

Management Discussion and Analysis

Bajaj Finserv Ltd. ('Bajaj Finserv', 'BFS' or 'the Company') is an unregistered core investment company (CIC) under RBI regulations 2020 and the holding company for the various financial services businesses under the Bajaj group. **Its vision is to be a diversified financial services group with a pan-India presence and, thus, offer life-cycle financial solutions for its various customers.**

Financial life-cycle needs of all customers ideally involve five phases:

- 1. Asset acquisition:** These are facilitated through loans and credit cards.
- 2. Asset protection:** This is carried out through general insurance policies.
- 3. Family health and income protection:** These are done using general, health and life insurance, guaranteed savings and digital access to the health ecosystem.
- 4. Investment and wealth management:** These are provided through unit-linked investment products (ULIPs), mutual funds, fixed deposits and shares.
- 5. Retirement:** This is met by annuities.

In turn, these needs are provided by companies providing omnichannel (i) products and solutions, and (ii) digital-first platforms. Within Bajaj Finserv, these are:

a. Products and solutions, provided by:

- i. Bajaj Finance Ltd. (BFL), a large, listed, well-recognised and significantly profitable consumer finance and lending business in which BFS holds 51.34% stake and its unlisted 100% subsidiary, Bajaj Housing Finance Ltd. (BHFL), which is a profitable and fast-growing enterprise engaged in various aspects of housing finance and development.
- ii. Bajaj Allianz General Insurance Company Ltd. (BAGIC); and Bajaj Allianz Life Insurance Company Ltd. (BALIC) which are unlisted joint ventures with Allianz SE of Germany, the global insurance and asset management company and in which BFS holds 74% stake.
- iii. Bajaj Finserv Asset Management Ltd. (BFS AMC), an unlisted wholly-owned subsidiary of BFS. It is in the mutual fund business and offers host of innovative investment products and solutions.

b. Digital-first platforms, offered via:

- i. Bajaj Finserv Direct Ltd., an unlisted subsidiary in which BFS holds 80.13% stake with the remaining 19.87% held by BFL, which operates a financial products marketplace and offers technology services;
- ii. Bajaj Finserv Health Ltd., in which BFS holds 100% stake, a health-tech venture; and
- iii. Bajaj Financial Securities Ltd. (BFinsec), another wholly-owned subsidiary of BFL which provides digital stock-broking and demat services.

What is the role of Bajaj Finserv across all these ventures listed above?

The role of BFS is to regularly monitor and engage with its companies with the objective of long-term sustainable profit, meaningful market share, and effective use of capital—thereby delivering superior shareholder returns. We do this by driving companies to create institutionalised frameworks through accountable empowerment and by the encouragement of disruptive thinking. The monitoring and engaging roles are under five heads:

- 1. Businesses:** Rigorous engagement in long range planning and annual operating plans; regular review of all businesses and their SBUs; and periodic analysis of new business opportunities as well as strategic investments.
- 2. Risks:** Harmonisation of risk policies and framework; regular engagement with the Chief Risk Officers of the businesses; periodic review of top enterprise risks including credit, business, financial, operational, reputational, as well as the mitigation actions planned; and driving risk-related projects across the group such as operational risk management.
- 3. Collaboration and best practices:** These involve group knowledge forums covering analytics, technology, investments, governance, etc.; cross-company projects on data, innovation and digital strategy; and cross-group stress identification forum to identify any cross-functional view on investment risks.

4. **People/HR:** The notion of 'One Finserv' which translates to group talent mobility; group young leader management trainee programmes; 30 under 30 programme; and a three-tier merit based remuneration plan combining fixed cash, annual bonus and ESOPs.
5. **Customer experience, investments and ESG:** To define customer service protocols for businesses; to review and standardise investment processes; and to provide oversight and monitoring of ESG policy and its implementation across the group.
6. **Corporate social responsibility (CSR):** To harmonise the CSR efforts of the businesses in a focused manner with aligned goals to optimise impact on the beneficiaries.

As a core investment company (CIC) under the regulations of the RBI, Bajaj Finserv is required to invest at least 90% of its net assets in group companies, of which at least 60% should be in the form of equity investments. Investments outside the group can only be made in specified short-term securities like money market instruments. As Bajaj Finserv does not access public funds, it does not require registration with the RBI.

Bajaj Finserv also has investments in renewable energy through 138 windmills in Maharashtra with an aggregate installed capacity of 65.2 MW.

As required by regulation, the standalone and consolidated financial results of Bajaj Finserv are compliant with Indian Accounting Standards (Ind AS). The insurance companies are not covered under Ind AS. They prepare Ind AS financials only for the purpose of consolidation. Accordingly, the financials in the sections on BAGIC and BALIC in this chapter are as per Indian Generally Accepted Accounting Principles (Indian GAAP) and the regulations laid down by the Insurance Regulatory and Development Authority of India (IRDAI).

Performance of subsidiary companies is detailed in subsequent pages.

Given below are highlights during the year.

Highlights of subsidiary companies in FY2024

- BFL's consolidated assets under management (AUM) crossed ₹ 330,000 crore.
- BALIC's AUM crossed ₹ 100,000 crore.
- BAGIC became the 3rd largest general insurer, measured by gross direct premium, overtaking three public sector insurers of long vintage during the year.
- BFS AMC recorded AUM of ₹ 9,552 crore in its first year of operation, a first in the industry.
- Bajaj Finserv Health entered the hospitalisation claims management space with acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd.

Macroeconomic Overview

Despite three turbulent years which witnessed a global pandemic, supply chain disruptions, conflict in Ukraine and West Asia, and elevated interest rates to counter high inflation, India has emerged as the fastest growing major economy of the world. Notwithstanding conflicts in Europe and Gaza and rising tensions in West Asia, a global recession has not occurred. In fact, the key indicators have turned positive: inflation is falling across all major countries; unemployment has not risen as experts thought it would; and major central banks have put an end to monetary tightening, though they have not yet begun reducing their key interest rates.

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

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

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

Table 1: Real GDP and Gross value added (GVA) and growth, India

	FY2021 (3 rd RE)	FY2022 (2 nd RE)	FY2023 (1 st RE)	FY2024 (2 nd AE)
Real GDP (₹ in trillion)	136.9	150.2	160.7	172.9
Real GVA (₹ in trillion)	126.9	138.8	148.0	158.3
Real GDP growth	(5.8%)	9.7%	7.0%	7.6%
Real GVA growth	(4.1%)	9.4%	6.7%	6.9%

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

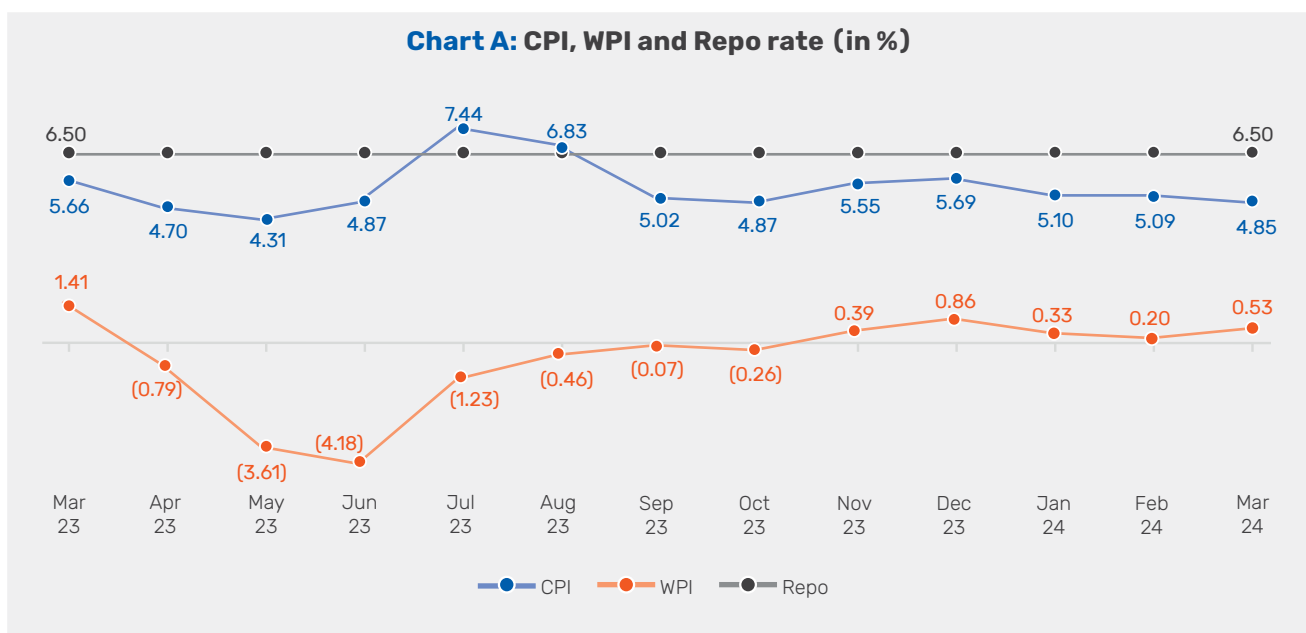
The first three quarters of FY2024 has witnessed impressive real GDP growth. Q1, FY2024 saw 8.2% growth; this was followed by 8.1% in Q2, FY2024; and then by 8.4% in Q3, FY2024. If numbers such as these prevail in the fourth quarter, then it is safe to assume that the actual GDP growth FY2024 will comfortably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

