- 9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 : Not Applicable

Sanjiv Bajaj

Chairman and Managing Director
DIN: 00014615

Date: 26 April 2024

Dr. Naushad Forbes

Chairman of CSR Committee
DIN:00630825

Annexure to Directors' Report: FY2024

Remuneration details under Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31 March 2024

Name of the Director/KMP	Ratio of remuneration of director to median remuneration of employees	% change in remuneration in FY2024
(A) Whole-time Director/Managerial Personnel		
Sanjiv Bajaj-Chairman & Managing Director	105.07	35.95
(B) Non-Executive Directors¹		
D J Balaji Rao	1.10	Refer note ^S
Dr. Naushad Forbes	2.00	66.67
Anami N Roy	1.80	200.00
Radhika Haribhakti	1.50	181.25
Pramit Jhaveri	1.70	112.50
Madhur Bajaj	0.70	75.00
Rajiv Bajaj	0.50	25.00
Manish Kejriwal	1.00	15.38
(C) Key Managerial Personnel		
Sanjiv Bajaj, Chairman & Managing Director		35.95
S Sreenivasan, CFO ²		17.68
Uma Shende, Company Secretary		17.95
(D) % Increase in Median Remuneration of employees		- 16.28
(E) Number of Permanent employees as on 31 March 2024	125	

^S Not comparable since he ceased to be director of the Company w.e.f. 28 November 2023.

Note:

- Remuneration payable to non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year. The amount of commission payable to non-executive directors is fixed at ₹ 300,000/- per meeting.
 - Remuneration to directors does not include sitting fee paid to them for attending Board/ Committee meetings.
- % increase over FY2023 is derived excluding perquisite value of stock option exercised in FY2024.
- 'Permanent employees' does not include trainees, probationers and contract employees.
- The variation reflected in column ' % change in remuneration in FY2024' is on account of number of Board/ Committee meetings, attendance of directors thereat and change in committee position.

Notes on Disclosures under Rule 5

- Average percentage increase in salary employee other than Whole-time Director increased is 11.86%
- Percentage increase in remuneration of managerial personnel has been determined keeping in view his duties and responsibilities, the performance of the Company and trend of remuneration in industry.
- The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form MR-3)

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

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Finserv Ltd.

(CIN: L65923PN2007PLC130075)

Bajaj Auto Ltd. Complex,

Mumbai-Pune Road,

Pune-411035.

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

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

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

- 1) The Companies Act, 2013 and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) and circulars / guidelines issued thereunder.

6) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to unregistered Core Investment Company.

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

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

I further report that during the period the Company has

- a) allotted 26,73,353 Equity shares of ₹ 1/- each on 31 July 2023 under ESOP.
- b) modified Bajaj Finserv Limited Employee Stock Option Scheme.

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000247118

Place: Pune

Date: 26 April 2024

Annexure to Secretarial Audit Report (Form MR-3)

To,
The Members,
Bajaj Finserv Limited
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Pune 411035

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

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune

Date: 26 April 2024

Secretarial Audit Report of Subsidiary company (Form MR-3)

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

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Allianz Life Insurance Company Ltd.

(CIN: U66010PN2001PLC015959)

Bajaj Allianz House, Airport Road,

Yerawada, Pune- 411006.

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

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

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

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a life insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000214778

Place: Pune

Date: 23 April 2024

Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,
The Members,
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Allianz House, Airport Road,
Yerawada, Pune - 411006.

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

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

Shyamprasad D. Limaye

FCS 1587 CP 572

Place: Pune

Date: 23 April 2024

Secretarial Audit Report of subsidiary company (Form MR-3)

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

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Allianz General Insurance Company Ltd.

(CIN: U66010PN2000PLC015329)

Bajaj Allianz House, Airport Road,

Yerawada, Pune- 411006.

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

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

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

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a general insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000214778

Place: Pune

Date: 23 April 2024

Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,
The Members
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz House, Airport Road,
Yerawada, Pune- 411006.

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

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune
Date: 23 April 2024

Secretarial Audit Report of Subsidiary company (Form MR-3)

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

For the financial year ended 31 March 2024.

To,

The Members of,

Bajaj Housing Finance Ltd.

(CIN: U65910PN2008PLC132228)

Bajaj Auto Ltd. Complex,

Mumbai-Pune Road, Akurdi, Pune-411035.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Ltd.** (hereinafter called as "the Company").

The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

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

- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company;

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including one woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

- i. Allotted 8,350 Secured non-convertible debentures amounting to ₹ 8,350 crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 crore towards Unsecured non-convertible debentures.
- ii. Issued Commercial Papers amounting to ₹4,600.00 crore from time to time and complied with the rules and regulations under various Acts.
- iii. Deposited a penalty of ₹5.00 lakh which was imposed by Reserve Bank of India ('RBI') in exercise of the powers vested with it under the provisions of the National Housing Bank Act, 1987 vide its order dated 29 January 2024 received by the Company on 2 February 2024, on account of contravention of para 45.3 of Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 which requires prior written permission from RBI for change in management resulting in change in more than 30% of the non- independent directors.

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

Shyamprasad D Limaye

FCS 1587 CP 572
UDIN: F001587F000224403

Place: Pune
Date: 24 April 2024

Annexure to Secretarial Audit Report of Subsidiary company (Form MR-3)

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

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

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune

Date: 24 April 2024

Independent Auditors' Certificate on Corporate Governance

To the Members of
Bajaj Finserv Ltd.

We have examined the compliance of conditions of Corporate Governance by Bajaj Finserv Ltd. (the 'Company'), for the year ended 31 March 2024, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation, and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KKC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 105146W/W100621

Ketan S Vikamsey

Partner

Membership No: 044000

ICAI UDIN: 24044000BKGTYW9522

Place: Pune

Date: 26 April 2024

Certificate by Practising Company Secretary

[Pursuant to Schedule V read with regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Bajaj Finserv Ltd. (CIN: L65923PN2007PLC130075) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune - 411035.

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

I certify that the following persons are Directors of the Company (during 1 April 2023 to 31 March 2024) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman & Managing Director
2	Balaji Rao Jagannathrao Doveton*	00025254	Independent director
3	Dr. Naushad Darius Forbes	00630825	Independent director
4	Anami Narayan Prema Roy	01361110	Independent director
5	Pramit Shashikant Jhaveri	00186137	Independent director
6	Radhika Vijay Haribhakti	02409519	Independent director
7	Madhur Ramkrishnaji Bajaj	00014593	Non- Executive director
8	Rajivnayan Rahulkumar Bajaj	00018262	Non -Executive director
9	Manish Santoshkumar Kejriwal	00040055	Non-Executive director

*Balaji Rao Jagannathrao Doveton expired on 28 November 2023 and ceased to be a director of the Company w.e.f. 28 November 2023.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000247206

Place: Pune

Date: 26 April 2024

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BJAZ-PR-EC-03730/23

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