Bajaj Auto Holdings Limited – Annual Report 2020-21
CIN: U65993MH1979PLC021066

Board of Directors

Sanjiv Bajaj
(Chairman w.e.f. 21 January 2021)

Ajay K Sathe

V Rajagopalan

Anish Amin

Auditors

S R B C & CO LLP
Chartered Accountants

Registered Office

Mumbai-Pune Road,
Akurdi, Pune - 411 035.

Bajaj Auto Holdings Limited

DIRECTORS' REPORT

The directors present their Forty-Third Annual Report and the Audited Financial Statements for the year ended 31 March 2021.

Financial results

Highlights

Rs. In Lakh

	2020-21	2019-20
Profit before tax	119.96	159.83
Provision for tax	4.12	39.87
Profit for the year	**115.83**	**119.96**
Transfer to General Reserve	Nil	Nil
Balance carried to Balance Sheet	**115.83**	**119.96**

Share Capital

The paid-up Equity Share Capital as on 31 March 2021 was Rs. 24.50 Lakh. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Registration as a Non-Deposit taking NBFC / Conversion into CIC

In response to an application made by the Company, RBI vide its Order dated 10 December 2015 cancelled the certificate of registration to carry on the business of NBFC issued to Bajaj Auto Holdings Limited (**BAHL**) & confirmed the qualification of BAHL as a Core Investment Company, not requiring registration with RBI pursuant to the provisions of Section 45-IA of the RBI Act, 1934.

During the year under review, the Company continued to comply with the requirements of being classified as a Core Investment Company not requiring registration with RBI pursuant to the provisions of Section 45-IA of the RBI Act,1934. Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020

Dividend

In order to conserve the reserves, the Company did not declare any dividend for the year under review.

Related Party Transactions

There were no Related Party Transactions (RPTs) entered into by the Company during the year under review, which attracted the provisions of section 188 of Companies Act, 2013. Hence, there are no details required to be disclosed in Form AOC- 2 in that regard.

Corporate Social Responsibility (CSR)

During the year under review, there was no requirement to spend on CSR, pursuant to section 135 of the Companies Act, 2013. Accordingly, Annual Report on CSR is not required to form part of the Report.

State of Affairs of the Company

As stated earlier, the Company is in compliance with the terms and conditions prescribed for a Core Investment Company (CIC) and hence it has been categorised as a Core Investment Company (CIC). BAHL is essentially an investment company and the details of investments made by the Company are given in the financial statements.

Material Changes & 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 of the Company and the date of this report.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company, primarily being an investment company and not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy & technology absorption as required under section 134 of the Companies Act, 2013 and Rules made thereunder.

During the year under review, the Company did not have any foreign exchange earnings and outgo.

Risk Management Framework

The Company, has implemented a risk management framework for the Company, as applicable, including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company.

Directors and Key Managerial Personnel – changes

Shri V. Rajagopalan, director of the Company retires by rotation and being eligible, offers himself for reappointment.

Pursuant to the provisions of the Act, the Company is not required to appoint a key managerial personnel.

Other disclosures

Details as prescribed under section 134 of the Companies Act, 2013 and Rules made thereunder or otherwise, but not applicable to the Company, have not been specifically given in this Report.

On behalf of the Board of directors,

Sanjiv Bajaj
Chairman

Pune, 29 April 2021

S R B C & CO LLP
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India

Tel : +91 20 6603 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Auto Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bajaj Auto Holdings Limited (the "Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

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to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position;

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ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACL2662
Place of Signature: Pune
Date: April 29, 2021

ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE
Re: Bajaj Auto Holdings Limited (the "Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of investments made have been complied with by the Company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company and hence not commented upon.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance and provident fund are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, cess and other statutory dues applicable were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, cess and other statutory dues which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, provident fund are not applicable to the Company.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

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(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, the provisions of clause 3 (ix) are not applicable to the Company and hence not commented upon.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) of the Order are not applicable to the Company and hence not commented upon.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) The Company is categorised as a Core Investment Company (CIC) and hence, is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

S R B C & CO LLP
CHARTERED ACCOUNTANTS

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACL2662
Place of Signature: Pune
Date: April 29, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF BAJAJ AUTO HOLDINGS LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Bajaj Auto Holdings Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

S R B C & CO LLP * CHARTERED ACCOUNTANTS * receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 21105754AAAACL2662
Place of Signature: Pune
Date: April 29, 2021