The major driver of growth has been the Central Government-led capital expenditure. The present government had considerably raised this to counter the overall demand and GDP suppression during the pandemic; and it has continued to rely upon it as a significant component of growth. To give an example: according to the second advance estimate for FY2024, gross fixed capital formation (GFCF) is expected to contribute over 34% of the GDP in FY2024—an impressive ratio by any standard.

India’s current account deficit (CAD) for Q3 FY2024 stood at US\$ 10.5 billion, or 1.2% of GDP versus US\$ 11.4 billion (1.3% of GDP) in Q2 FY2024. For the first three quarters of FY2024, the CAD aggregated US\$ 31 billion, or 1.2% of GDP—compared to 2.6% over same period of FY2023. This narrowing of the CAD was due to a fall in merchandise trade deficit, robust growth in the export of services exports and strong remittances.

Consumer price inflation (CPI) moderated in first three quarters of FY2024, with average retail inflation easing to 5.5%. The decline was on account of benign core (non-food, non-fuel) inflation, which reduced to a four-year low of 3.8% in December 2023. CPI was 5.1% in January 2024 and 5.09% in February 2024. The monetary policy report of the RBI dated 5 April 2024 suggests that the moderation in inflation in Q3 and Q4 FY2024 was a result of weakening of supply side shocks—especially in food prices—and from the transmission of past monetary policy actions. Of course, regarding inflation, adverse weather conditions and escalating geopolitical hostilities remain key risks. Nevertheless, it is fair to expect CPI inflation to average 5.4% in FY2024, and then reduce to something like 4.5% in FY2025—subject, of course, to the usual upside risks.

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



Source: Government of India (mospi.gov.in)

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

So, it would seem that the Indian economy has weathered the external shocks reasonably well. It is by far the fastest growing major economy in the world. The growth impetus continues across all major sectors. Inflationary pressures have abated. The CAD is well under control. And, at the very least, we can expect yet another stellar year in FY2025.

Overview of the Insurance Sector

During FY2024, the external environment was generally favourable for the insurance sector. Some of the challenges to growth, posed during post-pandemic period, also receded compared to previous year.

Positive regulatory developments in the insurance sector aimed at attaining the Insurance Regulatory and Development Authority of India (IRDAI)'s vision of 'Insurance for All' by 2047 continued in FY2024 as well.

FY2024 kicked off with introduction of Know Your Customer (KYC) norms at the policy issuance stage for general and health insurance, a long-standing need of the sector; moving all the general and health insurance products to the Use and File regime; and consolidation of limits on commission and management expenses. In collaboration with the IRDAI, the Life Insurance and General Insurance Councils helped in optimising, simplifying and consolidating the regulatory landscape, while benchmarking with global best practices, where required. Consequently, 30 erstwhile regulations were consolidated to eight. The intent of the IRDAI to move from 'rule based' to 'principle based' regulatory framework, needs to be commended.

An electronic insurance marketplace (Bima Sugam), a comprehensive life, general and health insurance product for the lower income segments (Bima Vistar) and a new form of intermediary for the rural market (Bima Vaahak), are also expected to be launched in FY2025. These are innovative initiatives and their development over the next few years will be keenly watched.

On investment front, FY2024 was a very good year, as the Indian stock market indices scaled lifetime highs. Stability in interest rates coupled with relatively moderate inflation led to excellent returns on equity and debt investments. Induction of Indian Government Bonds in the global indices during FY2024 is a testimony of what the India stands as an investment destination for international investors amidst volatile global markets marred by geopolitical uncertainties. All this created a conducive market for life insurance sector, which can be seen from the growth achieved during FY2024.

The general insurance sector also benefitted from highest ever annual sale of private cars in FY2024. Insurance penetration in respect of new automobiles is 100% and, therefore, strong growth in auto sales acts as a catalyst for general insurance. In health insurance, more states announced schemes for increasing coverage of healthcare through insurance, self-funded trust models and hybrid models. The increasing incidence of losses from natural catastrophes with eight flood events increased claims for the general insurance sector, while a shifting yield curve resulted in volatility in margins for the life insurance sector.

Consumer Finance and Lending

Bajaj Finance Ltd. (BFL)

BFL is one of India's largest non-banking financial companies (NBFCs), with the strategy and structure of a bank. It seeks to transform itself into a customer-centric, digital first enterprise through omnipresence across physical, mobile and web mediums led by payments platform combining different payment instruments. Focusing on India's mass affluent customers and above in both urban and rural, it uses a strategy of cross-selling with the smart use of state-of-the-art data, innovations and analytics delivered through marketplaces to transform customer experience and create growth opportunities. It offers diversified financial services and optimises the mix of risk so as to regularly generate significant and sustainable profits.

BFL: Consolidated Performance Highlights for FY2024

- Customer franchise grew by 21% to 83.64 million.
- Number of new loans booked was 36.20 million.
- Number of customers on Bajaj Finserv App was 52.41 million.
- Assets under management (AUM) increased by 34% to ₹ 330,615 crore.
- Net total income increased by 26% to ₹ 36,258 crore.
- Profit after tax (PAT) increased by 26% to ₹ 14,451 crore.
- Capital adequacy ratio as on 31 March 2024 was 22.52%, Tier-I adequacy was 21.51% which is well above the RBI norms.

Business update

BFL is present in 4,145 locations across the country, including 2,576 in rural/smaller towns and villages. Geographical expansion, large customer franchise, omnichannel focus and rapid adoption and use of digital technology continue to be critical pillars of the Company's growth. It focuses on eight broad categories. These are: (i) consumer lending (sales finance); (ii) personal loans; (iii) SME lending; (iv) commercial lending; (v) loan against securities; (vi) rural lending; (vii) deposits; and (viii) partnerships and services.

In FY2024:

- BFL disbursed 36.20 million loans, representing a growth of 22% over FY2023.
- It was present in 4,145 locations across the country, including 2,576 locations in rural/smaller towns and villages.
- It operated through over 198,000 distribution points across India.
- It acquired a record 14.50 million new customers in FY2024 taking its existing customer franchise to 83.64 million as on 31 March 2024, a growth of 21% over 31 March 2023.

