

25 April 2024

THE MANAGER, BSE LIMITED PHIROZE JEEJEEBHOY TOWERS DALAL STREET, MUMBAI - 400 001	THE MANAGER, LISTING DEPARTMENT NATIONAL STOCK EXCHANGE OF INDIA LTD. EXCHANGE PLAZA, C-1. BLOCK G, BANDRA - KURLA COMPLEX, BANDRA (EAST) MUMBAI - 400 051
SCRIP CODE: 500034	SCRIP CODE: BAJFINANCE - EQ

Dear Sir/Madam,

Sub.: Monitoring Agency Report on the utilization of proceeds raised through preferential issue, for quarter ended 31 March 2024

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulations 162A SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), please find enclosed herewith Monitoring Agency Report issued by CARE Ratings Limited, in respect of utilisation of proceeds raised through the preferential issue of warrants to Bajaj Finserv Limited, promoter and holding company, for the quarter ended 31 March 2024.

Kindly note that during the quarter ended 31 March 2024, the Company has not received funds for the said issue.

We request you to take the same on record.

Thanking you,

Yours faithfully,
For **Bajaj Finance Limited**

R. Vijay
Company Secretary
Email ID: investor.service@bajajfinserv.in

Encl.: As above

BAJAJ FINANCE LIMITED

<https://www.aboutbajajfinserv.com/finance-about-us>

Corporate Office: 4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, India

Corporate Office Extn.: 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune - 411 014, Maharashtra, India
Tel: +91 20 7157 6403 | Fax: +91 20 7157 6364

Registered Office: C/o Bajaj Auto Limited complex, Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India

Corporate ID No.: L65910MH1987PLC042961 | **Email ID:** investor.service@bajajfinserv.in



Monitoring Agency Report



Ratings • Advisory • Research • Risk Solutions

No. CARE/HO/RL/2024-25/1140

Audit Committee

Bajaj Finance Limited

3rd Floor, Panchshil Tech Park,
Plot 43/1, 43/2,44/2, Viman Nagar
Pune – 411 014, Maharashtra, India

April 25, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the Preferential Issue of Bajaj Finance Limited ("the Company")

We write in our capacity as Monitoring Agency for the Preferential Issue of 15,50,000 warrants aggregating to Rs. 1,200 crore which are convertible into equivalent number of equity shares of face value of Rs. 2 each of the Company and refer to our duties cast under 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended March 31, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated November 01, 2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Geeta Chainani

Geeta Chainani

Associate Director

geeta.chainani@careedge.in

Report of the Monitoring Agency

Name of the issuer: Bajaj Finance Limited

For quarter ended: March 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an 'expert' as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Geeta Chainani

Signature:

Name and designation of the Authorized Signatory: Geeta Chainani

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Bajaj Finance Limited
Name of the promoter : Bajaj Finserv Limited
Industry/sector to which it belongs : Non-Banking Financial Company

2) Issue Details

Issue Period : November 01, 2023, to November 02, 2023
Type of issue (public/rights) : Preferential Issue
Type of specified securities : Warrants convertible into Equity shares
IPO Grading, if any : Not applicable
Issue size (in ` crore) : Rs. 1,200 crore (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as part of preferential issue	15,50,000
Total proceeds received under preferential issue (in Rs. crore) #	1,188.85
Actual proceeds received (25% of issue size of Rs.1188.85 crore) ^	297.21
Details of expenses incurred related to rights issue* (in Rs. crore)	Nil
Net proceeds Utilized (in Rs. crore)	297.21
Proceeds received between January 01, 2024, to March 31, 2024	Nil

The Company has offered 15,50,000 Warrants (Fifteen Lakh Fifty Thousand only) convertible into equivalent number of Equity Shares for an aggregate cash consideration not exceeding Rs. 1,200 Crore.

^ Bajaj Finance Limited (The Company) has received 25% of the consideration at the time subscription and allotment of each warrant and the balance of 75% of the consideration shall be payable by warrant holder on the exercise of the warrants and conversion of the warrants shall be at the sole option of the warrant holder as per applicable provision of law by June 30, 2025.

