



4th
ANNUAL
REPORT
2024-2025



BAJAJ AUTO CREDIT LIMITED

DIRECTORS' REPORT

The directors present their Fourth Annual Report and Audited Financial Statements for the year ended 31 March 2025 (or FY 2025).

Company Overview

Bajaj Auto Credit Limited ('BACL' or the 'Company') is an unlisted public Company incorporated on 06 December 2021 under the Companies Act, 2013 and has its registered office at Bajaj Auto Limited Complex, Mumbai Pune Road, Akurdi, Pune-411035, Maharashtra, India.

BACL, a Bajaj Group Company, is a 100% captive finance subsidiary of Bajaj Auto Limited established for the purpose of running it as an NBFC, exclusively to finance vehicles manufactured by Bajaj Auto Limited and its subsidiaries.

- **Certificate of Registration:** The Certificate of Registration to operate as a Non-Banking Financial Company (Non-Deposit taking) under S.No N-13.02465 was granted by the Reserve Bank of India on August 29, 2023
- **Incorporation:** The Company was initially incorporated as Bajaj Auto Consumer Finance Limited on December 6, 2021.
- **Name Change:** Pursuant to the change of the name of the Company from Bajaj Auto Consumer Finance Limited to Bajaj Auto Credit Limited, fresh certificate of incorporation in the new name was received from the Registrar of Companies, Pune, on 26 December 2023 and fresh Certificate of Registration for NBFC operations under the new name was received from the RBI on June 12, 2024
- **Corporate Agent Registration:** In response to an application made by the Company, the company has been granted Corporate Agent (Composite) Registration by the Insurance Regulatory and Development Authority of India (IRDAI), with the registration code for the corporate agent (Composite) being CA1024. This registration is valid from 5 February 2025 to 4 February 2028.

Financial Results

The highlights on the financial performance of your Company for the Financial Year ended 31 March 2025, are as under:

Particulars	FY 2024-25 (Amount in crores)	FY 2023-24 (Amount in crores)
Total revenue	1,040.85	16.65
Total expenses	962.70	48.63
Profit/(Loss) before tax	78.15	-31.98
Tax expense	19.85	-8.21
Profit /(Loss) for the year	58.30	-23.77
Other comprehensive income	-24.31	-1.02
Total comprehensive income for the period	33.98	-24.79
Earnings per share of face value of Rs. 10 each	0.43	-3.67

During the year under review, which was the first full year of operations for the Company, your Company has earned a profit of Rs. 58.30 crores as against loss of Rs. 23.77 crores in the previous year.

Change of Name of company

As mentioned in the previous year, in order to make the name of the Company short, concise and compact, the Board of directors, decided to get the name of the Company changed from 'Bajaj Auto Consumer Finance Limited' to 'Bajaj Auto Credit Limited'. After necessary compliances and with approval from RBI, Ministry of Corporate Affairs issued to the Company a fresh Certificate of Incorporation dated 26 December 2023 under the current name, viz Bajaj Auto Credit Limited.

Transfer to Reserve

During the year under review, Rs.11.66 crores was transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934 as against Nil transferred during the previous year.

Dividend

The Company has made Profit for the first time during the year under review. However, the Directors do not propose any dividend for the year under review, as the resources are required for the future growth in the business of the Company.

Scale Based Regulations

Reserve Bank of India issued a circular on “Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs” on 22 October 2021 (‘SBR Framework’). As per the framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). The company is currently categorised as NBFC-Middle Layer.

Working Results, Share Capital and Operations of the Company

The number of vehicles financed during the year under review by the Company were as under –

2024-25	MC	CV	Total
Quarter 1	78145	25913	104058
Quarter 2	113368	35397	148765
Quarter 3	222962	43010	265972
Quarter 4	187815	44301	232116
Total	602290	148621	750911

During FY2025, given BACL’s rapid pace of operations, the authorised equity share capital was enhanced from Rs. Rs.3,000 crores to Rs. 7500 crores.

BACL started with a paid-up share capital of Rs. 295 crores on 31 March 2024. This has been increased by Board approvals in five tranches:

Sr. No.	Date	From (Rs. In Crores)	To (Rs. In Crores)
1.	26 April 2024	295	600
2.	25 June 2024	600	800
3.	20 August 2024	800	1250
4.	23 October 2024	1250	1850
5.	30 January 2025	1850	2400

Thus, as on 31 March 2025, BACL’s paid-up capital stood at Rs.2400 crore. There was no public issue, bonus issue or preferential issue etc. during the year under review.

As on 31 March 2025, BACL had assets under management of Rs. 9,392.95 crore.

For more details on the performance of the Company, business segments and initiatives, please refer to the section on the Management Discussion and Analysis.

As a 100% holding Company, Bajaj Auto, the parent company helps BACL set up its treasury operations and borrowing programme. It is envisaged that BACL’s borrowing programme will be a mix of bank and market borrowings.

Bajaj Auto is committed to help BACL grow to become a best-in-class, premier auto financing company in India.

Risk Management

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

The Board of Directors of company is continuously monitoring various risks attached to business on a regular basis. The Board and senior managers identify the risk elements and take necessary steps to mitigate the risks.

The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company. The current composition of Risk Management Committee ('RMC') is as follows:

1. Shri Pradip Shah– Chairman
2. Shri Arun Nathani – Member
3. Shri Kevin D'sa – Member

During the year under review, 2 (two) meetings of the Committee were held on 17 April 2024 and 17 March 2025. All members of the Committee attended all the meetings. All recommendations of the committee have been accepted by the Board. The Board does not foresee any major threat/risk to the business of the Company.

For more details, refer to the section on Corporate Governance.

Cyber Security

IT Department Deliverables for FY24-25

- 1) **Deliverables:** The IT department successfully delivered over 250 functionalities and Change Requests (CRs) during the fiscal years 2024-25.
Significance: This achievement highlights the IT department's capability in handling a high volume of projects efficiently, contributing significantly to the operational and technological advancements within the company.
- 2) **Business Continuity and Disaster Recovery Drills**
Dates and Execution: Disaster Recovery (DR) drills were conducted on three different dates: September 21, 2024, January 18, 2025, and February 21, 2025. These drills included critical scenarios, such as database and application replication.
Compliance and Outcome: All drills were successfully attempted and completed, ensuring full compliance with the Reserve Bank of India (RBI)

regulations for the fiscal year. This underscores the organization's commitment to maintaining robust business continuity and disaster preparedness.

3) **Regulatory Compliance and Risk Assessments**

RBI IT MD Controls: A specific number of these controls were meticulously checked as part of regulatory compliance requirements.

Vendor Risk Assessments: Comprehensive assessments were completed to ensure all associated risks are managed effectively.

KRI Score Improvements: Self-assessed Key Risk Indicator (KRI) scores have shown consistent improvement across the year, detailing Q1 (6.36), Q2 (6.46), Q3 (7.81), and Q4 (8.43). This demonstrates an enhanced risk management posture over time.

4) **Information Security (InfoSec) Requirements**

Activities Conducted: The company has successfully met all the information security requirements, which included threat and vulnerability management, phishing exercises, and red team exercises.

Impact: These exercises play a crucial role in strengthening the security framework and readiness against potential cyber threats.

5) **Cybersecurity Posture and Achievements**

BitSight Score: The organization has utilized BitSight security services for continuous monitoring and assessment of their cybersecurity posture.

Score and Benchmarking: With a BitSight score of 800, the company ranks in the advanced category, indicating superior security practices compared to industry standards.

6) **ISO 27001:2022 Certification**

Certification Achievement: The noteworthy achievement of obtaining the ISO 27001:2022 certification reflects a standardized and effective approach to managing information security. This certification is globally recognized and demonstrates the company's commitment to securing and protecting data, thus enhancing trust among stakeholders.

7) **Accolades**

Bajaj Auto Credit has been honoured with three esteemed awards, highlighting our commitment to excellence and innovation in the financial services industry. With great pride, we share these accomplishments with our dedicated team and valued clients.

- **Best Use of Technology to Enhance digital Experience from Quantic India**
- This award recognizes our efforts to provide seamless and innovative technology solutions that enhance the customer experience. Our focus on digital transformation and proactive adoption of emerging technologies has set us apart in the industry.
- **Best Use of Data Analytics in Risk Management from Quantic India** - This accolade is a testament to our robust risk management practices and

- analytics capabilities, through meticulous analysis and strategic foresight for the sales department
- **Best Award for Best Cyber Security Framework from CISO Platform** - This prestigious recognition reflects our unwavering commitment to building a resilient, future-ready cybersecurity posture aligned with global best practices and regulatory standards

Directors and Key Managerial Personnel

A. CHANGE IN DIRECTORS

I. Appointment Managing Director:

Shri Kevin D'sa was appointed by the Board of Directors at its meeting held on 25 September 2023 as the Managing Director of the Company with effect from the said date. Subsequently, he reached the age of 70 years on 28 February 2024.

Pursuant to Section 196(3) of the Companies Act, 2013, appointment of a person as managing director, who has attained the age of 70 years may be made by passing a special resolution of the Shareholders.

In view of the above provisions and with the recommendation of the Nomination and remuneration committee, continuance of appointment of Shri Kevin D'sa, Managing Director of the Company beyond the age of 70 years was approved by the Board, on 17 April 2024 and by the shareholders on 15 July 2024.

II. Resignation of Director

During the year under review, Shri Srinivasan Ravikumar, Non-Executive Director resigned from the Board, effective 30th April 2024 (after office hours), due to his acceptance of other assignments within the Group. Consequently, he also ceased to be a member of all Board committees where he served.

The Board places on record its appreciation for the guidance provided by Shri S. Ravikumar during his tenure on the Board.

III. Directors liable to retire by rotation

As per the provisions of the Act and articles of association of the Company, Shri Rajiv Bajaj (DIN 00018262) retires at the forthcoming annual general meeting and, being eligible, has offered himself for re-appointment.

Brief details of Shri Rajiv Bajaj who is seeking re-appointment is given in the notice of annual general meeting.

B. CHANGES IN KEY MANAGERIAL PERSONNEL (KMP)

The changes in the KMP of the Company as per Section 2(51) and Section 203 of the Act during the year under review and until the date of the report are listed below:

Name of the KMP	Designation
Shri Suresh Subramaniam	Chief Financial Officer resigned with effect from 13 September 2024.
Shri Nilesh Thakkar	Chief Financial Officer appointed with effect from 30 September 2024.

There were no changes in the composition of Board of Directors & KMPs, except as above.

C. CHANGES IN HOLDING COMPANY

With profound grief, it is noted that Mr. Madhur Bajaj, veteran industrialist and former Vice-Chairman and Promoter of Bajaj Auto Limited (Holding Company), passed away on 11th April 2025 at the age of 73. Mr. Bajaj made significant contributions to the company and the industry at large. He served as a director of Bajaj Finserv Limited, Bajaj Electricals Limited, and several other companies within the Bajaj Group.