On a consolidated basis, BFL delivered:

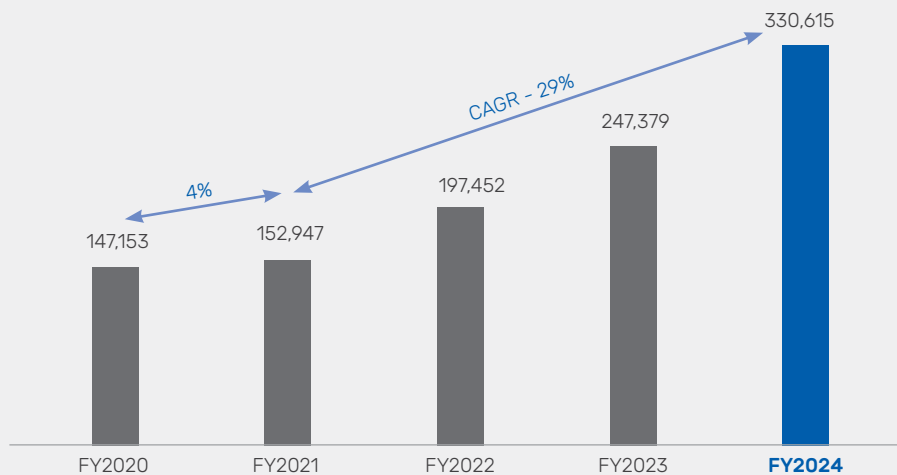
- an AUM growth of 34% in FY2024 from ₹ 247,379 crore to ₹ 330,615 crore
- growth in profit after tax (PAT) of 26% in FY2024 from ₹11,508 crore to ₹ 14,451 crore.
- Return on average assets (RoA) of 5.08% in FY2024 and return on average equity (ROE) of 22.05% on a consolidated basis.

Despite a change in regulatory measures by the RBI where risk weights on consumer credit were increased from 100% to 125% during the year, BFL remains well capitalised with a capital-to-risk weighted asset ratio (CRAR) of 22.52% as on 31 March 2024, making it among the best capitalised large NBFCs in India. Table 2 gives a snapshot of BFL's AUM across its different businesses. Chart B depicts BFL's consolidated AUM over the years.

Table 2: BFL's assets under management

(₹ In Crore)

Particulars	Standalone			Consolidated		
	FY2024	FY2023	Change	FY2024	FY2023	Change
Two and three-wheeler finance	19,742	12,979	52%	19,742	12,979	52%
Urban sales finance	23,448	17,859	31%	23,448	17,859	31%
Urban B2C	64,471	49,707	30%	66,093	51,346	29%
Rural sales finance	6,209	4,571	36%	6,209	4,571	36%
Rural B2C (excluding gold loans)	17,607	16,657	6%	17,607	16,657	6%
Gold loans	4,599	2,800	64%	4,599	2,800	64%
SME lending (excluding car loans)	38,498	29,628	30%	38,470	29,764	29%
Car loans	7,087	2,763	156%	7,087	2,763	156%
Loans against securities	18,221	14,028	30%	22,038	15,093	46%
Commercial lending	22,006	15,834	39%	22,006	15,834	39%
Mortgages	22,938	14,173	62%	103,316	77,713	33%
Total	244,826	180,999	35%	330,615	247,379	34%

Chart B: BFL's Consolidated assets under management (₹ In Crore)

Financial performance

Table 3 gives BFL's consolidated performance; and Table 4 highlights the key ratios.

Table 3: BFL's consolidated financial performance

(₹ In Crore)

	Consolidated		
	FY2024	FY2023	Change
Interest income	48,307	35,549	36%
Interest and finance charges	18,725	12,560	49%
Net interest income (NII)	29,582	22,989	29%
Other operating income	6,676	5,869	14%
Net total income (NTI)	36,258	28,858	26%
Operating expenses	12,325	10,142	22%
Pre-impairment operating profit	23,933	18,716	28%
Impairment on financial instruments	4,631	3,190	45%
Profit before tax (PBT)	19,310	15,528	24%
Profit after tax (PAT)	14,451	11,508	26%
Earnings per share (EPS) basic, in ₹	236.89	190.53	24%
Earnings per share (EPS) diluted, in ₹	235.98	189.57	24%
Book value per share, in ₹	1,243.99	900.16	38%

Table 4: BFL's key ratios on a consolidated basis

Ratios	FY2024	FY2023
Net interest income (NII) to average loans receivable	10.41%	10.60%
Total operating expenses to NTI	33.99%	35.15%
Return on average loans receivable (ROA)	5.08%	5.31%
Return on equity (ROE)	22.05%	23.46%
Capital to risk-weighted assets ratio (CRAR) *	22.52%	24.97%
Tier I *	21.51%	23.20%
Tier II *	1.01%	1.77%
Gross NPA	0.85%	0.94%
Net NPA	0.37%	0.34%
Provisioning coverage ratio (PCR)	57%	64%

*These ratios are on standalone basis.

Bajaj Housing Finance Ltd. (BHFL)

Ranked among the largest housing finance companies in India, Bajaj Housing Finance Ltd. (BHFL), a wholly owned subsidiary of BFL, is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance. BHFL started its lending operations from July 2017. Under the Scale Based Regulation (SBR) issued by the Reserve Bank of India (RBI) on 22 October 2021, BHFL has been categorised as an upper layer NBFCs (NBFC-UL) since 30 September 2022. Accordingly, pursuant to the applicable regulatory framework, the Company is required to be mandatorily listed on or before 30 September 2025.

BHFL offers a complete product suite of mortgages: (i) home loans; (ii) loans against property; (iii) lease rental discounting; (iv) developer financing and (v) rural mortgages. It has a dedicated vertical offering home loans and loans against property to the rural sector and MSME customers under rural mortgages.

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

Table 5 gives BHFL's assets under management (AUM) and Table 6 gives BHFL's standalone financial performance.

Table 5: BHFL's assets under management

Particulars	₹ In Crore)		
	FY2024	FY2023	Change
Housing loans (including top ups)	52,819	42,707	24%
Loan against property	9,568	7,796	23%
Lease rental discounting	17,637	11,257	57%
Developer finance	9,599	5,693	69%
Other loans	1,747	1,775	(2%)
Total AUM	91,370	69,228	32%

Table 6: BHFL's standalone financial performance

Particulars	₹ In Crore)		
	FY2024	FY2023	Change
Interest income	7,202	5,269	37%
Interest and finance charges	4,692	3,211	46%
Net interest income (NII)	2,510	2,058	22%
Other operating income	415	396	5%
Net total income (NTI)	2,925	2,454	19%
Operating expenses	703	630	12%
Pre-impairment operating profit	2,222	1,824	22%
Impairment on financial instruments	61	124	(51%)
Profit before tax (PBT)	2,161	1,700	27%
Profit after tax (PAT)	1,731	1,258	38%
Earnings per share (EPS) basic, in ₹	2.58	1.88	37%

Bajaj Financial Securities Ltd. (BFSL)

Bajaj Financial Securities Ltd. ('BFSL', 'Bfinsec', 'Bajaj Broking') functions as a wholly-owned subsidiary of BFL. It is registered with the SEBI, both as a stockbroker and a depository participant.

In FY2024, Bajaj Broking significantly broadened its reach to 41 locations and 45 branches, providing a comprehensive suite of services to almost 700,000 clients in retail and HNI, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offers For Sale. BFSL strategically aims to enhance its offerings to customers who utilise Loans Against Securities (LAS) from BFL. The objective is to provide a comprehensive range of investment products and services.

In FY2024, BFSL reported net total income of ₹ 280 crore and a profit after tax of ₹ 56 crore showcasing its strong financial performance.

Table 7 gives the abbreviated financial results.

Table 7: BFSL's financial performance

Particulars	₹ In Crore)	
	FY2024	FY2023
Net total income (NTI)	280	144
Profit before tax (PBT)	71	11
Profit after tax (PAT)	56	8

Protection and Savings

General Insurance: Bajaj Allianz General Insurance Company Ltd. (BAGIC)

BAGIC is one of India's leading composite general insurers offering all types of general insurance products including motor, health, and various forms of commercial lines of insurance such as fire, engineering, liabilities and marine. It also participates in the tender driven government health and crop insurance schemes run across various states. It has built a strong retail franchise and retained a leading position among insurers. Its business is built on the foundation of a quality product portfolio, supported by strong underwriting, multi-channel distribution and prudent financial management. In a market where many peers continue to chase market share, BAGIC has, since its inception, differentiated itself by focusing on a profitable and diversified portfolio, and balancing growth with profitability. With a positioning of 'Caringly Yours', it remains one of the most respected brands in general insurance known for its customer service.

