Proxy Advisory Report |Addendum

Bajaj Finance Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION

BSE CODE: 500034

NSE SYMBOL: BAJFINANCE

ISIN: INE296A01032

Industry: Non Banking Financial Company (NBFC)

Email: investor.service@bajajfinserv.in

Phone: +91 20 7157 6403

Registered Office: 4th Floor, Bajaj Finserv House, Off Pune - Ahmednagar Road, Viman Nagar, Pune – 411 014

Website: www.aboutbajajfinserv.com/finance-about-us

MEETING DETAILS

Meeting Type: EGM

Meeting mode: Video Conference (VC) or Other Audio-Visual Means (OAVM)

Meeting Date: 2nd November, 2026 at 12:45 P.M.

Notice Date: 8th October, 2026

Notice: Click here

Annual Report: FY 2025-26

SES PA Report (Last AGM): Report

E-VOTING DETAILS

e-Voting Platform: KFintech

Cut-off Date: 26th October, 2026

Remote E-voting:

- **Start**: 29th October, 2026
- **Ends**: 1st November, 2026

ADDENDUM REPORT RELEASE DATE: 26th October, 2026

Research Analyst: Pooja Patra

Conflict Disclosure: SES - No | Analyst - No

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ADDENDUM

There is no change in SES Recommendations. However, shareholders may take note of the Company's clarification and SES' comments thereon.

BACKGROUND			
Original PA report Link	Click Here	**PA Report Release Date**	16th Oct, 2026
Date of Email received from the Company	22nd Oct, 2026	**Company Email forwarded as SEBI Circular**	Yes

***Guide to read addendum:** Company's Views: (in Blue colour) & SES Reply: (in Black colour)*

SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Company's Views:

Resolution no. 1: Issuance of Warrants on a preferential basis to Bajaj Finserv Ltd, Promoter Company.

*…It has been observed that SES has stated that the issue price per warrant has been fixed at **Rs. 1,008.24**. This statement is not correct.*

At the outset, it is important to note that Rs. 1,008.24 is not the issue price of the warrants but merely the floor price determined in accordance with the SEBI ICDR Regulations, below which the warrants cannot be issued. The actual issue price has not yet been determined and will be decided by the Board of Directors or the duly authorised Committee after obtaining shareholders' approval.

While determining the issue price, the Board/Committee will, inter alia, consider the prevailing market price at the relevant time, alternative fund-raising options available to the Company, market conditions and the interests of all stakeholders.

Further, the warrant structure does not provide any undue advantage to the promoter. Although warrants permit staggered payment of subscription consideration as permitted under the SEBI ICDR Regulations, the warrant holder is required to commit upfront capital and is exposed to the risk of forfeiture in the event the option to convert is not exercised within the prescribed period. In addition, until conversion into equity shares, the warrant holder does not enjoy shareholder rights such as voting rights, dividend entitlement or participation in corporate actions.

Moreover, the warrants and the equity shares arising upon conversion remain subject to the applicable lock-in requirements under the SEBI ICDR Regulations, thereby restricting transferability and limiting any immediate liquidity benefit.

SES Reply:

SES, in its PA Report, has raised concern with regard to pricing of warrants proposed under resolution #1, which is priced at par with equity shares.

With regard to the pricing, the Company has clarified that ₹ 1,008.24 is the floor price and that the actual issue price will be decided by the Board/Committee after shareholders' approval. Hence SES in its PA Report had inadvertently mentioned that the floor price if the issue price.

In essence, the Company has not disclosed the issue price for proposed issue of warrants, rather has stated that warrants will not be issued below floor price. Hence there is no clarity on maximum issue price that the Board/ authorized Committee may determine for the warrants issue, as the Company has stated that the same will depend upon the prevailing market price at the "relevant time", among other factors, without defining 'relevant time'.