We extend our heartfelt condolences to his family and honor his enduring impact on the Group and the industry.

Woman Director

In compliance with Section 149 of the Companies Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Smita Mankad, is the Independent Woman Director of the Company.

Declarations by Independent Directors

The following Independent Directors have been appointed by the Board of Directors in the respective meetings with the recommendation of the Nomination and Remuneration Committee:

Name of Director	With effect from
Shri Pradip Shah (DIN 00066242)	01 January 2024
Shri Arun Nathani (DIN 00619854)	01 February 2024
Ms. Smita Mankad (DIN 02009838)	01 March 2024

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. 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.

Declaration and Undertaking

During the year under review, as per the directions of RBI on 'Non-banking Financial Companies – Corporate Governance (Reserve Bank) Directions, 2015, the Board obtained necessary annual declarations of undertaking from the Directors in the format prescribed by RBI.

Compliance with code of conduct

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The code has been placed on the Company's website and can be accessed at <https://www.bajajautocredit.com/public/footer/Code-of-Conduct-of-KMP.pdf>

All Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for FY2025.

Policy on Director's Appointment and Remuneration

A. REMUNERATION POLICY

Pursuant to section 178(3) of the Companies Act, 2013, the Board has framed a Remuneration policy. This policy, inter alia, lays down:

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

The said policy can be accessed on the Company's website at https://www.bajajautocredit.com/public/footer/Remuneration_Policy_Companies_Act_2013.pdf.

In view of detailed RBI guidelines for NBFC's concerning compensation of Key Managerial Personnel (KMP) and Senior Management (SMT), the company has also adopted a specific policy, namely Policy for Compensation of Key Managerial Personnel (KMP) and Senior Management to this effect. Accordingly, this remuneration policy has to be read along with the Policy for Compensation of Key Managerial Personnel (KMP) And Senior Management adopted pursuant to RBI Guidelines as regards compensation of KMP and SMT, which is detailed below.

B. POLICY FOR COMPENSATION OF KMP AND SMT PURSUANT TO RBI GUIDELINES

RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to Scale Based Regulatory Framework. Accordingly, the Board of Directors at its meeting held on 23 January 2024 adopted a policy exclusively governing compensation payable to KMP and SMT.

This policy lays down detailed framework, inter alia, encompassing the following:

- (a) Principles of compensation.
- (b) Compensation components.
- (c) Principles of variable pay.
- (d) Deferral of variable pay.
- (e) Compensation for control and assurance function personnel;
- (f) Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

The said policy can be accessed on the Company's website at <https://www.bajajautocredit.com/public/footer/Compensation-Policy.pdf>

Annual Return

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of the annual return in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website at https://www.bajajautocredit.com/public/footer/annual_return_2024_2025.pdf

Number of Meetings of the Board

During the financial year 2024-25, the board of directors met six times on 17-April-2024, 04-June-2024, 15-July-2024, 15-October-2024, 27-January-2025 and 17-March-2025 and the gap between two meetings has been less than one hundred and twenty days.

Following table sets out the details of attendance of Directors at the Board Meetings:

Name of the Director	Category	No. of meetings attended
Shri Rajiv Bajaj	Chairman, Non-executive Director	5/6
Shri Rakesh Sharma	Non-executive Director	6/6
Shri Kevin D'sa	Managing Director	6/6
Shri Pradip Shah	Independent Director	6/6
Shri Arun Nathani	Independent Director	5/6
Ms. Smita Mankad	Independent Director	6/6

The following Committees are established by the Company:

- **Board Committees:** Audit Committee, Nomination and Remuneration Committee (NRC), Risk Management Committee, Stakeholders Relationship Committee (SRC), Information Technology Strategy Committee (IT Strategy), Special Committee for Monitoring and Follow up of cases of Frauds (SCBMF), Review Committee concerning Wilful Defaults and Customer Service Committee.
- **Internal Committees:** IT Steering Committee, Information Security Committee, Asset Liability Management Committee (ALCO), Investment Committee and

Identification Committee concerning Wilful Defaults, Fraud Monitoring Group and Outsourcing Compliance Steering Committee.

Details of the Composition of Committees, meetings and the members' attendance, etc are detailed in the Corporate Governance Report.

Directors' Responsibility Statement

As required under clause (c) of sub-section (3) of section 134 of the Act, directors, to the best of their knowledge and belief, state that:

- (a) In the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any.
- (b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The directors have overseen that the annual accounts have been prepared on a going concern basis.
- (e) The directors had ensured through oversight of the existence of proper systems to ensure compliance with the provisions of all applicable laws and that, to the best of their knowledge, such systems were adequate and were operating effectively.

Particulars of Loans, Guarantees or Investments

During the year under review, the Company has not given any loans or guarantees or security or made any investment as contemplated by section 186 of the Act.

Employee Stock Options ('ESOP') etc

During FY 2025, the Company has not granted any stock options nor has it issued shares with differential voting rights or sweat equity shares.

Related Party Transactions

All contracts/arrangements entered by the Company during the year ended 31st March 2025 with related parties were in the ordinary course of business and at arm's length

price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

Pursuant to the provisions of Section 134(h) of the Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014, the contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business and hence, no particulars are being provided in Form AOC-2.

Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

Succession Planning

The Company has in place Succession Planning Policy for appointments to the Board and to the Senior Management.

Material Changes and Commitments

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

Conservation of energy, technology absorption, Foreign Exchange earnings and outgo

The Company, being a non-banking finance Company, does not have any manufacturing activity, and hence the reporting on "Conservation of Energy and Technology Absorption" does not become applicable.

During the FY2025, the Company did not have any foreign exchange earnings nor was there any foreign exchange outgo.

Corporate Social Responsibility

The Company is currently not subject to the provisions of Section 135 of the Companies Act, 2013, regarding Corporate Social Responsibility (CSR). Therefore, there is no disclosure required to be made under this clause for the year under review.

However, for the financial year 2025-26, the Company will be required to comply with the provisions of Section 135 of the Companies Act, 2013. Given that the anticipated CSR expenditure for the financial year 2025-26 is expected to be less than Rs. 50 lakhs, the Company will not be required to constitute a CSR Committee and, the Board of Directors will discharge the functions of the CSR Committee.

Formal Annual Evaluation of the Performance of the Board, its Committees, Chairperson and Individual Directors

Pursuant to section 178 of the Companies Act, 2013, the NRC and the Board has carried out an annual performance evaluation of its own performance, and that of its committees, chairman and individual directors.

Further, as per schedule IV to the Act, the performance evaluation of Independent Directors shall be done by the entire Board excluding the directors being evaluated, on the basis of performance and fulfilment of criteria of independence and their independence from Management.

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

The manner in which formal annual evaluation of performance was made by the Board is given below:

- The evaluation criteria have been duly approved by the nomination and remuneration committee and the Board.
- Based on the said criteria, a questionnaire-cum-rating sheet was sent to directors seeking evaluation rating and feedback of the directors in the most confidential manner with regard to the performance of the Board, its committees, the chairman and individual directors.
- From the individual ratings received from the directors, a report on summary of the ratings in respect of performance evaluation of the Board, its committees, the chairman and directors and a consolidated report thereof for FY2025 were arrived at.
- The report of performance evaluation so arrived at was then discussed and noted by the NRC and the Board at its meeting held on 17 March 2025
- The feedback and suggestions received from the Directors were also discussed and reviewed by the Board.

The nomination and remuneration committee has reviewed the implementation and compliance process of the performance evaluation and fit and proper policy.

Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. Since all the Independent Directors have received 'Excellent' ratings, the term of appointment of the Independent Directors would get continued.

Significant and Material Orders passed by the Regulators or Courts

During the year under review, there were no significant and material orders passed by the regulators, courts, or tribunals, which may impact the going concern status of the Company and its operations in future.

Deposits

The Company is a Non-Deposit taking Non-Banking Financial Company and has not accepted any deposits during the year under review. The Board has also passed a resolution for non-acceptance of deposits from the public.

Borrowings

The Break-up of borrowings amount is as under: -

Rs. 8,436.51 crores is the amount of borrowing.

Rs. 14.61 crores is the amount of Interest Accrued but not due.

Particulars	Deposits	Bank loans (TL/CC/ OD/WCDL) (Rs. In lakhs)	Non- convertible Debentures	Subordinate Liability	Short-term Borrowings	External Commercial Borrowing
Amount	-	6,548.92	-	-	-	1,887.60
% of Total borrowing	-	77.63%	-	-	-	22.37%

Credit Rating

CRISIL Ratings has assigned its 'CRISIL AAA/Stable/CRISIL A1+' ratings to the bank facilities of Bajaj Auto Credit Ltd. (erstwhile, Bajaj Auto Consumer Finance Ltd.)

Vigil Mechanism

The company has established under the provisions of section 177(9) & (10) of the Companies Act, 2013 vigil mechanism during the year under review.

More details are given in Corporate Governance Report.

Adherence to RBI Norms and Guidelines

The Company fulfils all the norms and standards laid down by RBI. The Company is in line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, and the Company has an Asset Liability Committee, which meets to review its ALM risks and opportunities.

The Company has fulfilled the prudential norms and standards as laid down by RBI in respect of income recognition, provisioning of non-performing assets and capital adequacy. The capital adequacy ratio of the Company is 23.73%, which is well above the prescribed minimum of 15% by RBI.

The Fair Practices Code and KYC norms framed by RBI seek to promote good and fair practices by setting minimum standards in dealing with customers, increasing transparency, so that customers have a better understanding of what they can reasonably expect of the services being offered, encouraging market forces through competition to

achieve higher operating standards, promote fair and cordial relationships between customers and the finance company and foster confidence in the NBFC system.

The Company has put in place all the Committees prescribed by RBI and has formulated a comprehensive Corporate Governance Policy. The Company has instituted a mechanism to monitor and review adherence to the Fair Practices Code, KYC norms, and relevant policies as approved by the Board of Directors

The BACL is in compliance with the Master Direction for Non-Banking Financial Companies.

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).

Internal Audit

The Company has received the Internal Audit Report for the year under review.

There are no adverse observations, qualifications or remarks contained in the report.

Auditor's and Auditor's Report

A. STATUTORY AUDITOR

Pursuant to provisions of Section 139 of the Act, the members at the annual general meeting of the Company held on 12 July 2022 appointed M/s Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as statutory auditors of the Company from the conclusion of 1st annual general meeting till the conclusion of 4th annual general meeting, to hold office for a term of three years. The statutory auditors have confirmed that they are not disqualified from continuing as auditors of the Company.