Industry update

The general insurance industry (private and public multi-line players) recorded gross direct premium income (GDPI) growth of 14.2% in FY2024. The growth rates in gross direct premium in India (Gross written premium less reinsurance accepted) for the industry and for BAGIC, are shown in Table 8.

Table 8: Gross direct premium in India – the general insurance industry*

(₹ In Crore)

Particulars	Gross direct premium		Gross direct premium excluding tender driven government schemes	
	FY2024	FY2023	FY2024	FY2023
BAGIC	20,473	15,337	14,908	12,387
Private sector	155,090	131,942	133,385	114,635
Public sector	90,342	82,891	80,647	74,310
Industry	245,433	214,833	214,031	188,945
Standalone health insurers (SAHI)	33,116	26,244	33,116	26,244
Industry including SAHI	278,549	241,077	247,147	215,189
Growth rates				
BAGIC	33.5%	12.0%	20.4%	15.1%
Private sector	17.5%	20.2%	16.4%	21.4%
Public sector	9.0%	10.3%	8.5%	8.0%
Industry	14.2%	16.2%	13.3%	15.8%
Standalone health insurers (SAHI)	26.2%	25.8%	26.2%	25.8%
Industry including SAHI	15.5%	17.2%	14.9%	16.9%

Source: GI Council figures, IRDA website and IRDA, Handbook of Insurance Statistics.

* excluding specialised insurers.

Business update

- BAGIC posted a gross direct premium income (GDPI) growth rate of 33.5% in FY2024, which was over twice the industry's growth rate. While strong growth in tender driven government health insurance supported the growth, BAGIC's growth was broad-based across retail and corporate business as well. During the year, BAGIC wrote premium of ₹ 2,795 crore under the government crop insurance schemes and ₹ 2,767 crore under the Ayushman Bharat government health scheme.
- Excluding the volatile tender-driven business of crop insurance and government health, BAGIC posted a GDPI growth rate of 20.4% as compared to the industry growth of 13.3%.
- It continued to do well on health (non-government business), where the growth rate was 35%.

- BAGIC continues to be among the more profitable general insurers vis-a-vis peers in the public and private sectors of comparable size. Its combined ratio of 99.9% in FY2024 is expected to be among the best in the industry, reflecting a sound balance between growth and profitability. BAGIC achieves this by:
 - Robust and prudent underwriting practices driven by strong analytics based on past claims experience;
 - Generation of cash flows through strong retention of premium and judicious investments of the proceeds; and
 - Focus on high quality customer service.

The industry was impacted by some eight natural catastrophes (NATCAT) during the year (amongst the highest in recent past). BAGIC paid around ₹ 745 crore of NATCAT claims on gross basis and ₹ 118 crore on net basis (net of reinsurance). Excluding the NATCAT claims the combined ratio for BAGIC would be at 98.5%.

- BAGIC has a diversified multi-channel distribution network consisting of banks, NBFCs, individual agents, motor insurance service providers, point of salespersons, web-sales and its proprietary direct to customers' channel. It continued to expand the network of bancassurance partners including private banks, public sector banks, regional banks, small finance banks and cooperative banks. BAGIC has one of the largest network of bancassurance partners in general insurance.
- BAGIC has also embarked upon journey to expand its presence in tier 3 and below cities via its Geo channel to take the general and health insurance business to semi-urban and rural parts of the country. It opened 56 new offices during FY2024 and continues to open new offices across the country.
- BAGIC continued its push towards enhanced digital services with capabilities like AI enabled BOT (BOING), which serviced more than 0.9 million unique customers with over 33.7 million conversations. Its customer facing mobile app, Caringly Yours, crossed 4.4 million downloads. Its innovative mobile app for the farming community, Farmitra, saw more than 0.9 million downloads; some 0.3 million farmer claims were intimated through this app. BAGIC also completed full scale implementation of KYC checks at policy issuance for over 11.7 million customers.
- BAGIC's core policy administration system is being transformed to enhance agility. During the year, entire health (including group), crop insurance, motor third party insurance products went live in the system.

BAGIC: Performance Highlights for FY2024

- Gross written premium (GWP) stood at ₹ 20,630 crore in FY2024, or a growth of 33%. Excluding tender driven business of crop and government health insurance, BAGIC's growth was 20%.
- BAGIC's market share in the industry on GDPI basis, including standalone insurers, stood at 7.3% in FY2024 up from 6.4% in FY2023.
- Net earned premium was ₹ 8,884 crore.
- The combined ratio was 99.9%, excluding NATCAT at 98.5%.
- Profit after tax for FY2024 was ₹ 1,550 crore with a growth of 15% despite the NATCAT loss of ₹ 118 crore (before tax).
- AUM was ₹ 31,196 crore.
- Highest solvency ratio amongst comparable industry players at 349%.
- Some 38 million policies were issued in the year, versus about 28 million in FY2023.
- 5.97 million claims were reported in the year, versus 4.38 million in FY2023.

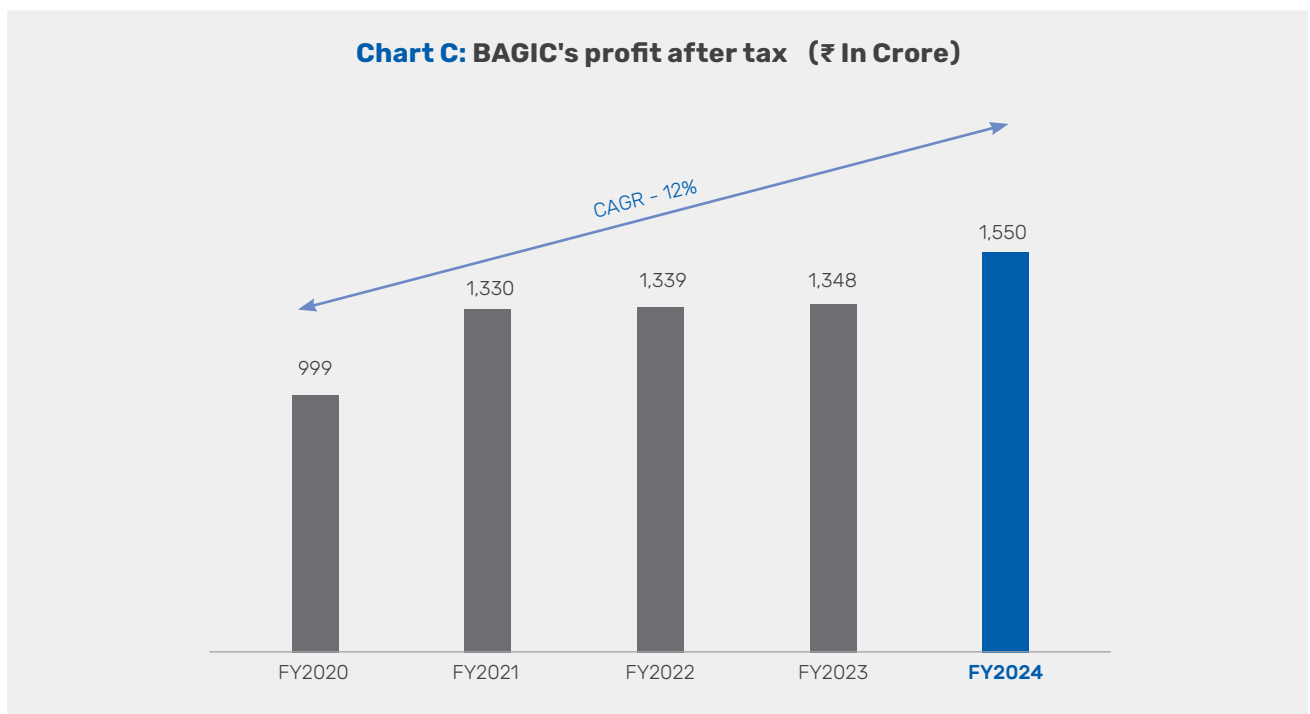
Financial performance

BAGIC's financial performance for FY2024 is summarised in Table 9. Chart C plots BAGIC's PAT over the last five years.