For the purpose of analysis of the pricing of warrants, SES has considered the floor price arrived at in terms of SEBI ICDR Regulations i.e. ₹ 1,008.24 per warrant. The Company has stated that the warrants' issue price will not be lower than the floor price determined in accordance with ICDR provisions, hence the indicative price of proposed warrants is at par with equity, hence the concern raised by SES with regard to pricing remains unaddressed. Moreover, since the price will depend on factors like market conditions & fund-raising options available to the Company, the issue price is essentially uncertain at the time of shareholders' approval, which further amplifies the concern, as it cannot be ascertained whether the actual price will account for the conversion period premium or not.

Legal requirement: Further, SEBI ICDR Regulations prescribes a list of information to be disclosed in the explanatory statement to the Notice sent to shareholders and the same shall be disclosed in addition to the disclosures mentioned under the Companies Act, 2013 or any other applicable law. Hence while the list under the SEBI ICDR does not explicitly provide for disclosure of issue price in

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the Notice, Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 requires disclosure of "the price or price band at/within which the allotment is proposed" in the explanatory statement annexed to the Notice.

In the extant case, the Board/ Committee has been authorized to determine the issue price, such that the same shall not be less than the floor price. SES is of the opinion that such disclosure of 'Issue Price', where maximum issue price or price band is not disclosed, does not serve the intended purpose behind making such disclosure mandatory in the explanatory statement. However, since there exists interpretational issue regarding of the manner of disclosure of issue price in the Notice, SES has presently not raised any compliance concern in this regard, and may take suitable policy stance in the future.

Apart from the above, the Company has stated that the warrant holder is exposed to the risk of forfeiture. However, SES opines that in case of warrants issue, the potential loss is limited to the amount paid upfront if the warrants are not exercised, while the holder can benefit from an increase in the share price by exercising the warrants, which is open-ended and purely depends on the performance of the Company; hence, in a risk-benefit comparison, the potential for benefit outweighs the potential for risk. Accordingly, the Company has not explained how the upside benefit during conversion period have been considered while determining the issue price.

In view of the above, the Company has not adequately addressed why the warrants are priced at par with equity shares, despite both being different species of securities. Therefore, **there is no change in SES recommendation.**

Nonetheless, shareholders may take note of the Company's clarification above, along with SES comments thereon, and make an informed voting decision.

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COMPANY RESPONSE (FULL VERBATIM)

xxxx,

With respect to your report the Company would like to submit the following:

Resolution no. 1	***SES recommendation***	***SES remark***	***Company response***
Issuance of Warrants on a preferential basis to Bajaj Finserv Ltd, Promoter Company.	*Against*	*The minimum floor price for the proposed preferential issue, based on the pricing formula prescribed under Regulation 164 of Chapter V of the SEBI ICDR Regulations, 2018, is ₹ 1,008.24 per warrant,* ***which is also the issue price.***	*We respectfully submit the following:* *It has been observed that SES has stated that the issue price per warrant has been fixed at* ***Rs. 1,008.24****. This statement is not correct.* *At the outset, it is important to note that Rs. 1,008.24 is not the issue price of the warrants but merely the floor price determined in accordance with the SEBI ICDR Regulations, below which the warrants cannot be issued. The actual issue price has not yet been determined and will be decided by the Board of Directors or the duly authorised Committee after obtaining shareholders' approval.* *While determining the issue price, the Board/Committee will, inter alia, consider the prevailing market price at the relevant time, alternative fund-raising options available to the Company, market conditions and the interests of all stakeholders.* *Further, the warrant structure does not provide any undue advantage to the promoter. Although warrants permit staggered payment of subscription consideration as permitted under the SEBI ICDR Regulations, the warrant holder is required to commit upfront capital and is exposed to the risk of forfeiture in the event the option to convert is not exercised within the prescribed period. In addition, until conversion into equity shares, the warrant holder does not enjoy shareholder rights such as voting rights, dividend entitlement or participation in corporate actions.* *Moreover, the warrants and the equity shares arising upon conversion remain subject to the applicable lock-in requirements under the SEBI ICDR Regulations, thereby restricting transferability and limiting any immediate liquidity benefit.*

We request you to submit the response of the Company to the investors.

Regards,

xxxx

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Disclaimer

Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*
FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*
GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*
TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

SEBI Reg. No. INH000000016
CIN No. - U74120MH2012NPL232154

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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