The statutory audit report for the year 2024-25 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Based on the recommendation of Audit Committee and confirmation from RBI, the Board approved the appointment of M/s Gokhale & Sathe, Chartered Accountants, as Statutory Auditors of the Company for one more financial year i.e. F.Y. 2025-26, from the conclusion of the 4th Annual General meeting till the conclusion of the 5th Annual General meeting scheduled in 2026 subject to the approval by the Shareholders on the terms and conditions to be decided in consultation with the Statutory Auditors, Considering that they have completed a tenure of only 2 years from the year in which NBFC registration was received by the Company.

Brief details of M/s Gokhale & Sathe, Chartered Accountants who is seeking extension of appointment is given in the notice of annual general meeting.

B. 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, Practicing Company Secretary (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company.

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

There are no observations, reservations, qualifications or adverse remark or disclaimer made in any of the aforesaid Reports.

The secretarial auditor has 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.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made

Since there are no qualification, reservation or adverse remark or disclaimer made by auditors, no explanation is required to be given by the Board.

Details of Internal Financial Controls with reference to the Financial Statements

Internal financial controls with reference to the financial statements were adequate and operating effectively.

Details regarding Frauds reported by Auditors under section 143(12)

During the year under review, there were no frauds reported by the auditors to the Board under section 143(12) of the Act.

However, the company has identified 25 instances of potential frauds aggregating to INR 0.45 Crores and for which the management has taken appropriate steps for recovery of dues. A DNBS-15 FMR-1 report was submitted to the RBI on April 21, 2025, for the same.

Presentation of Financial Statements

The financial statements of the Company for the year ended 31 March 2025 have been disclosed as per Schedule III to the Act and IND AS.

A Cash Flow Statement and Profit & Loss Account for the year 2024-25 are attached to the balance sheet.

Particulars of Employees

The particulars of employees in respect of whom the statement under Section 197(12) of the Act read with rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014 required to be provided are given in a separate exhibit forming part of this report.

Statutory Disclosures

1. The provisions of section 148 of the Act, are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.
2. Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has framed a policy on Prevention of Sexual Harassment at Workplace during the year under review and there were no complaints received during the year under review.
3. Your Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.
4. Your Company has no Subsidiary / Associate / Joint Venture Company.
5. The Company is a wholly owned subsidiary of Bajaj Auto Limited.
6. Details as prescribed under section 134 of the Act and Rules made thereunder, applicable to the Company, have been specifically given in this Report, wherever applicable.
7. Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016, against the Company.
8. During FY2025, 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, reporting of 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 is not applicable.

Acknowledgement

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, the RBI and other regulators, banks and financial institutions.

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 and thanks them for an excellent year of performance.

On behalf of the Board of Directors
For **Bajaj Auto Credit Limited**,



Rajiv Bajaj

Chairman

DIN:00018262

Pune: 28 April 2025

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is about promoting fairness, transparency, accountability, risk management, responsibility, commitment to values, ethical business conduct and considering the interest of all stakeholders while conducting business.

This report outlines compliance with the requirements of the Companies Act, 2013 as amended ('the Act') and the Master Directions/ Guidelines/ Circulars/ Notifications issued by the Reserve Bank of India ('RBI') for Non-Banking Financial Companies as applicable to the Company. The company is strengthening governance practices and disclosures and has performed well beyond complying with the statutory and regulatory requirements as stipulated in the applicable laws and regulations.

Philosophy

For us, corporate governance is a reflection of principles entrenched in our values and policies as also embedded in our day-to-day business practices, leading to value-driven growth. Good governance practices stem from the dynamic culture and positive mindset of the organisation. The commitment of the Bajaj group to the highest standards of good governance practices predates the provisions of the Companies Act, 2013 and the Master Directions/ Guidelines/ Circulars/ Notifications issued by the Reserve Bank of India ('RBI') for Non-Banking Financial Companies. Ethical dealings, transparency, fairness, disclosure and accountability are fundamental canons and main thrusts of the working of the Bajaj group. Bajaj Auto Credit Limited maintains the same tradition and commitment. We believe that the imperative for good Corporate Governance lies not merely in drafting codes for Corporate Governance, but also in practising and implementing the same in spirit.

Key elements of Bajaj Auto Credit's corporate governance

- Compliance with applicable laws.
- Proactive adherence to the regulations.
- The Company's Board of Directors plays a crucial role in providing strategic guidance to the Company. The Company's Board comprises a diverse group of highly experienced professionals, which brings together a wealth of knowledge, expertise, and industry insights.
- Our esteemed Board members are selected based on their extensive backgrounds in various sectors and their ability to provide valuable perspectives to the executive management as required.
- Number of Board meetings exceed the statutory requirement, including meetings dedicated to discussing operating plans, strategies and managing the internal and external risks.
- Panel of independent directors with outstanding track record and reputation.
- Audit Committee comprises Independent Board members
- All Board members are invited and encouraged to be present at committee meetings, even if they are not members of the respective committees.
- There is a confidential annual Board evaluation process where each Board member evaluates the performance of every other director, committees of the Board, the Chairman of the Board and the Board itself.
- Agenda of the meetings were circulated in advance to Board members which enables them to evaluate matters carefully for meaningful discussions.
- Key governance policies are placed on the Company's website.

- The Company monitors its governance through a dedicated governance team.
- Adoption of various key governance policies and codes by the Board in line with best practices, which are made available to stakeholders on Company's website. These include:
 - Whistle blower policy;
 - Code of conduct for Directors and Senior Management, Employees, Independent Directors and DMA/DSA;
 - Policy on prevention of sexual harassment at workplace;
 - Fair practice code;
 - Data privacy policy;
 - Interest Rate Policy;
 - Policy on Corporate Governance;
 - Compensation Policy for Senior Management and Directors.
 - Remuneration Policy etc.
- The weblinks of key policies are given as an annexure to this report.

Board Of Directors

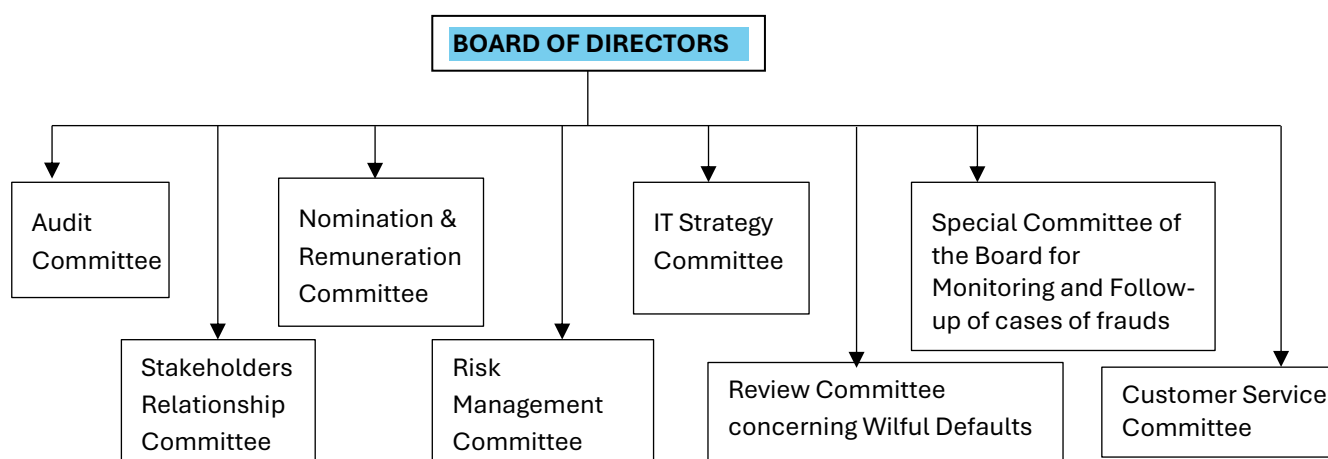
The Board of Directors (Board') and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long-term stakeholder value.

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

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

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

Board and its various Committees



Composition of the Board

In compliance with the Companies Act, 2013, the Company has an optimum combination of independent and non-independent directors.

As on March 31, 2025, the Board of the Company consisted of six directors, where the Chairman is a non-executive promoter director, two are non-executive Directors (including the Managing Director) - and three are Non-executive independent directors (including one woman independent director). The Board does not have any institutional nominee director.

Number of meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year.

During the FY 2025, the Board met six times, viz., on 17 April 2024, 04 June 2024, 15 July 2024, 15 October 2024, 27 January 2025 and 17 March 2025. The gap between two consecutive meetings has been less than 120 days.

Table 1: Attendance record of directors for FY2025:

Name	Director since	No. of Board meetings attended	Whether attended last AGM
RAJIVNAYAN RAHULKUMAR BAJAJ (Chairman, Non-executive Director)	06/12/2021	5/6	Yes
RAKESH SHARMA (Non-executive Director)	06/12/2021	6/6	Yes
RAVIKUMAR SRINIVASAN* (Non-executive Director)	06/12/2021	1/1	Yes
KEVIN PIUS DSA (Managing Director)	25/09/2023	6/6	Yes
PRADIP PANALAL SHAH (Independent Director)	01/01/2024	6/6	Yes
ARUN VIJAY NATHANI (Independent Director)	01/02/2024	5/6	Yes
SMITA PIYUSH MANKAD (Independent Director)	01/03/2024	6/6	Yes

*Shri S Ravikumar resigned as Non-Executive Director with effect from 30 April 2024 after closing of business hours; hence the meetings attended is calculated based on the number of Board meetings attended by him during the year prior to his resignation.

The necessary quorum was present at the meetings. In compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing.

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

Table 2:

Sr. No.	Name of Director, DIN and Capacity/ Category	Director since	Remuneration			No. of shares held in the Company as on 31 March 2025
			Salary and other compensation	Sitting fee	Commission	
Chairman, Non-Executive, Non-Independent						
1.	Rajiv Bajaj (00018262)	06/12/2021	-	-	-	Nil
Managing Director, Executive, Non-Independent						
2.	Kevin D'sa (00425661)	25/09/2023	-	-	-	Nil
Independent Directors						
1.	Pradip Shah (00066242)	01/01/2024	-	3,00,000	-	Nil
2.	Arun Nathani (00619854)	01/02/2024	-	2,50,000	-	Nil
3.	Smita Mankad (02009838)	01/03/2024	-	3,00,000	-	Nil
Director, Non-Executive, Non-Independent						
1.	Rakesh Sharma (08262670)	06/12/2021	-	-	-	Nil

Changes in composition of Board during FY2024-25

Details of change in composition of the Board during the year under review i.e., from 1 April 2024 to 31 March 2025 are given below:

Table 3:

Sr. No.	Name	Capacity	Nature of Change	Effective Date
1.	Shri Ravikumar Srinivasan	Non-Executive Director	Resignation	30/04/2024

Resignation of Independent Directors during FY2025

No resignation was tendered by any of the Independent Directors during FY2025.