Table 9: BAGIC's financial performance

Particulars	(₹ In Crore)		
	FY2024	FY2023	Change
Gross written premium (GWP)	20,630	15,487	33%
GWP excluding crop and government health	15,068	12,539	20%
Net earned premium	8,884	8,019	11%
Underwriting result	(166)	(121)	
Profit before tax	2,055	1,803	14%
Profit after tax	1,550	1,348	15%
Claims ratio	73.8%	72.9%	
Combined ratio*	99.9%	100.5%	
Return on average equity	15.2%	15.0%	

* Combined ratio is calculated according to the Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI effective from 1 April 2013.



Cash and investments

- BAGIC's cash and investments as on 31 March 2024 were ₹ 31,196 crore, versus ₹ 27,809 crore in the previous year. Cash flow generation continued to be strong.

Capital and solvency

- Paid-up capital, including share premium, stood at ₹ 277 crore as at 31 March 2024. No fresh capital was infused in the year.
- BAGIC continues to be one of the most efficient users of capital in the private sector—as measured by the ratio of GWP to share capital and by GWP to shareholders' equity.
- Shareholders' equity of BAGIC was ₹ 11,474 crore as on 31 March 2024, versus ₹ 9,806 crore a year earlier.
- As on 31 March 2024, BAGIC's solvency margin was at 349%, which is well above the normal regulatory requirement of 150%.

Life Insurance, Savings and Retirement: Bajaj Allianz Life Insurance Company Ltd. (BALIC)

With a brand positioning of getting Life Goals Done, BALIC is committed to offer value-packed and innovative products, which are simple to understand and easy to buy. They are designed to meet long-term life goals of individual and group customers, ranging from protection, wealth creation to retirement solutions and more. These are backed by a suite of a well-diversified and strong multi-channel distribution network, data analytics, tech-enabled services, and service touchpoints to ensure a simplified and personalised insurance experience with a 'Customer First' approach.

Industry update

The life insurance industry recorded a growth of 4.8% in individual rated new business (IRNB) premium in FY2024 on higher base of FY2023 after taxation changes in Union Budget 2023. Within the industry, private sector grew by 8.0%, while LIC de-grew by 1.3%. BALIC recorded strong growth in IRNB of 21.3% for FY2024. The Par, Retail term and ULIP product basket were the key growth drivers. Table 10 gives the data.

Table 10: New business premium in India – the life insurance industry

(₹ In Crore)

Particulars	Individual rated new business		New business (NB)	
	FY2024	FY2023	FY2024	FY2023
BALIC	6,326	5,214	11,494	10,738
Private sector	73,870	68,378	155,437	138,644
LIC	35,104	35,578	222,537	231,899
Industry	108,975	103,956	377,960	370,543
Growth rates				
BALIC	21.3%	41.4%	7.0%	17.5%
Private sector	8.0%	24.2%	12.1%	20.0%
LIC	(1.3%)	9.5%	(4.0%)	16.7%
Industry	4.8%	18.7%	2.0%	17.9%
Market share				
Private industry	67.8%	65.8%	41.1%	37.4%
LIC	32.2%	34.2%	58.9%	62.6%

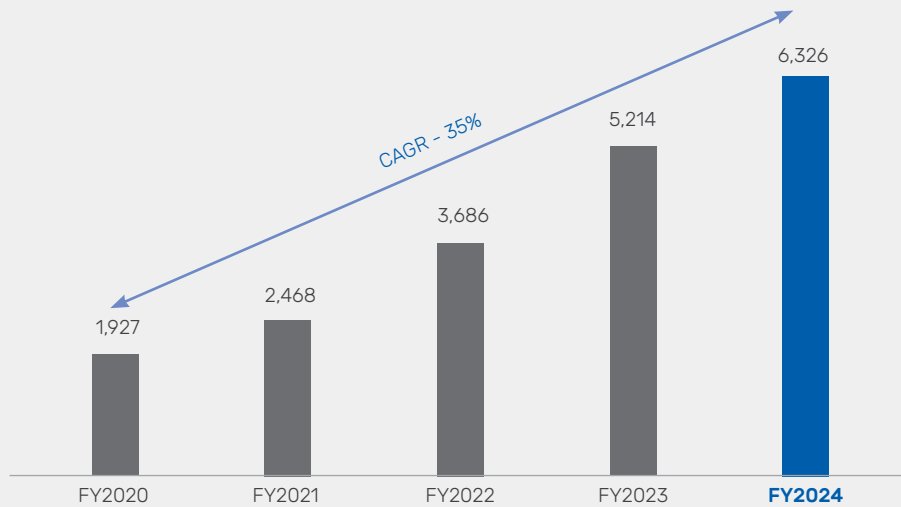
Source: Life Council statistics. Note: Individual rated new business premium = (100% of first year premium and 10% of single premium excluding group products).

Business update

BALIC recorded its highest ever gross written premium (GWP) of ₹ 23,043 crore and an AUM of ₹ 109,829 crore in FY2024.

In terms of individual rated new business (IRNB) premium, a key focus area for BALIC, BALIC registered a growth of 21.3%, which was over four times the industry growth rate of 4.8%. It was the fastest growing life insurer among the top 10 private life insurance companies on the basis of individual rated new business (IRNB) premium. It also had highest growth amongst top 10 private life insurance companies for retail number of long-term regular premium policies (NOPs). BALIC's growth is evident from the Chart D below, with a four-year (FY2020-FY2024) compounded annual growth rate (CAGR) of 35%.

Chart D: BALIC's individual rated new business (IRNB) premium (₹ In Crore)



- BALIC registered an 80 basis points increase in market share from 5.0% in FY2023 to 5.8% in FY2024 on IRNB basis. Within the private industry, its market share grew by 100 basis points—from 7.6% in FY2023 to 8.6% in FY2024.
- BALIC continued with its emphasis on a balanced and sustainable product mix. As a result, in the product mix measured on IRNB basis, the proportion of participating business increased to 27% in FY2024 from 17% in FY2023 and non-participating guaranteed savings, annuity and protection products decreased to 34% for FY2024 versus 52% in FY2023; lower non-participating mix in FY2024 was primarily due to change in taxation for traditional policies in Union Budget 2023.
- BALIC has a robust risk management framework. All policies carrying financial guarantees are hedged against interest-rate and cash flow risk through forward rate agreements with reputed banks within the framework of a Board-approved policy.
- Some of the other key achievements of FY2024 for BALIC are:
 - An increase in persistency across majority cohorts, lower customer grievances and improvement in claims settlement ratios.
 - Enhancement of product portfolio with launch of ACE in the participating segment, Assured Wealth Goal (Platinum) in the guaranteed space and Magnum Fortune Plus in the ULIP segment.
 - Balancing product mix between traditional and unit-linked as well as between individual and group business. Product mix is well diversified across par, non-par savings, protection, annuity and ULIPs.
 - Continue to strengthen and build-up Agency via an 'Add and Grow' strategy through new initiatives with higher proportion of variable cost channels to drive efficiencies. This has led to BALIC building one of the largest agency channels in the private life insurance space with over 150,000 agents.
 - BALIC Direct which involves selling by BALIC's own staff increased its presence to 313 cities in FY2024, with dedicated verticals for various customer segments such as Service to Sales, New to BALIC (NTB) and Defence.
 - Continued focus on reducing concentration risk in Institutional business with addition of new bancassurance partners (AU Small Finance Bank, South Indian Bank, Equitas Small Finance Bank, Karnataka Bank) and developing new relations with quality partners in non-banking sector.
 - Customer first programme: Increase in number of customers opting for auto-pay helped focusing on faster issuances, claim settlement and driving first time right (FTR). A revamped customer app and customer communication protocol for a hyper-personalised experience and seamless policy servicing.
 - Strong digital adoption with unique customer logged in digital assets at 13.5 lakh and 99.8% of customer-initiated payouts being electronic pay-outs.