BAJAJ AUTO HOLDINGS LTD

BALANCE SHEET

AS AT

31 March 2021

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2021

BAJAJ AUTO HOLDINGS LTD
BALANCE SHEET AS AT 31 MARCH 2021

In ₹

Particulars	Note No.	As at March 2021	As at 31 March 2020
ASSETS			
Financial Assets			
Cash and cash equivalents	3	1,576,365	1,502,879
Investment in associate	4a	261,543,323	261,543,323
Other investments	4b	220,679,318	208,907,010
		483,799,006	**471,953,212**
Non-financial Assets			
Current tax assets (net)		17,933,423	17,800,022
Property, plant and equipment	5	543,242	575,642
		18,476,665	**18,375,664**
Total		**502,275,671**	**490,328,876**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		54,000	54,000
Other financial liabilities	6	196,676	194,972
		250,676	**248,972**
Non-financial Liabilities			
Current tax liabilities (net)		3,184	3,184
Deferred tax liability (net)	7	10,677,630	10,332,092
Other non-financial liabilities	8	21,027	5,000
		10,701,841	**10,340,276**
EQUITY			
Equity share capital	9	2,450,000	2,450,000
Other equity	10	488,873,154	477,289,628
		491,323,154	**479,739,628**
Total		**502,275,671**	**490,328,876**

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Paul Alvares
Partner
Membership Number: 105754

Pune: 29 April 2021

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

On behalf of the Board of Directors

Ajay Sathe
Director

V Rajagopalan
Director

BAJAJ AUTO HOLDINGS LTD ★ Akurdi ★

BAJAJ AUTO HOLDINGS LTD
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD YEAR ENDED 31 MARCH 2021

In ₹

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations			
Interest income	11	36,750	36,750
Dividend income		-	1,567,538
Rental income		198,000	197,250
Net gain on fair value changes	12	11,972,308	14,413,829
Total revenue from operations		12,207,058	16,215,367
Other income	13	-	-
Total income		**12,207,058**	**16,215,367**
Expenses			
Depreciation, amortisation and impairment	14	32,400	32,372
Other expenses	15	178,994	199,769
Total expenses		**211,394**	**232,141**
Profit before tax		**11,995,664**	**15,983,226**
Tax expense			
Current tax		66,600	3,600,882
Less: MAT credit entitlement		-	(3,402,182)
Net current tax		66,600	198,700
Deferred tax		(5,982,382)	3,788,206
Provision for possible non-utilisation of MAT credit		6,327,920	-
Total tax expense	16	412,138	3,986,906
Profit for the period		**11,583,526**	**11,996,320**
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		**11,583,526**	**11,996,320**
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 100)	17	473	490

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Paul Alvares
Partner
Membership Number: 105754

Pune: 29 April 2021

On behalf of the Board of Directors

Ajay Sathe
Director

V Rajagopalan
Director

BAJAJ AUTO HOLDINGS LTD
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

In ₹

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
At the beginning of the year		2,450,000	2,450,000
Changes in equity share capital during the year		-	-
At the end of the year	9	**2,450,000**	**2,450,000**

B. Other equity

In ₹

Particulars	Note No.	Reserves and surplus		Total other equity
		General reserve	Retained earnings	
Balance as at 31 March 2019	10	**426,786,018**	**38,507,290**	**465,293,308**
Profit for the year		-	11,996,320	11,996,320
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income for the year ended 31 March 2019		-	11,996,320	11,996,320
Transactions with owners in their capacity as owners				
Final dividend, declared and paid during the year		-	-	-
Tax on final dividend		-	-	-
Balance as at 31 March 2020	10	**426,786,018**	**50,503,610**	**477,289,628**
Profit for the year		-	11,583,526	11,583,526
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income for the year ended 31 March 2020		-	11,583,526	11,583,526
Transactions with owners in their capacity as owners				
Final dividend, declared and paid during the year		-	-	-
Tax on final dividend		-	-	-
Balance as at 31 March 2021	10	**426,786,018**	**62,087,136**	**488,873,154**