Board Diversity

In compliance with the provisions specified in the terms of reference of Nomination & Remuneration Committee, the Board has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in the areas of management and governance, financial services, technology and innovation, business transformation and strategy, risk, assurance and internal controls, finance, law, etc. and bring with them experience/ skills which add value to the performance of the Board. The Directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

The Policy on Board Diversity is available on the website of the Company and can be accessed at https://www.bajajautocredit.com/public/footer/Board_Diversity_Policy.pdf.

Opinion of the Board

The Board hereby confirms that, in its opinion, the independent directors fulfil the conditions specified under the Companies Act and are independent of the management of the Company.

Non-Executive Directors' Compensation

The Company believes that non-executive directors'(NEDs')(including independent directors) compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. Payment of Rs 50,000 per meeting was paid to the Independent Directors, for each meeting attended by them as member.

Information placed before the Board

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

Pursuant to the various regulatory requirements, and in compliance with applicable laws, and keeping in view the business requirements, the Board is, inter alia, apprised on the following:

- Business plans, forecast and strategic initiatives.
- Internal financial controls.
- Succession planning, organisational structure, and talent management framework.
- Status of compliances with Companies Act, 2013, RBI regulations and shareholder related matters.
- Various policies framed by Company from time to time.
- Risk management system, risk management policy and strategy followed.
- Compliance with corporate governance standards.
- Minutes of meetings of Board Committees.
- Compliance with fair practices code.
- Changes in regulatory landscape.

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

Directors and Officers Liability Insurance Policy for the Company has been taken through the said Policy taken by its 100% holding Company, Bajaj Auto Limited for its subsidiaries.

Orderly Succession to Board and Senior Management

Under Section 178 of the Companies Act, 2013 ("Companies Act"), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management is an objective of the Nomination and Remuneration Committee.

Accordingly, the succession plan ("Succession Plan") for the appointment of the Directors and Senior Management pursuant to the provisions of the Companies Act, 2013 and the relevant regulations of the Reserve Bank of India was approved by the Nomination and Remuneration Committee and Board of Directors.

The same is also available on company's website which can be accessed at https://www.bajajautocredit.com/public/footer/Succession_Policy.pdf

Directorships of Board of Directors

Table 4: Number of directorship of directors as on 31 March 2025 (including the Company)

Name of the director	No. of Directorships	In equity listed companies	In unlisted public companies	Directorships	
				In private limited companies	Body Corporate
RAJIVNAYAN RAHULKUMAR BAJAJ	16	5	4	4	3
RAKESH SHARMA	7	1	3	0	3
KEVIN PIUS D'SA	2	0	2	0	0
PRADIP PANALAL SHAH	17	4	2	10	1
ARUN VIJAY NATHANI	5	0	1	1	3
SMITA PIYUSH MANKAD	10	3	6	1	0

Note: For the purpose of considering the limit of the committees in which a director can serve, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies, high value debt listed entities and companies under section 8 of the Act have been excluded.

None of the directors holds office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included; while directorships

in dormant companies and section 8 of the Act/section 25 of the Companies Act, 1956 are excluded.

As per the declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/she is a whole-time director / managing director in any listed company.

Pursuant to RBI Scale Based Regulations, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary. None of the directors holds office in any other NBFC as stated above.

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

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

Directorship in listed companies (including debt listed companies)

Table 5: Name of listed entities where directors of the Company held directorships as on 31 March 2025

Sr. No.	Name of Director	Name of listed entity	Category
1.	Rajivnayan Rahulkumar Bajaj	BAJAJ AUTO LIMITED	Managing Director and CEO, Executive
		BAJAJ HOLDINGS & INVESTMENT LIMITED	Non-Executive, Non- Independent
		BAJAJ FINSERV LIMITED	
		BAJAJ ELECTRICALS LIMITED	
		BAJAJ FINANCE LIMITED	
2.	Rakesh Sharma	BAJAJ AUTO LIMITED	Whole-time Director
3.	Pradip Shah	BASF INDIA LIMITED	Chairman, Non-Executive Non-Independent
		BAJAJ HOLDINGS & INVESTMENT LIMITED	Non-Executive Independent
		BAJAJ AUTO LIMITED	Non-Executive Independent
		PFIZER LIMITED	Chairman, Non-Executive Non-Independent
4.	Smita Mankad	BAJAJ HOLDINGS & INVESTMENT LIMITED	Non-Executive Independent
		SUBROS LIMITED	Non-Executive Independent
		SWARAJ ENGINES LTD	Non-Executive Independent

Code of Conduct

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The code has been placed on the Company's website and can be accessed at <https://www.bajajautocredit.com/public/footer/Code-of-Conduct-of-KMP.pdf>

All Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for FY2025.

Maximum tenure of Independent directors

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

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

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act.

The draft letter of appointment to Independent Directors is placed on the Company's website and can be accessed at https://www.bajajautocredit.com/public/footer/Letter_of_Appointment_for_IDs.pdf

Whistle-blower policy/ Vigil mechanism

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Companies Act, 2013. The whistle blower policy/vigil mechanism provides a route for directors/employees to report, without fear of victimisation, any unethical behaviour, suspected or actual fraud or violation of the Company's code of conduct etc., which are detrimental to the organisation's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimisation or any other unfair employment practice.

The said policy has been appropriately communicated to the employees within the organisation and has also been placed on the Company's website which can be accessed at <https://www.bajajautocredit.com/public/footer/Whistle-Blower-Policy.pdf>

The directors in all cases and employees in appropriate cases have direct access to the chairman of the audit committee. The Company affirms that no employee has been denied access to the audit committee, which is charged with overseeing this policy.

Loans and advances

During FY 2025, the Company has not provided any loans and advances in the nature of loans to firms/companies in which the directors are interested.

Share Capital

The Authorised Share Capital of the Company as on 31 March 2025, was Rs. 7500 crores consisting of 750,00,00,000 equity shares of face value of Rs. 10 each.

The paid-up equity share capital as on 31 March 2025, post right issues was Rs. 2400 crores consisting of 240,00,00,000 fully paid-up equity shares of face value of Rs. 10 each.

Related party transactions

All contracts/arrangements entered by the Company during the period ended 31st March 2025 with related parties were in the ordinary course of business and at arm's length price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

Pursuant to the provisions of Section 134(h) of the Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014, the particulars of contracts or arrangements entered into by the Company with Related Parties have been done at arm's length and are in the ordinary course of business. Hence, no particulars are being provided in Form AOC-2.

Related Party disclosures, as per IND-AS have been provided in Notes to the financial statement.

The policy on Related party transactions, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/Related_Party_Transaction_Policy.pdf.

COMMITTEES OF THE BOARD

The Board has constituted committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. The details of committees are as follows:

- (a) **Board Committees:** Audit Committee, Nomination and Remuneration Committee (NRC), Risk Management Committee, Stakeholders Relationship Committee (SRC), Information Technology Strategy Committee (IT Strategy), Special Committee for Monitoring and Follow up of cases of Frauds (SCBMF), Review Committee concerning Wilful Defaults and Customer Service Committee.
- (b) **Internal Committees:** IT Steering Committee, Information Security Committee, Asset Liability Management Committee (ALCO), Investment Committee, Identification Committee concerning Wilful Defaults, Fraud Monitoring Group and Outsourcing Compliance Steering Committee.

1. AUDIT COMMITTEE

The Company has constituted an audit committee in accordance with the section 177 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Committee was constituted on 25 September 2023 and was re-constituted on 17 April 2024.

The terms of reference of the Committee are in accordance with the Act. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review management letters/ letters of internal control weaknesses issued by the statutory auditors, if any etc.

The terms of reference of Audit Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_audit.pdf.

The Audit Committee of BACL as on 31 March 2025, consists of three members out of whom Ms. Smita Mankad holds the position of Chairperson and other two members are Shri Pradip Shah and Shri Arun Nathani. All members are Independent Directors.

Meetings and attendance

During the FY2025, the Audit Committee met five times, viz. on 17 April 2024, 15 July 2024, 15 October 2024, 27 January 2025 and 17 March 2025. -

Table 6: Composition of the Audit Committee and attendance record of the members for FY2025

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Rajiv Bajaj	25/09/2023	Chairman	1/1
2	Rakesh Sharma	25/09/2023	Member	1/1
3.	S Ravikumar	25/09/2023	Member	1/1

* Above members ceased to be Chairman/ members of Audit Committee w.e.f. 17 April 2024, post re-constitution of the committee. With the appointment of independent directors during FY2024, Audit Committee got reconstituted with following members and their attendance record is as under:

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Smita Mankad	17/04/2024	Chairperson	4/4
2	Pradip Shah	17/04/2024	Member	4/4
3.	Arun Nathani	17/04/2024	Member	3/4

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, internal auditor, statutory auditor and other senior executives who were considered necessary for providing insights to the committee.

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

The Audit Committee, inter alia, discussed and deliberated on the internal audit reports, financial results, related party transactions including granting of omnibus approval, investment related reports, utilisation of loans and/or advances from/investment by the Company, whistle blower/ PoSH complaints, appointment/re-appointment of statutory auditor, etc.

During the FY 2025, the board had accepted all recommendations of the Committee.

2. NOMINATION AND REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration committee in accordance with the section 178 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Committee was constituted on 25 September 2023 and was re-constituted on 17 April 2024.

The terms of reference of the Committee are in accordance with the Act. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed under the Act.

The terms of reference of Nomination and Remuneration Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_nrc.pdf.

The Nomination and Remuneration Committee of BACL as on 31 March 2025, consists of three members out of whom Shri Pradip Shah holds the position of Chairman and other two members are Shri Arun Nathani and Shri Rajiv Bajaj.

The importance of appointment of directors with 'fit and proper' credentials is well recognised at BACL.

Meetings and attendance

During the FY2025, the Nomination and Remuneration Committee met twice, viz. on 17 April 2024 and 17 March 2025.

Table 7: Composition of the NRC and attendance record of the members for FY2025

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Rajiv Bajaj	25/09/2023	Chairman	1/1
2	Rakesh Sharma	25/09/2023	Member	1/1
3.	S Ravikumar	25/09/2023	Member	1/1

* Above members ceased to be Chairman/ members of Nomination and Remuneration Committee w.e.f. 17 April 2024, post re-constitution of the committee. With the appointment of independent directors during FY2024, Nomination and Remuneration Committee got reconstituted with following members and their attendance record is as under:

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Pradip Shah	17/04/2024	Chairman	1/1
2	Arun Nathani	17/04/2024	Member	0/1
3.	Rajiv Bajaj	25/09/2023	Member	1/1

The company secretary acted as the secretary to this Committee.

As provided under the terms of reference of the Nomination and Remuneration Committee, the members, inter alia, discussed and deliberated on re-appointment of independent directors, remuneration payable to senior management, directors and key managerial personnel, review of performance evaluation process and criteria etc. to the extent applicable.