BALIC: Performance Highlights for FY2024

- Individual rated new business (IRNB) premium grew by 21% in FY2024 to ₹ 6,326 crore.
- New business premium grew by 7% to ₹ 11,494 crore.
- Renewal premium grew by 32% to ₹ 11,549 crore.
- Gross written premium (GWP) increased by 18% in FY2024 to ₹ 23,043 crore. Yet again, BALIC registered its highest ever GWP during the year.
- PAT was ₹ 563 crore, primarily due to better operational experience.
- New business value (NBV), a key metric used to measure profitability of life insurance businesses, increased by 12% to ₹ 1,061 crore.
- 13th month persistency* was at 84.3% in FY2024, from 83.2% in FY2023, and 49th month persistency* was at 64.0% in FY2024 compared to 63.6% in FY2023.
- Customers grievances were at 37 per 10,000 new policies issued.
- The embedded value of BALIC at FY2024 stood at ₹ 21,726 crore – up from ₹ 18,584 crore at FY2023.
- AUM was ₹ 109,829 crore.
- Highest solvency ratio in the industry: 432%.
- Covered 21 million group lives in FY2024.
- Retail Claims Settlement Ratio of 99.2% and Group Claims Settlement Ratio of 99.8%

*Policies issued in the March to February period of the relevant years.

Financial performance

BALIC's financial performance for FY2024 is summarised in Table 11.

Table 11: BALIC's financial performance

Particulars	₹ In Crore)		
	FY2024	FY2023	% Change
Gross written premium (GWP)	23,043	19,462	18%
New business premium	11,494	10,738	7%
- Individual rated new business premium	6,326	5,214	21%
- Group protection new business premium	2,315	2,371	(2%)
Renewal premium	11,549	8,724	32%
Policyholders' surplus	(247)	(368)	
Shareholders' profit after tax	563	390	44%
New business value (NBV)	1,061	950	12%

Investments

As on 31 March 2024, BALIC's AUM was ₹ 109,829 crore, up by 21% from ₹ 90,584 crore on 31 March 2023. Table 12 provides the data.

Table 12: BALIC's assets under management

Particulars	₹ In Crore)	
	FY2024	FY2023
Shareholders' funds	10,993	10,821
Policyholders' linked funds	43,744	33,782
Policyholders' non linked funds	55,092	45,981
Total	109,829	90,584

Capital and solvency

- Paid up capital, including share premium, stood at ₹ 1,211 crore as at 31 March 2024. No fresh capital was infused in FY2024.
- Including accumulated profit of ₹ 9,449 crore, the shareholders' net worth was ₹ 11,139 crore. For the previous year, accumulated profits were ₹ 9,338 crore, and shareholders' net worth was ₹ 10,785 crore.
- BALIC has a strong solvency ratio of 432% as on 31 March 2024, which is well in excess of the minimum regulatory requirement of 150%.

Emerging Businesses

Bajaj Finserv Direct Ltd.

Bajaj Finserv Direct Ltd. attracts new-to-Finserv customers by creating awareness and discovery of the Finserv brand through the digital medium. It also seeks to enhance the digital footprint of Bajaj Finserv through the offering of select digital technology services. It started its journey in July 2018 and operates at the leading edge of finance and technology. It operates under two divisions, as explained below.

BFSI Marketplace (Bajaj Markets)

- It has two customer facing digital assets: (i) the 'Bajaj Markets Website' – which attracts over 200 million annual visits, and (ii) the 'Bajaj Markets mobile app' which is available on android and iOS with total installs of approximately 30 million.
- It partners with some of the leading companies in the BFSI sector. It has on boarded 81 partners, with 35 products ranging across retail banking (loans and credit cards), life insurance, general insurance and investments (fixed deposits, mutual funds, national pension scheme etc.).
- This open architecture offers wide choice to customers. It has 49 lending partners including BFL.
- It is a corporate agent for distribution of insurance products; and has 16 partnerships across general, life and health insurance, including BAGIC and BALIC.
- It offers credit cards of 10 provider-banks.

Bajaj Technology Services

- This division focuses on building digital-first solutions for BFSI businesses, reimagining customer experiences and operations by focusing on 6 key areas such as Adobe, Salesforce, Cloud, Gen AI, Data Analytics and Digital agency.
- Bajaj Finserv and its subsidiaries have demonstrated the use of relevant technology at scale in various segments of financial services like lending and insurance. Capitalising on this, the technology services division seeks to offer technology-based services to prospective clients in the financial services ecosystem.
- Bajaj technology services has established partnerships with some of the leading cloud-based globally renowned platforms like Salesforce, Adobe, Microsoft and Amazon Web Services and will seek to help customers in their digital transformation journey.
- A sales office has also been set up in Dubai, UAE, to establish presence and offer technology services in middle east.

Bajaj Markets recorded a revenue of ₹ 475 crore and a loss of ₹ 73 crore during FY2024 (₹ 391 crore and ₹ 52 crore respectively in FY2023). BFS and BFL have so far infused capital of ₹ 808 crore in this venture. However, no further capital was infused during the year.

Bajaj Finserv Health Ltd. (Bajaj Finserv Health)

Bajaj Finserv Health is health-tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services. The mission is to provide platforms for customers to manage their healthcare needs 360°, covering wellness, outpatient (OPD) and inpatient (IPD) services.

Bajaj Finserv Health seeks to a) connect providers of healthcare such as hospitals, doctors, labs etc. with consumers of healthcare, and b) provide healthcare and claims management services to payers of healthcare expenditure such as insurance companies, employers and government, through an efficient digital platform.

In January 2024, Bajaj Finserv Health announced acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd. (VHC) at an enterprise value of ₹ 325 crore and completed acquisition during April 2024. VHC has vast experience in healthcare administration in India. The acquisition of VHC significantly augments capabilities of the company in the healthcare space, empowering it to provide services to insurance companies, employers and governments.

Bajaj Finserv Health has built a network of over 100,000 doctors, more than 5,000 diagnostic points and over 2,000 hospitals where outpatient (OP) transactions can be done on cashless basis. Over 45 lakh OPD health transactions have been processed and fulfilled digitally in FY2024. Bajaj Finserv Health operates primarily through a consumer facing app which allows customers to manage their plans, access network of healthcare providers, book appointments and store their health records for future reference.

Bajaj Finserv Health will seek to further its presence in the health-tech space through network expansion, expanding presence in managed care for employers, provide technology-based cognitive services including fraud identification and claims management to all insurance companies and further build on its wellness platform which includes nutritionist, mental health counselling, fitness and other benefits.

Bajaj Finserv Health is also a Wave 1 partner of the Digital Health Mission of the National Health Authority (NHA).

During FY2024, Bajaj Finserv Health recorded a revenue of ₹ 620 crore and a loss of ₹ 154 crore (versus revenue of ₹ 180 crore and loss of ₹ 188 crore in FY2023). BFS has so far infused capital of ₹ 695 crore in this health tech venture including ₹ 235 crore in FY2024.

Through BAGIC and Bajaj Finserv Health, Bajaj Finserv will have presence across the spectrum of healthcare through insurance, packaged products, wellness services, technology platforms and data and cognitive services for all segments.

Bajaj Finserv Asset Management Ltd. (BFS AMC)

Bajaj Finserv received the final registration from the Securities and Exchange Board of India (SEBI) on 1 March 2023 to commence its mutual fund operations under the name Bajaj Finserv Mutual Fund; with Bajaj Finserv Asset Management Ltd. (a 100% subsidiary of Bajaj Finserv Ltd.) to act as the Asset Management Company for Bajaj Finserv Mutual Fund.

BFS AMC has set out on a journey driven by a vision to help its investors achieve their long-term objectives, seeking to create a meaningful difference in everything that it does. It has sought to establish its unique investment philosophy – INQUBE – that adds behavioural finance insights (BE) to information (IN) and use of quantitative techniques (QU) to generate superior returns over market cycles.