* Expenses related to the issue (stamp duty and agency fees) were borne by Bajaj Finance. Hence, gross proceeds are equal to net proceeds.

GC

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Not applicable	Chartered Accountant certificate*	Not applicable	The Board of Directors noted that there are no deviations, and the funds were utilised for the purpose stated in the offer document and notice sent to the shareholders. Further, no conversion of warrants has taken place during the quarter ended 31 March 2024.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Chartered Accountant certificate*	Not applicable	Not applicable <i>GC</i>
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable	Not applicable	Not applicable	Not applicable
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	Not applicable

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	Not applicable	Not applicable	Not applicable
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Not applicable
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	Not applicable	No	Not applicable
Is there any other relevant information that may materially affect the decision making of the investors?	Not applicable	Not applicable	No	Not applicable

*Chartered Accountant certificate from KPNB & Associates Chartered Accountants dated April 18, 2024

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

GC

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency ^	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment of loans, commercial papers, Non-Convertible Debentures and interest payment thereof maturing post allotment of Warrants and Equity Shares pursuant to conversion	Chartered Accountant certificate*, Offer Document	960.00	951.08	The net proceeds have been utilised in accordance with the objects of the issue.			
2	General corporate purposes (GCP)#	Chartered Accountant certificate*, Offer Document	240.00	237.17				
Total			1,200.00	1188.85\$				

* As per Chartered Accountant certificate from KPNB & Associates Chartered Accountants dated April 18, 2024

\$ Bajaj Finance Limited (The Company) has received 25% of the consideration aggregating to Rs. 297.21 crore during Q3FY24 and the balance will be received at the time of conversion of the warrants into equity shares i.e., 75% of the consideration within 18 months (by June 30, 2025) from the date of allotment of warrants.

The company has not received any proceeds during Q4FY24.

Utilized towards disbursement of loans to customers in the normal course of business.

QC

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Unutilised amount in Rs. Crore	Comments of the Monitoring Agency^	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Repayment of loans, commercial papers, Non-Convertible Debentures and interest payment thereof maturing post allotment of Warrants and Equity Shares pursuant to conversion	Chartered Accountant certificate*, Bank statements, Offer Document	960.00	237.77	--	237.77	0	Net proceeds have been fully utilised in accordance with the objects of the issue		
2	General corporate purposes (GCP)#	Chartered Accountant certificate*, Bank statements, Offer Document	240.00	59.44	--	59.44	0			
Total			1,200.00	297.21\$	--	297.21	0			

*As per Chartered Accountant certificate from KPNB & Associates Chartered Accountants dated April 18, 2024

\$ Bajaj Finance Limited (The Company) has received 25% of the consideration aggregating to Rs. 297.21 crore during Q3FY24 and the balance will be received at the time of conversion of the warrants into equity shares i.e., 75% of the consideration within 18 months (by June 30, 2025) from the date of allotment of warrants.

The company has not received any proceeds during Q4FY24.

QC

(iii) Deployment of unutilised preferential issue proceeds: Not Applicable, since no proceeds have been received during January 01, 2024, to March 31, 2024.

(iv) Delay in implementation of the object(s)

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual*		Reason of delay	Proposed course of action
Repayment of loans, commercial papers, non-convertible debentures and interest payment thereof maturing post allotment of Equity Shares under this Issue	June 30, 2025	November 02, 2023	No	NIL	NIL
General corporate purposes (GCP)	June 30, 2025	November 02, 2023	No	NIL	NIL

* Bajaj Finance Limited (The Company) has received 25% of the consideration aggregating to Rs. 297.21 crore during Q3FY24 and the balance of 75% of the consideration will be received at the time of conversion of the warrants into equity shares, within 18 months of the date of allotment of warrants.

GC

5) **Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:**

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Not Applicable	--	Chartered Accountant certificate*	Not Applicable	Not Applicable

*Chartered Accountant certificate from KPNB & Associates Chartered Accountants dated April 18, 2024

Disclaimers to MA report:

a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.

b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.

c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