During FY2025, the Board accepted all the recommendations of the Committee.

3. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee in accordance with the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023. The Committee was constituted on 25 September 2023 and was re-constituted on 17 April 2024.

This Committee ensures that the risks associated with the functioning of the Company are identified, controlled and mitigated and also lays down procedures regarding managing and mitigating the risk through integrated risk management systems, strategies and mechanism.

The terms of reference of Risk Management Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_rmc.pdf.

The Risk Management Committee of BACL as on 31 March 2025, consists of three members out of whom Shri Pradip Shah holds the position of Chairman and other two members are Shri Arun Nathani and Shri Kevin D'sa.

Shri Ashish Tikotkar is the Chief Risk Officer of the Company.

Meetings and attendance

During the FY2025, the Risk Management Committee met twice, viz. on 17 April 2024 and 17 March 2025.

Table 8: Composition of the RMC and attendance record of the members for FY2025

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Rajiv Bajaj	25/09/2023	Chairman	1/1
2	Rakesh Sharma	25/09/2023	Member	1/1
3.	S Ravikumar	25/09/2023	Member	1/1

* Above members ceased to be Chairman/ members of Nomination and Remuneration Committee w.e.f. 17 April 2024, post re-constitution of the committee. With the appointment of independent directors during FY2024, Risk Management Committee got reconstituted with following members and their attendance record is as under:

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Pradip Shah	17/04/2024	Chairman	1/1
2	Arun Nathani	17/04/2024	Member	0/1

3.	Kevin D'sa	17/04/2024	Member	1/1
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The company secretary acted as the secretary to this Committee.

As provided under the terms of reference of the Risk Management Committee, the members, inter alia, discussed and deliberated on methodology, processes and systems that are in place to monitor and evaluate risks associated with the business, review and implementation of the risk management policy, appointment, removal and terms of remuneration of the Chief Risk Officer (if any), etc.

During FY2025, the Board accepted all the recommendations of the Committee.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

Pursuant to the provisions of the Companies Act, 2013, the Company has constituted a Stakeholders Relationship Committee (SRC) on 17 April 2024.

The terms of reference of Stakeholders Relationship Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_src.pdf.

The Stakeholders Relationship Committee of BACL as on 31 March 2025, consists of three members out of whom Ms. Smita Mankad holds the position of Chairperson and other two members are Shri Arun Nathani and Shri Kevin D'sa.

Meetings and attendance

During the FY2025, the Stakeholders Relationship Committee met once on 17 March 2025.

Table 9: Composition of the SRC and attendance record of the members for FY2025

Sr. No.	Name of Director	Member of Committee since	Category	No. of meeting attended
1.	Smita Mankad	17/04/2024	Chairperson	1/1
2	Arun Nathani	17/04/2024	Member	0/1
3.	Kevin D'sa	17/04/2024	Member	1/1

During the year under review, the Company did not have any debenture holders or other security holders, and the only stakeholder in the Company has been Bajaj Auto Limited, the 100% holding Company. Hence, during the year under review, there were no stakeholders whose interests or concerns which were needed to be addressed by the Committee.

5. IT STRATEGY COMMITTEE

Pursuant to the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices issued by RBI vide RBI/ 2023-24/ 107 DoS.CO.CSIT/ SEC.7/ 31.01.015/ 2023-24, dated 07 November 2023, BACL has duly constituted IT Strategy Committee on 17 April 2024, consisting of three members out of whom Shri Arun Nathani holds the position of Chairman and other members are Shri Rakesh Sharma and Shri Kevin D'sa.

The Committee meets on a quarterly basis.

The terms of reference of IT Strategy Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_it_strategy.pdf.

Meetings and attendance

During the FY2025, the IT Strategy Committee met three times, viz. on 30 July 2024, 06 November 2024 and 23 January 2025.

Table 10: Composition of the IT Strategy Committee and attendance record of the members for FY2025

Sr. No.	Name of Director	Member of Committee since	Category	No. of meetings attended
1.	Arun Nathani	17/04/2024	Chairperson	3/3
2.	Rakesh Sharma	17/04/2024	Member	2/3
3.	Kevin D'sa	17/04/2024	Member	3/3

Shri Srikanth Appana is the Chief Technology Officer and Shri Hemant Kumar is the Chief Information Security Officer of the Company.

During FY 2025, the Board noted the decisions and recommendations of the committee.

6. REVIEW COMMITTEE FOR CONSIDERING WILFUL AND LARGE DEFAULTERS

Pursuant to the Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued by RBI vide RBI/ DoR/ 2024-25/ 122 DoR.FIN.REC.No.31/ 20.16.003/2024-25 dated 30 July 2024, BACL has duly constituted a Review Committee on 15 October 2024, consisting of three members out of whom Shri Kevin D'sa holds the position of Chairman and other members are Shri Pradip Shah and Ms. Smita Mankad.

The primary objective of Review Committee is to review the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s) (Wilful Defaulters) and pass necessary orders upholding/rejecting the order passed by identification committee.

During the year under review, no meeting of the committee was required to be held, as there were no cases of Wilful and Large Defaulters.

The terms of reference of Review Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_review.pdf.

7. SPECIAL COMMITTEE OF THE BOARD FOR MONITORING AND FOLLOW-UP OF CASES OF FRAUDS (SCBMF)

Pursuant to the Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies) issued by RBI vide RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25 dated 15 July 2024, BACL has duly constituted a Special Committee of the Board for Monitoring and Follow-up of Cases of Frauds (SCBMF), consisting of six members out of whom Shri Kevin D'sa holds the position of Chairman and other members are Shri Nilesh Thakkar – Chief Financial Officer, Shri Anil Rathie – Chief

Compliance Officer, Shri Ashish Tikotkar – Chief Risk Officer, Shri Raul Verma – Business Head and Shri Jaison John – Business Head.

The objectives of the SCBMF are to oversee fraud risk management effectiveness, review and monitor fraud cases with root cause analysis, suggest mitigating measures, oversee the organizational structure for fraud risk management, approve and implement the fraud risk management policy, ensure the effectiveness of the Early Warning System (EWS), and address any other matters assigned by the Audit Committee, Board of Directors, or regulatory bodies such as the Reserve Bank of India.

The terms of reference of SCBMF, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_scbmf.pdf.

During FY 2025, the committee met once on 12 March 2025.

Table 11: Composition of the SCBMF and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Kevin D'sa	15/10/2024	Chairman	1/1
2	Nilesh Thakkar	15/10/2024	Member	1/1
3.	Anil Rathi	15/10/2024	Member	1/1
4.	Ashish Tikotkar	15/10/2024	Member	1/1
5.	Raul Verma	15/10/2024	Member	1/1
6.	Jaison John	15/10/2024	Member	1/1

The Committee will meet twice a year or as and when it is found necessary to meet.

8. CUSTOMER SERVICE COMMITTEE

Pursuant to the Master Direction issued by Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023, BACL has duly constituted a Customer Service Committee on 27 January 2025, to evaluate the effectiveness, quality, and adequacy of customer service in the entity and to strengthen the consumer protection framework.

The Committee consists of three members out of whom Shri Arun Nathani holds the position of Chairman and other members are Shri Rakesh Sharma and Shri Kevin D'sa.

Mr. Koteswar Vishweshwar Tulshibagawale is appointed as the Internal Ombudsman of the Company w.e.f. 01 April 2025.

During the FY 2025, there were no meetings held by the Committee.

The terms of reference of Customer Service Committee, as approved by the Board is placed on the Company's website and can be accessed at link https://www.bajajautocredit.com/public/footer/terms_of_reference_customer_service.pdf.

9. ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Company constituted an Asset Liability Management Committee (ALCO), in terms of Guidelines issued by RBI to NBFCs in order to manage liquidity risk, market risks, and other funding / asset related risks for effective risk management in its portfolios.

The ALCO of BACL as on 31 March 2025, consists of eight members out of whom Mr. Kevin Dsa holds the position of Chairman and other members are Shri S Ravikumar, Shri Dinesh Thapar, Dr. J Sridhar, Shri Nilesh Thakkar, Shri Anil Rathi, Shri Ashish Tikotkar and Shri Kiran Yanamandra. The Committee was first constituted on 25 September 2023 and was later re-constituted on 22 December 2023 and again on 27 January 2025.

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

Meetings and attendance

During the FY2025, the ALCO met twelve times, viz. on 09 April 2024, 20 May 2024, 26 June 2024, 31 July 2024, 27 August 2024, 24 September 2024, 29 October 2024, 27 November 2024, 23 December 2024, 31 January 2025, 27 February 2025 and 27 March 2025.

Table 12: Composition of the ALCO and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Kevin D'sa	25/09/2023	Chairman	12/12
2.	S Ravikumar	25/09/2023	Member	7/12
3.	Dinesh Thapar	25/09/2023	Member	12/12
4.	J Sridhar	25/09/2023	Member	12/12
5.	Suresh Subramaniam*	25/09/2023	Member	3/5
6.	Anil Rathi	25/09/2023	Member	8/12
7.	Ashish Tikotkar	25/09/2023	Member	7/12
8.	Kiran Yanamandra	25/09/2023	Member	12/12
5.	Nilesh Thakkar	27/01/2025	Member	3/3

* Shri Suresh Subramaniam resigned w.e.f. 13 September 2024, consequently he ceased to be the member of committee. In his place, Shri Nilesh Thakkar, who was appointed as CFO on 30 September 2024, was inducted into the Committee from 27 January 2025.

10. INVESTMENT COMMITTEE

The Company constituted an Investment Committee, pursuant to the Investment Policy of the Company.

The Investment Committee of BACL as on 31 March 2025, consists of Mr. Kevin D'sa as the Chairman of committee along with Mr. Ravikumar Srinivasan, Shri Dinesh Thapar, Shri Nilesh Thakkar, Shri Ashish Tikotkar and Shri Kiran Yanamandra. The Committee was constituted on 22 December 2023 and was re-constituted on 27 January 2025.

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

Meetings and attendance

During the FY2025, the IC met twelve times, viz. on 09 April 2024, 20 May 2024, 26 June 2024, 31 July 2024, 27 August 2024, 24 September 2024, 29 October 2024, 27 November 2024, 23 December 2024, 31 January 2025, 27 February 2025 and 27 March 2025.

Table 13: Composition of the IC and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Kevin D'sa	22/12/2023	Chairman	12/12
2.	S Ravikumar	22/12/2023	Member	7/12
3.	Dinesh Thapar	22/12/2023	Member	12/12
4.	Suresh Subramaniam*	22/12/2023	Member	12/12
5.	Ashish Tikotkar	22/12/2023	Member	3/5
6.	Kiran Yanamandra	22/12/2023	Member	8/12
7.	Nilesh Thakkar	27/01/2025	Member	3/3

* Shri Suresh Subramaniam resigned w.e.f. 13 September 2024, consequently he ceased to be a member of committee. In his place, Shri Nilesh Thakkar, who was appointed as CFO on 30 September 2024, was inducted into the Committee from 27 January 2025.