BFS AMC launched its first fund in July 2023. Within a year of receiving the final licence and less than nine months from its first fund launch, BFS AMC has become the 27th (of 44) largest AMC in India with an AUM of ₹ 9,552 crore as on 31 March 2024, and over 200,000 folios. In the course of the year, BFS AMC has onboarded over 35,000 mutual fund distributors, of which some 18,000 were onboarded through a first-of-its-kind whatsapp empanelment capability. It is also present across the country's leading Fintech MF distribution platforms.

BFS has so far infused capital of ₹ 300 crore in this venture.

Renewable Energy and Conservation of Environment

Bajaj Finserv owns and operates 138 windmills in Maharashtra with total installed capacity of 65.2 MW. During FY2024, the Company continued generating green energy, thereby contributing to conservation of the environment. Apart from revenue from sale of power generated by these wind farms, BFS also earns revenue from renewable energy certificates (RECs).

Due to favourable winds, the windmills generated 9.04 crore units in FY2024, which was 9% higher than the FY2023 generation of 8.32 crore units. Revenue generated from renewable energy in FY2024 was ₹ 23 crore.

Bajaj Finserv ESG

BFS and group companies are committed more than ever to building upon the strong legacy of the Bajaj Group embedding environmental, social, and governance (ESG) priorities into the core fabric of our DNA. This legacy of responsible business practices and inclusive growth drives us to recognise that true sustainability lies in our dedication to create value for all, both for present and future generations. ESG priorities are integrated into every aspect of our business, from governance structures and risk management frameworks to our product offerings and customer engagement strategies. Our business responsibility strategy is mapped to our vision of responsible growth and implemented in our ESG objectives.

Our ESG initiatives are built upon eight key pillars, each of which plays a major role in shaping our path of sustainable growth:

- **High standards of corporate governance**

Conduct and govern business with integrity in a manner that is ethical, transparent, fair and accountable. We have built the foundations of the organisation on these principles. The Bajaj group's commitment to the highest standards of corporate governance practices predates the provisions of the SEBI Listing Regulations. It is also reflected in the strong culture of responsible business conduct for building long-term businesses and providing sustainable growth and meeting the interests of its stakeholders. Besides adopting high standards of governance, the group remains committed to prudent business practices in order to ensure that businesses are not exposed to undue risks.

- **Delivering financial services to millions of Indians**

Our extensive pan-India presence and vast network of offices and points of presence continues to champion financial inclusion as a core value proposition of our businesses. We strive to provide access to relevant and innovative financial products and services that meet the diverse needs of the society in a fair and equitable manner. Our products and services empower individuals and communities to achieve their financial goals.

- **Preserving and protecting the environment**

We are committed to adopting environmentally friendly practices and process to minimise the impact of our operations on the environment. We have been implementing measures for the usage of renewable energy, minimising carbon footprint, and offering financial product offerings that assist in the preservation and protection of the environment, promote sustainable development and our stakeholders to adopt eco-friendly practices.

- **Empowering society**

Our CSR activities are focused on promoting social welfare initiatives that drive inclusive growth, equitable development, and the well-being of society. The Company's social investments are strategically directed towards areas of skilling, child education, child health, child protection and inclusion for persons with disabilities. It collaborates with several not-for-profit organisations, government, hospitals, institutions, and training partners to implement programmes and drive ground-level interventions. We also run the self-implemented skilling programme-CPBFI, a Certificate Programme in Banking, Finance and Insurance. Alongside targeted projects, Bajaj Finserv focuses on several strategic ones with select partners to maximise the impact.

- **Customer centricity**

We are constantly innovating and investing in products, technologies, and process that enhance customer experience and promote professional, fair, and transparent dealings. Our aim remains to deliver personalised and seamless experiences that exceed our customers' expectations and build long-lasting relationships based on trust and transparency.

- **Human capital management**

Our people are our key assets in attaining our vision of sustainability. Creating a thriving, safe, and inclusive workplace that fosters growth is a priority in line with our 'Founder's Ethos' of valuing and nurturing human capital. We continue to provide merit-based opportunities for professional development while ensuring equal opportunities for employment across gender and ethnic backgrounds. We invest in our employees' well-being, offering comprehensive benefits, training programmes, and initiatives that promote a culture of diversity, equity and inclusion, reflecting the principles upon which our organisation is built.

- **Information and cyber security including fraud management**

We remain ever vigilant in adopting robust information security, cyber security, and fraud management controls to protect our business operations and safeguard customer data. We continuously invest in state-of-the-art technologies, processes, and training to stay ahead of evolving cyber threats and maintain the highest standards of data privacy and security.

- **Stakeholders' engagement**

We believe that periodic and regular engagement with our stakeholders is crucial to enhancing our sustainable and responsible business practices. We actively seek feedback and insights and engage our customers, employees, investors, partners, and communities to inform our decision-making and ensure that our ESG initiatives are aligned with their expectations and needs. Our transparent communication and collaborative partnerships are aimed at creating value for all stakeholders

Full details of the progress that we have made in these areas can be found in our Business Responsibility and Sustainability Report which is uploaded on our website at www.bajajfinserv.in

One Finserv: A Group-wide Platform for Human Capital Development

One Finserv is a major initiative adopted by us across our group companies to provide our employees with opportunities for growth and career development across our businesses. Started a few years ago, the development of One Finserv has entailed:

- Creating a common job evaluation structure so that jobs can be easily compared or ported across our businesses.
- Creating a platform for internal job postings under which almost all vacancies are advertised across the group; and employees in the group are free to apply if eligible.
- Identifying the leadership mindsets viz. growth mindset, customer obsession, being responsible and talent builder. These, along with leadership behaviours comprising continuous transformation, innovate to simplify, do the right thing and delegate and develop form the basis of our talent management. All middle and senior management employees aspiring to be leaders are evaluated on these dimensions.
- Preparation of talent cards for each employee which identifies potential growth opportunities for employees within the group and also potential internal successors within the group.
- Creating learning and development journeys based on output of the talent assessment process, focused on the leadership mindsets and behaviours.
- Annual review of talent cards and assessments across the group.

The success and brand of Bajaj Finserv is built through some key core and differentiating factors that run across all our businesses: customer obsession; ethos of honesty; an unwavering growth mindset; commitment to continuous transformation; and innovating to simplify. These values are now ingrained into our culture wheel, which is the foundation of One Finserv—our talent management process that offers competent employees the opportunity to pursue their dreams.

CPBFI: The Flagship Skilling Programme of Bajaj Finserv

Continuing the strong tradition of giving back, the Bajaj Group announced Bajaj Beyond – an initiative which commits ₹ 5,000 crore impacting over 2 crore Indians over the next 5 years, with a focus on skilling. This initiative aims to bridge the skill gap and empower the youth of India for a brighter future. India currently faces an enormous skill gap between industry demand and the skillset acquired through education and training.

CPBFI, a certificate programme in banking, finance and insurance is flagship skilling programme that aims to enhance employability for the financial services sector by providing comprehensive skills training.

Primarily targeting first-generation graduates from smaller towns, the programme seeks to empower ambitious individuals by equipping them with industry relevant skills. Notably, 66% of participants are first-generation graduates, predominantly comprising of young aspirants from tier 2 or 3 cities, with a significant representation of women at 70%.

The 100-hour programme has been meticulously designed to offer a combination of experiential learning and insights from corporate trainers or finance domain experts. It thus offers a robust understanding of technical subjects in banking and insurance and enables students to acquire approximately 21 soft skills crucial for the workplace. Furthermore, HR workshops and mock interviews, conducted by Bajaj Finserv recruiters, enhance practical knowledge and industry readiness.