11. INFORMATION SECURITY COMMITTEE

Pursuant to the Master Direction on Information Technology Governance, Risks, Controls and Assurance Practices dated 07 November 2023, NBFCs are required to establish specific forums to ensure that IT related matters are given due attention for driving the IT Strategy formulated by the top management.

In accordance with above, BACL has duly constituted Information Security Committee on 15 July 2024 with five members out of whom Shri Kevin D'sa holds the position of Chairman and other members are Shri Srikanth Appana – Chief Technology Officer, Shri Ashish Tikotkar – Chief Risk Officer, Shri Anil Rathi – Chief Compliance Officer and Shri Hemant Kumar – Chief Information Security Officer.

The Committee meets on a quarterly basis. The decisions of Committee are updated to the IT Strategy Committee and Audit Committee.

Meetings and attendance

During the FY2025, the Information Security Committee met three times, viz. 18 July 2024, 07 October 2024 and 27 December 2024.

Table 14: Composition of the Information Security Committee and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Kevin D'sa	15/07/2024	Chairman	3/3
2.	Srikanth Appana	15/07/2024	Member	3/3
3.	Ashish Tikotkar	15/07/2024	Member	2/3

4.	Anil Rathi	15/07/2024	Member	3/3
5.	Hemant Kumar	15/07/2024	Member	3/3

12. IT STEERING COMMITTEE

Pursuant to the Master Direction on Information Technology Governance, Risks, Controls and Assurance Practices dated 07 November 2023, NBFCs are required to establish specific forums to ensure that IT related matters are given due attention for driving the IT Strategy formulated by the top management.

In accordance with above, BACL has duly constituted IT Steering Committee on 15 July 2024 with nine members out of whom Shri Kevin D'sa holds the position of Chairman and other members are Shri Srikanth Appana – Chief Technology Officer, Shri Ashish Tikotkar – Chief Risk Officer, Shri Anil Rathi – Chief Compliance Officer, Shri Hemant Kumar – Chief Information Security Officer, Shri Raul Verma – Business Head, Shri Bimal Desai – Business Head, Shri Jaison John – Business Head and Shri C.K. Raghavan – DGM, Finance.

The Committee meets on a quarterly basis. The decisions of Committee are updated to the IT Strategy Committee and Audit Committee.

Meetings and attendance

During the FY2025, the IT Steering Committee met three times, viz. 18 July 2024, 07 October 2024 and 27 December 2024.

Table 15: Composition of the IT Steering Committee and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Kevin D'sa	15/07/2024	Chairman	3/3
2.	Srikanth Appana	15/07/2024	Member	3/3
3.	Ashish Tikotkar	15/07/2024	Member	2/3
4.	Anil Rathi	15/07/2024	Member	3/3
5.	Hemant Kumar	15/07/2024	Member	3/3
6.	Raul Verma	15/07/2024	Member	2/3
7.	Bimal Desai	15/07/2024	Member	2/3
8.	Jaison John	15/07/2024	Member	2/3
9.	C.K.Raghavan	15/07/2024	Member	3/3

13. IDENTIFICATION COMMITTEE FOR CONSIDERING WILFUL AND LARGE DEFAULTERS

In accordance with the Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued by RBI vide RBI/DoR/2024-25/122 DoR.FIN.REC.No.31/20.16.003/2024-25 dated 30 July 2024, applicable NBFCs shall constitute an Identification Committee to identify the wilful defaulter, if any.

Pursuant to above, BACL has duly constituted Identification Committee on 15 October 2024 with four members out of whom Shri Ashish Tikotkar holds the position of Chairman and other

members are Shri Anoop B – Business Head, Shri Jaison John – Business Head and Shri Raul Verma – Business Head.

The objective of the Identification Committee is to serve as the initial evaluative body for identifying wilful defaulters. The role of the Committee includes examining financial statements and security cover to detect signs of wilful default, issuing show cause notices to borrowers and relevant parties, and allowing them time to respond. Based on its findings and the responses received, the Identification Committee drafts a proposal to the Review Committee on whether the borrower should be classified as a wilful defaulter. If the Identification Committee does not classify a borrower as a wilful defaulter, the case does not proceed further.

During FY 2025, the committee met once on 12 March 2025, and no borrower was classified as a wilful defaulter thereof.

Table 16: Composition of the Identification Committee and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Ashish Tikotkar	15/10/2024	Chairman	1/1
2	Anoop B	15/10/2024	Member	1/1
3.	Jaison John	15/10/2024	Member	1/1
4.	Raul Verma	15/10/2024	Member	1/1

14. OUTSOURCING COMPLIANCE STEERING COMMITTEE

In accordance with the Circular issued by RBI vide DNBR.PD.CC.No.090/03.10.001/2017-18 (Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs), dated November 09, 2017, NBFCs are required to establish an Outsourcing Compliance Steering Committee to ensure governance, compliance oversight, and risk management across outsourcing arrangements.

Accordingly, the Board had approved the Outsourcing Policy on November 28, 2023, which included constituting an internal Committee for oversight of outsourcing activities, comprising of Shri Kevin D'sa (MD) – Chairman, Nilesh Thakkar (CFO) – Member, and Shri Srikant Appana (VP-IT) – Member.

The Objectives of the committee are approving outsourcing of material business activities; regularly reviewing outsourcing strategies and arrangements for continued relevance, safety, and soundness; periodically reviewing effectiveness of policies and procedures; evaluating risks and materiality of existing and prospective outsourcing based on the Board-approved framework; overseeing compliance with outsourcing regulations; and ensuring monitoring and reporting mechanisms are in place.

During the FY 2025, there were no meetings held by the Committee.

15. FRAUD MONITORING GROUP

Pursuant to the Fraud Risk Management Policy, dated 15 October 2024, the Company constituted a committee of senior management known as Fraud Monitoring Group (FMG) comprising of nine members viz. Shri Nilesh Thakkar - Chief Financial Officer, Shri Anil Rathi - Chief Compliance Officer, Shri Ashish Tikotkar - Chief Risk Officer, Shri Raul Verma - Business

Head, Shri Bimal Desai - Business Head, Shri Jaison John - Business Head, Shri Anoop B - Business Head, Shri Sudhakar Shenoy - DGM (Legal) and Shri Dheeraj Rajendran - Manager (Risk Containment Unit).

The Objectives of the Committee are to examine the response received from the Persons / Entities to whom the Show Cause Notice was served, to serve a reasoned order on the Persons / Entities conveying the decision of the company regarding classification of the incident as fraud or otherwise and such other related matters.

During the FY 2025, the committee met twice viz. 21 February 2025 and 31 March 2025.

Table 17: Composition of the Fraud Monitoring Group and attendance record of the members for FY2025

Sr. No.	Name of Member	Member of Committee since	Category	No. of meetings attended
1.	Ashish Tikotkar	15/10/2024	Chairman	2/2
2.	Anil Rathi	15/10/2024	Member	2/2
3.	Nilesh Thakkar	15/10/2024	Member	2/2
4.	Raul Verma	15/10/2024	Member	2/2
5.	Bimal Desai	15/10/2024	Member	2/2
6.	Jaison John	15/10/2024	Member	2/2
7.	Anoop B	15/10/2024	Member	2/2
8.	Sudhakar Shenoy	15/10/2024	Member	2/2
9.	Dheeraj Rajendran	15/10/2024	Member	2/2

Corporate Social Responsibility

During the year under review, the Company was not subject to the provisions of Section 135 of the Companies Act, 2013, regarding Corporate Social Responsibility (CSR). Hence, there is no disclosure required under this clause for the year under review.

However, for the financial year 2025-26, the Company will be required to comply with the provisions of Section 135 of the Companies Act, 2013. Given that the anticipated CSR expenditure for the financial year 2025-26 is expected to be less than Rs. 50 lakhs, the Company will not be required to constitute a CSR Committee. As provided under law, the Board of Directors will discharge the functions of the CSR Committee during FY 2026.

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During FY2025, there were no pecuniary relationship/transactions of any non-executive directors with the Company.

Criteria of making payments to non-executive directors

Not Applicable

Details of Remuneration of directors

The details of remuneration payable, if any to all non-executive directors are provided in the Form MGT-7 ('annual return').

Managing Director

Remuneration of Managing Director is paid by the Company's holding Co., Bajaj Auto Limited, since the Managing Director is on the rolls of Bajaj Auto Limited.

Independent Director

Sitting fee of Rs. 50,000 per meeting is paid to the IDs, for each meeting attended by them as member.

Management

Management discussion and analysis

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

Green Initiatives

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

During FY2025, the Company sent documents, such as notice convening the annual general meeting, audited financial statements, Directors' Report, Auditors' report, etc. in electronic form to the email addresses provided by the members and made available by them to the Company.

Information on general body meetings and details of special resolution(s) passed, if any

Details of Annual General Meeting (AGM) held:

Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Special resolutions passed
3 rd Annual General Meeting	15.07.2024 – Registered Office (Pune)	3

Notes:-

1. All the shareholders voted in favour for each of the resolutions passed in the Annual General Meeting.
2. Special Resolution was passed for below mentioned items:
 - a) Continuance of Appointment of Shri Kevin D'sa as Managing Director on his having attained the age of 70 years on 28 February 2024.
 - b) To increase the power to borrow from a limit of Rs. 5000 Cr to Rs. 15000 Cr
 - c) Approval for creation of charges etc to secure borrowings from Rs. 5000 Cr upto Rs. 15000 Cr

Details of Extraordinary General Meeting (EGM) held

Type of Meeting (Annual/ Extra Ordinary)	Date and Place	Special resolutions passed
Extra-Ordinary General Meeting	05.03.2025 - Registered Office (Pune)	2

Notes:-

1. All the shareholders voted in favour for each of the resolutions passed in the Extraordinary General Meeting.
2. Special Resolution was passed for below mentioned items:
 - a) To increase the Authorised Share Capital of the Company from Rs. 3,000 cr to Rs. 7,500 cr and amendment in the Memorandum of Association of the Company.
 - b) To increase the Power of the board to borrow from the limit of Rs 15,000 Cr to Rs. 30,000 Cr under Sec 180(1)(c) of the Companies Act, 2013.
 - c) Creation of charges on assets of the Company under section 180(1)(a) of the Companies Act, 2013 to secure borrowings made under section 180(1)(c) of the Companies Act, 2013.

Report on Corporate Governance

This section read together with the information given in the Director's Report, the section on Management Discussion and Analysis, constitute the compliance report on Corporate Governance during FY2025.

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

The Company has Board approved policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) ACT, 2013 ('posh Act'). The main objective of the Act is to provide:

- Protection against and prevention of sexual harassment of women at workplace
- Redressal of complaints of sexual harassment

Table 18: Details as required under the POSH Act are as under:

Sr. No.	Particulars	No. of complaints
1.	No. of complaints filed during the year ended 31 March 2024	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of pending complaints as on 31 March 2024	Nil

Fees Paid to statutory auditors

M/s Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) are the statutory auditors of the Company.

The remuneration payable to M/s Gokhale & Sathe for the year 2024-25 was as under:

Sr. No.	Particulars	Amount
1.	Audit fees	12,53,500
2.	Taxation matters	2,72,500
3.	Company law matters	0
4.	Other services	1,96,200
5.	Reimbursement of expenses	1,20,960

During the year, Auditors were reimbursed / paid towards out-of-pocket / travelling expenses and taxes.

Fit & Proper Criteria

The company shall ensure that a policy is put in place with the approval of the Board of Directors for ascertaining the fit and proper criteria of the directors at the time of appointment, and on a continuing basis. The policy on the fit and proper criteria shall be on the lines of the Guidelines. The company shall obtain a declaration and undertaking from the directors giving additional information on the directors. The declaration and undertaking shall be on the lines of the format given. The company shall obtain a Deed of Covenant signed by the directors, which shall be in the format as given.

The company shall furnish to the Reserve Bank a quarterly statement on change of directors, and a certificate from the Managing Director of the NBFC that fit and proper criteria in selection of the directors has been followed. The statement must reach the Regional Office of the Reserve Bank within 15 days of the close of the respective quarter. The statement submitted by NBFCs for the quarter ending March 31, should be certified by the auditors.

The Company has complied with the provisions as are applicable and has a Board approved Fit and Proper Policy in place and the same is posted on the website which can be accessed at link [https://www.bajajautocredit.com/public/footer/Policy on Fit and Proper Criteria of directors.pdf](https://www.bajajautocredit.com/public/footer/Policy_on_Fit_and_Proper_Criteria_of_directors.pdf).

Disclosure and Transparency

The Company shall put up to the Board of Directors or its Committees, at regular intervals, as may be prescribed by the Board in this regard, the following:

- i. the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the NBFC;
- ii. conformity with corporate governance standards viz., in composition of various committees, their role and functions, periodicity of the meetings and compliance with coverage and review functions, etc.

The Company shall also disclose the following in their Annual Financial Statements:

- i. registration/ licence/ authorisation, by whatever name called, obtained from other financial sector regulators;
- ii. ratings assigned by credit rating agencies and migration of ratings during the year;
- iii. Penalties, if any, levied by any regulator;
- iv. information namely, area, country of operation and joint venture partners with regard to Joint ventures and overseas subsidiaries and
- v. Asset-Liability maturity, extent of financing of parent company products, credit impaired loans and movement of credit impaired loans, details of all off-balance sheet exposures,

structured products issued by the Company as also securitization/ assignment transactions and other disclosures, as may be prescribed by Reserve Bank of India from time to time.

The Company has complied with the provisions as are applicable.

Rotation of the Statutory Auditors Audit Firm

The Company shall rotate the partner/s of the Chartered Accountant firm conducting the audit, every three years so that same partner does not conduct audit of the company continuously more than a period of three years. However, the partner so rotated will be eligible for conducting the audit of the Company after an interval of three years, if the Company, so decides. These terms shall be incorporated appropriately in the letter of appointment of the firm of auditors.

These provisions shall be read with the 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/ Statutory Auditors (SAs)' dated 27 April 2021, issued by Reserve Bank of India and as amended from time to time.

Pursuant to provisions of Section 139 of the Act, the members at the annual general meeting of the Company held on 12 July 2022 appointed M/s Gokhale & Sathe, Chartered Accountants (Firm Registration No. 103264W) as statutory auditors of the Company from the conclusion of 1st annual general meeting till the conclusion of 4th annual general meeting, to hold office for a term of three years. The statutory auditors have confirmed that they are not disqualified from continuing as auditors of the Company.

Based on the recommendation of Audit Committee and confirmation from RBI, the Board approved the appointment of M/s Gokhale & Sathe, Chartered Accountants, as Statutory Auditors of the Company for one more financial year i.e. F.Y. 2025-26, subject to approval of the shareholders on the terms and conditions to be decided in consultation with the Statutory Auditors, considering that they have completed a tenure of only 2 years from the year in which NBFC registration was received by the Company.

The Company has a Board approved Policy for appointment of Statutory Auditors in place and the same is posted on the website which can be accessed at link https://www.bajajautocredit.com/public/footer/Policy_for_Appointment_of_Statutory_Auditor.pdf.

Details of Non-Compliance with requirements of the Companies Act, 2013

There has been no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards as per the Secretarial Audit Report and Statutory Audit Report.

Details of Penalties and Strictures

There were no penalties or strictures imposed on the Company by the Reserve Bank of India or any other Statutory Authority.

Breach of the Covenant

There have been no instances of breach of the covenant of loan availed.

Divergence in Asset Classification and Provisioning

As per the last available RBI Supervisory Report for the Financial Year 2025, there is no divergence in asset classification and provisioning assessed by RBI.

Certification

The Company shall abide by the RBI's directions on Internal Guidelines on Corporate Governance, and provisions of the Act pertaining to Corporate Governance.

List of Key policies of Bajaj Auto Credit Limited

Sr. No.	Name of Policy	Website link
1.	Whistle-blower Policy	https://www.bajajautocredit.com/public/footer/Whistle-Blower-Policy.pdf
2.	Prevention of sexual harassment at workplace	https://www.bajajautocredit.com/public/footer/POSH-Policy.pdf
3.	Corporate Governance policy	https://www.bajajautocredit.com/public/footer/CG-Policy.pdf
4.	Code of Conduct for Directors and Senior management	https://www.bajajautocredit.com/public/footer/Code-of-Conduct-of-KMP.pdf
5.	Code of Conduct for Employees	https://www.bajajautocredit.com/public/footer/Code-of-Conduct-Employee.pdf
6.	Code of Conduct for Independent Directors	https://www.bajajautocredit.com/public/footer/code_of_conduct_sr_management.pdf
7.	Code of Conduct for DMA/DSA	https://www.bajajautocredit.com/public/footer/Code-of-conduct-for-agents.pdf
8.	Grievance redressal policy	https://www.bajajautocredit.com/public/footer/Grievance_Redressal_New.pdf
9.	Data Privacy policy	https://www.bajajautocredit.com/public/footer/Data-Privacy-Policy.pdf
10.	Interest Rate policy	https://www.bajajautocredit.com/public/footer/Interest-rate-policy-BACL.pdf
11.	Compensation Policy for SMD	https://www.bajajautocredit.com/public/footer/Compensation-Policy.pdf
12.	Grievance Redressal Policy (IRDAI)	https://www.bajajautocredit.com/public/footer/IRDAI_Grievance_redressal_policy.pdf

Bajaj Auto Credit Limited

Management Discussion & Analysis – FY2025

Bajaj Auto Credit Limited (BACL) is a wholly owned finance subsidiary of Bajaj Auto Limited, established as a Non-Banking Financial Company (NBFC) to exclusively finance vehicles manufactured by Bajaj Auto Limited and its subsidiaries/associates.

BACL received its Certificate of Registration from the Reserve Bank of India on 29 August 2023; and officially launched its operations on 1 January 2024. The Company successfully navigated its business transition from Bajaj Finance Ltd and has built a healthy portfolio supported by robust IT systems and a committed and talented workforce.

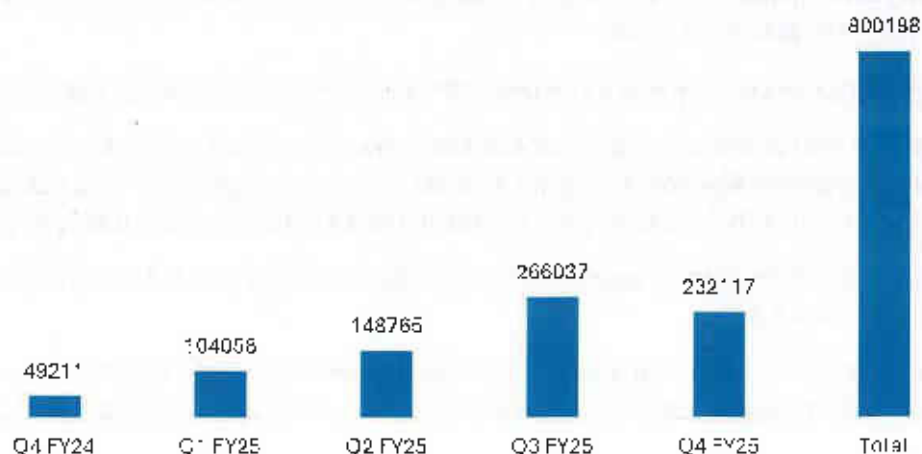
In FY2025, BACL demonstrated strong performance across key areas.

BACL Performance Highlights – FY2025

- Asset size crossed Rs 11,000 Crore as on 31st March 2025
- AUM as of 31 March 2025 crossed Rs. 9,300 crore.
- Disbursement for the FY 2024-25 crossed Rs 10,000 crore.
- Number of new loans booked was over 751,000.
- Net interest income (NII) stood at Rs. 852 crore.
- Profit before tax (PBT) was at Rs. 78 crore and profit after tax (PAT) was Rs. 58 crore.
- Gross Non-Performing Assets (GNPA) was at 0.80% and Net Non-Performing Asset (NNPA) at 0.44%.
- Capital adequacy ratio as on 31 March 2025 was 23.49% and Tier-I adequacy was 22.93% — which are both well above the RBI norms of 15%.
- Granted the Corporate Agent (Composite) Registration by the Insurance Regulatory and Development Authority of India (IRDAI).

With its strong financial position, low NPAs, growth momentum, well provisioned balance sheet, strong capital adequacy and strong start into FY2026, the Company is optimistic about its growth potential for the future.

1. Total Volumes



- Built a customer franchise of more than 8 lakh customers.
- Owing to a good festival season, BACL onboarded 2.66 lakh customers during Q3 FY2025.

2. Two-Wheeler Finance

BACL covers 99% of Bajaj Auto's retail network, spanning 4,500 outlets in both urban and rural India. It has financed over 637,595 two-wheelers since inception, with a retail penetration rate of 40%.

Such business penetration and share of market is attributable to a thorough credit evaluation process, high approval rate, presence across channels — backed by a robust collections process.