CPBFI's commitment to excellence is underscored by its collaborations with national bodies such as National Skill Development Corporation (NSDC) and All India Council for Technical Education (AICTE) that enables students to earn a joint certification accredited by both Bajaj Finserv and Skill India. It has also launched Project Odiserv as a part of Ministry of Skill Development and Entrepreneurship that will further introduce CPBFI programme in 60 colleges across Odisha, spanning 11 cities and 10 districts. Additionally, BFS has received a Letter of Intent from National Council of Vocational Education and Training (NCVET), considering granting provisional recognition as a dual awarding body. This allows for further collaborations and engagements.

Collaborating with colleges and leveraging training partners, CPBFI delivers training modules co-designed and executed by expert trainers with extensive industry experience. With a nationwide presence across 410 colleges and collaboration with five training partners, the programme is facilitated by over 240 trainers across 22 states. The programme has thus far transformed lives of over 53,000 students so far.

Financials of Bajaj Finserv

BFS: Consolidated Performance Highlights for FY2024

All-time high

- Consolidated revenue of ₹ 110,383 crore.
- Consolidated profit after tax of ₹ 8,148 crore.
- BFL consolidated profit after tax of ₹ 14,451 crore.
- BAGIC consolidated profit after tax of ₹ 1,550 crore.
- BALIC net new business value of ₹ 1,061 crore.

Standalone financials

Standalone financials of BFS are given in Table 13 and significant ratios in Table 14.

Table 13: Standalone financials of Bajaj Finserv

Particulars	(₹ In Crore)	
	FY2024	FY2023
A. Income from wind farm activity	24	23
Administrative expenses	11	13
Profit from wind farm activity	13	10
B. Income from investments and others*	1,710	1,125
Other expenses	186	160
Profit before tax (PBT)	1,537	975
Tax expense	367	242
Profit after tax (PAT)	1,170	733

* Includes dividend received from subsidiaries of ₹ 1,508 crore (Previous year: ₹949 crore).

Table 14: Significant standalone ratios of Bajaj Finserv

Particulars	FY2024	FY2023
Current ratio	2.0	1.5
Operating profit margin %	88.6%	85.0%
Net profit margin %	67.5%	63.9%
Return on equity %	19.8%	15.2%

Return on equity has changed significantly due to increase in profit.

Consolidated financials

The consolidated financials are given in Table 15. These include the results of subsidiaries and joint venture and are prepared in accordance with the Ind AS.

Note on consolidated profit after tax:

Under Ind AS, the insurance subsidiaries have chosen to hold a large part of equity securities portfolio as Fair Value Through Profit and Loss Account. Unrealised Mark-to-market (MTM) gain/(loss) on investments (post tax) included in consolidated profit are given below.

Table 15: Consolidated financials of Bajaj Finserv

Segment revenue			Segment results: profit after tax		
Particulars	FY2024	FY2023	Particulars	FY2024	FY2023
Life insurance	27,673	20,305	Life insurance	457	274
General insurance	27,299	20,563	General insurance	1,021	995
Windpower	24	23	Windpower	13	10
Retail finance	54,983	41,406	Retail finance	7,586	6,041
Investments and others	3,190	1,703	Investments and others	(897)	(575)
	113,169	84,000	Profit before MTM gain	8,180	6,745
Less: inter-segment	2,786	1,928	MTM gain/(loss)	(32)	(328)
Total	110,383	82,072	Profit after MTM gain	8,148	6,417

Internal control systems and their adequacy

The Company has effective internal control systems, which have been found to be adequate by the Management of the Company. Moreover, internal auditors periodically bring to the attention of the Audit Committee any deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness.

Awards and Recognition

During the year, the Company and its subsidiaries received several prestigious awards, some of which are given below.

BFL

- Business Today Award 2023 for Best NBFC.
- FE India's Best Banks Award 2023 for NBFC.
- Best large NBFC at Mint BFSI Summit and Awards.
- ET CIO Awards for Enterprise IT Excellence- 'Digital Enterprise of India – BFSI'.

BAGIC

- Hosted General Insurance Festival of India (GIFI). It achieved Guinness World Records® title for largest attendance at an insurance conference with 5,235 attendees.
- 'General Insurance Company of the Year' at 27th Asia Insurance Industry Awards in Singapore, only company to have received this thrice.
- New Ways of Working (Gold Medal) & Operational Efficiency (Bronze Medal) at the Qorus Reinvention Awards – APAC 2023.

BALIC

- Won the 'Domestic Life Insurer of the Year' – India award at the Insurance Asia Awards 2023.
- Won the 'Insurer Innovation Award 2023' – Global for an innovative Whats app Conversational Platform at the World's Digital Insurance Awards 2023 organised by The Digital Insurer.
- Certified as 'Great Place to Work® India' and won the prestigious 'Kincentric Best Employer Award 2023' for the third consecutive year as well as inducted into the 'India Best Employer Club 2024'.

Bajaj Finserv Direct

- Won Silver for 'Digital Transformation' at Economic Times Human Capital Awards 2024.
- 'Best Digital Transformation Initiative of the Year' for Bajaj Technology Services, our tech services business at the 4th Annual BFSI Excellence Awards 2023 organised by Quantic India.

Bajaj Finserv Health

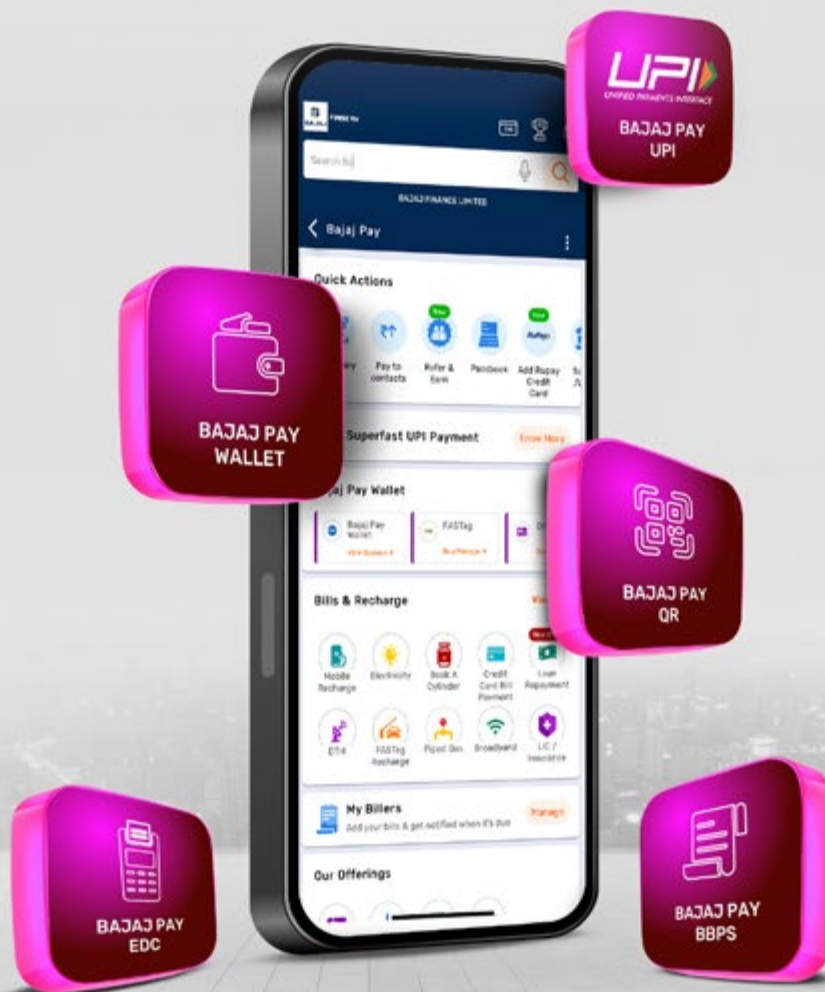
- FE Best Banks Award 2022-23 in Health-Tech Category.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

Payments Streamlined

with your Bajaj Finserv App



As digital transactions become the norm,
we bring to you the power of convenient payments via the Bajaj Finserv App.

Experience seamless transactions with
Bajaj Pay UPI, Wallet, BBPS, QR, EDC, and more.

Scan to
download the app