BACL recognises the potential of rural markets and has a focus on increasing business contribution from rural areas. With emphasis on building volumes at the Authorized Service Dealer (ASD) level, workforce and rural activities have been operationalised leading to rural business contribution of 50% in FY2025. The higher penetration is primarily because of:

- Initiatives like 24/7 dealer disbursement and 30-minute payment cycle to dealers
- Improved lead generation, field activities and home visits to connect with customers.
- Exclusive workforce support for ASDs
- Trade advance to dealers and ASDs to enable stocking vehicles in advance.

3. Three-Wheeler Finance

The Company covers 100% of BAL retails with presence across 700 BAL channels across the country. It had a penetration of 49% on BAL retails and financed 162,593 three-wheelers since inception.

50% percent of the customers onboarded in the three-wheeler are new to credit customers — which has thus contributed to financial inclusion and supporting the livelihood of these customer.

Apart from customer evaluation, the credit evaluation process is geography specific, based on earning potential of each location. This gives the company an edge and enables it to provide carefully crafted financial offering to customers. Owing to a special focus on the evolving EV business, BACL currently has a 70% penetration in the EV segment.

4. Capital Infusion, Ratings and Debt Profile

During FY2025, BACL received an equity infusion of Rs. 2,105 crore — thus bringing its total equity to Rs. 2,400 crore.

As of March 31, 2025, BACL's total borrowings stood at Rs. 8,437 crore. During the year, the Company secured USD 220 million in fully hedged External Commercial Borrowings (ECB) as term loans from DBS Bank, under the automatic route.

The borrowing composition was as follows: 78% in the form of term loans; and 22% as ECB.

BACL enjoys the highest credit rating of AAA/stable from CRISIL, CARE and India Rating for its long-term debt programme and A1+ from CRISIL for its short-term debt programme. These ratings reaffirm the high reputation and trust that the Company has earned and its ability to meet financial obligations.

The Company's consolidated average cost of funds for FY2025 was 8.34%, while its exit cost, as of 31 March 2025, was 8.18%.

On the liability side, BACL continues to maintain conservative liquidity buffers. As of March 31, 2025, its consolidated liquidity buffer amounted to Rs. 1,046 crore, excluding undrawn credit lines.

5. Debt Management

BACL Collections Mechanism and Infrastructure

BACL has a robust collections process, ensuring presence across every corner of India. In addition to its 800-strong internal collections workforce, the company operates with a network of 700 collection agencies nationwide.

Increasingly, however, BACL is focusing on internalising collections to reduce reliance on third-party agencies and reduce costs. To this end, it is establishing a dedicated vertical within the organisation to maintain and enhance its current internalisation ratio of 55%; and to improve this moving forward.

The Company has also developed an 18-call centre network across various states to provide localised, language-specific services, which enhance customer experience with a more personalised approach. Additionally, it has partnered with an AI tech firm to develop interactive, AI-powered customer engagement for collections, initially available in Hindi and English, with other local languages in development. This innovation is helping the Company to cost-effectively scale its operations while maintaining a human touch.

Customer Portfolio Health

BACL maintains one of the industry's best portfolio health records. In the two-wheeler segment, 98.7% of customers are in Bucket 0 or 1 (early-stage repayment), and in the three-wheeler segment, 99% are in the same buckets.

The Company attributes its excellent portfolio quality to a strategic approach that integrates sales and collections for critical cases, the use of E-NACH (automated mandate clearance) with over 90% adoption, and a low bounce rate of 26% — which is significantly better than the industry benchmark of 30%-35%. Furthermore, BACL achieves 99.8% first EMI collection success for two-wheelers and 99.9% for three-wheelers, reflecting its effective collections strategies.

Collections Efficiency

BACL boasts a high-resolution rate more than 97% for cases within Bucket X in both two-wheeler and three-wheeler portfolios. The Company actively limits the number of cases in higher risk categories. This proactive management of risk ensures efficient collections across the board.

Bounce Reduction and Collection Cost Management

BACL's collections strategy has significantly reduced its bounce rate using E-NACH as the primary mode of repayment, with 99% of current repayments processed this way. This focus on automated clearance has brought the bounce rate down to 26%, reducing the number of customers that require collection efforts. In turn, this has lowered overall collection costs, as fewer cases are required to be managed by field agents or third-party agencies.

Internalisation of Collections

BACL's commitment to internalising collections has been a key focus area: 55% of collections are managed internally at a cost of 4.1%. This has helped the Company keep its total collection costs at 8.5%, while ensuring better control over the collection process. BACL's risk-based analytics links collection efforts to the customers' risk band, with lower-risk customers being managed by internal

teams, while higher-risk customers are dealt with more by external agencies. The goal is to increase internalisation for low-risk customers. The current internalisation ratio for these customers is at 70%.

Penal Collection Efforts

BACL has implemented a focused strategy to recover penal charges through dedicated call centres for penal interest collections. These call centres engage customers who have missed their EMI payments, following up through calls and WhatsApp campaigns to encourage timely payments. Currently, BACL successfully recovers around 60% of total agency costs through penal collections. Efforts are ongoing to further improve this recovery rate.

6. Information Technology

The IT team successfully delivered over 250 functionalities and change requests (CRs) during FY2025. This demonstrates team's capability to efficiently manage a high volume of projects; and has significantly contributed to operational and technological advancements within the Company.

Business Continuity and Disaster Recovery Drills

Disaster Recovery drills were successfully conducted on three occasions, covering critical scenarios such as database replication and application recovery. Each drill was executed effectively, ensuring full compliance with the RBI regulations. This underscores the organisation's commitment to maintaining robust business continuity and disaster preparedness.

Regulatory Compliance and Risk Assessments

- **RBI IT MD Controls:** A number of these controls were meticulously checked as part of regulatory compliance requirements.
- **Vendor Risk Assessments:** Comprehensive assessments were completed to ensure that all associated risks are managed effectively.
- **KRI Score Improvements:** Self-assessed Key Risk Indicator (KRI) scores have shown consistent improvement across the year: Q1 FY2025 was 6.36; Q2 was 6.46; Q3 was 7.81; and Q4 was 8.43. This demonstrates an enhanced risk management posture over time.

Information Security (InfoSec) Requirements

The Company successfully met all the information security requirements which included threat and vulnerability management, phishing exercises, and red team exercises. These exercises have played a crucial role in strengthening the security framework and readiness against potential cyber threats.

Cybersecurity Posture and Achievements

The organisation has utilised BitSight security services for continuous monitoring and assessment of their cybersecurity posture. With a BitSight score of 800, BACL ranks in the advanced category, indicating superior security practices versus industry standards.

ISO 27001:2022 Certification

BACL obtaining the ISO 27001:2022 certification. This globally recognised certification reflects the Company's standardised and effective approach to managing information security.

7. Customer Service

BACL is committed to delivering an exceptional customer experience by proactively offering self-service options across multiple channels and leveraging technology-driven solutions to create a more engaging customer journey.

Since the launch of its operations in January 2024, BACL has established a multi-channel customer service framework that includes both assisted and self-service options:

Assisted Customer Service Channels: These involve (i) call centre; (ii) email support; and (iii) branch walk-ins.

Self-Service Digital Channels: These consist of our (i) mobile app; (ii) website; (iii) chatbot; (iv) WhatsApp; (v) bi-directional SMS; and (vi) interactive voice response system (IVRS).

These self-service platforms empower customers to complete various tasks in real-time, including: (i) updating demographic details; (ii) making payments; (iii) downloading statement of accounts (SOA); (iv) setting up e-mandates; and (v) requesting no objection certificate (NOC) for loan termination.

Customers can access their NOC within 72 hours of loan closure via the mobile app or website.

During FY2025, customers extensively utilised digital channels, with over 7 lakh SOA downloads and 1 lakh repayment schedule requests recorded.

BACL maintains strict adherence to Fair Practice Code (FPC) guidelines, ensuring transparent loan breakdowns. This information is readily accessible on both the app and website, while welcome letters and Key Fact Statements (KFS) are also sent to customers via SMS.

The adoption rate for self-service transactions across all channels stands at 97%, reflecting strong customer engagement through digital solutions.

Fair Practice Code (FPC) & Customer Transparency

At BACL, the Fair Practice Code (FPC) is central to customer interactions, which ensures integrity and transparency in all financial processes. The Company has embedded FPC principles into its operations from the design stage itself.

To uphold customer protection, BACL has implemented an approved Product Program and Review Framework that leverages baseline FPC metrics to track charges and ensure precise loan processing.

BACL provides a Key Fact Statement (KFS) to all customers at the pre-sanction stage, requiring explicit consent through an 'I Agree' confirmation process before loan approval. Additionally, it has introduced digital signatures for loan agreements and KFS, ensuring that 100% of agreements are executed digitally.

Enhance accessibility and transparency, BACL has made collaterals and KFS available in 20 vernacular languages.

The Company also maintains a robust grievance redressal mechanism, which is aligned with regulatory requirements with all relevant details transparently available on its website.

8. Credit and Risk

BACL has established a highly efficient and digitally advanced customer onboarding process. At the core of this system is Salesforce (SFDC), which streamlines application handling and integrates credit policies to enable a seamless, automated and straight-through credit decisioning process.

To ensure thorough and reliable credit assessments, BACL follows a multi-bureau strategy, leveraging data from multiple credit bureaus for well-informed decision-making. Additionally, the Company utilises digital KYC verification directly from government sources, enhancing both accuracy and security. For new-to-credit (NTC) customers, a statistical scorecard based on logistic regression supports risk evaluation, allowing BACL to extend credit responsibly while maintaining strong portfolio quality.

9. Financials

BACL's Assets Under Management (AUM) saw significant growth, rising from Rs. 708 Crore in FY2024 to Rs. 9,393 Crore in FY2025.

The Net Interest Margin (NIM) for the year stands at 14.53%, reflecting healthy profitability from the Company's lending operations.

A) P&L Summary

P&L (Rs in Crore)	FY24	FY25
Number of accounts ('000)	49	751
Disbursals	720	10,031
Closing AR	708	9,393
Avg. AR	277	4,609
Interest Income	30	1,173
Other Income	3	44
Total Income	32	1,218
Cost Of Funds	7	321
Net Interest Income	26	897
Operating Expenses	38	613
Provision and Credit Losses	4	147
Cash Profit	-16	137
Amortisation	15	58
Profit Before Tax	-32	78
Tax Expense	-8	20
Profit after Tax	-24	58

B) Key Ratios

Metrics	FY25
Interest Income	22.87%
Cost of Funds	8.34%
NIM	14.53%
Ratios to Average Asset	
Opex	13.29%
Loan Loss Provision	3.20%
Cost Income Ratio	68.33%
Profit Before Tax	1.70%
Return on Assets (ROA)	0.95%
Return on Equity (ROE)	4.40%
GNPA	0.80%
NNPA	0.44%
Standard asset coverage ratio	0.60%
PCR	45.00%
CRAR	23.73%

Cautionary Statement

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