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

per Paul Alvares
Partner
Membership Number: 105754

Pune: 29 April 2021

On behalf of the Board of Directors

BAJAJ AUTO HOLDINGS LTD ★ Akurdi Pune-35 ★

Ajay Sathe
Director

V Rajagopalan
Director

Bajaj Auto Holdings Limited

Cash Flow Statement for the year ended 31 March 2021

Particulars	Year ended			
	31 March 21		31 March 20	
	₹	₹	₹	₹
I. Operating activities				
Profit before tax		11,995,664		15,983,226
Adjustments to reconcile profit before tax to net cash flows:				
Add/(Less)				
i) Depreciation	32,400		32,372	
ii) Profit on sale of current investments, net	(11,972,308)		(14,413,829)	
		(11,939,908)		(14,381,456)
Operating Profit Before Working Capital Changes		55,756		1,601,770
Changes in Assets & Liabilities				
i) Trade Payables	-		-	
ii) Other Liabilities	17,730		11,178	
iii) Other financial assets	-		-	
		17,730		11,178
Sale of investments (current investments)	200,000		3,000,000	
		200,000		3,000,000
Net cash from operating activities before income tax		**273,486**		**4,612,948**
Taxes Paid (net of refunds)		(200,000)		(4,915,000)
Net cash flow from operating activities		**73,486**		**(302,052)**
Financing Activities				
Dividend paid	-		-	
Corporate dividend tax paid	-		-	
Net cash (used in) financing activities		-		-
Net Change in cash and cash equivalents		73,486		(302,052)
Cash and cash equivalents as at the beginning of the year		**1,502,879**		**1,804,931**
Cash and cash equivalents as at the end of the year		**1,576,365**		**1,502,879**

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Paul Alvares
Partner
Membership Number: 105754
Pune: 29 April 2021

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On behalf of the Board of Directors

BAJAJ AUTO HOLDINGS LTD ★ Akurdi

Ajay Sathe
Director

V Rajagopalan
Director

Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

1 Bajaj Auto Holdings Limited (the 'Company') operates as an Investment Company. "Under Master Circular- Core Investment Companies (Reserve Bank) Directions, 2016, the company is termed as an unregistered Core Investment Company (CIC) as per Reserve Bank of India Guidelines dated 13 August 2020.As an unregistered CIC, the company must invest at least 90% of its net assets in group companies, of which at least 60% must be through equity investments."

2 **Summary of significant accounting policies followed by the Company**

2A. Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act and the RBI guidelines / regulations to the extent applicable on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in INR (₹), which is also the Company's functional currency.

2B. Summary of significant accounting policies followed by the Company

1) Use of estimates

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2) Revenue recognition

a) Income

The Company recognizes income (including rent, etc.) on an accrual basis to the extent it is probable that the economic benefits will flow to the Company that the revenue can be reliably measured. However, where the ultimate collection of revenue lacks reasonable certainty, revenue recognition is postponed.

(1) **Interest income**

Interest income from debt instruments is recognized using the effective interest rate (EIR) method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument. Hence, it recognizes the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

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If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of Profit and Loss.

(2) **Dividends**
Dividends are recognized in the statement of profit and loss only when the right to receive payment is established, and it is probable that the economic benefits associated with the dividend will flow to the Company and that the amount of the dividend can be measured reliably.

(3) **Other income**
The Company recognizes income on accrual basis. However, where the ultimate collection of the same lack's reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

3) Property, plant and equipment and depreciation/ amortisation

A. Property, plant and equipment

i) Property, plant and equipment, capital work in progress except land are carried at cost of acquisition or construction as the case may be, less accumulated depreciation and amortisation. Land is carried at cost of acquisition. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

ii) Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. Land is not depreciated. The estimated useful life for buildings is – 30 years

iii) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

B. Depreciation and amortisation

On other tangible assets

i. a. Depreciation is provided on the straight-line method over the useful lives of the assets.
b. Where a significant component (in terms of cost) of an asset has an economic useful life shorter than that of its corresponding asset, the component is depreciated over such shorter life.

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c. Useful life of assets are determined by the Management based on internal technical assessments.

ii. Depreciation on additions is being provided on pro rata basis from the month of such additions.

iii. Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.

iv. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

C. Impairment of assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset / Cash Generating Unit (CGU) is made. Where the carrying value of the asset / CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

4) Investments and financial assets

A. Investment in associate

Interest in associate is recognized at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

B. Other investments and financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- ✓ those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss) (FVTPL) and
- ✓ those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as "measured at fair value" (FVTPL), gains and losses will either be recorded in profit or loss or other comprehensive income (FVTOCI), as elected. For assets classified as "measured at amortised cost", this will depend on the business model and contractual terms of the cash flows.

(ii) Measurement

Initial Measurement

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument At initial recognition, the Company measures a financial asset at its fair value including, in the case of "a financial asset not at FVTPL", transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at "FVTPL" are expensed in profit or loss.

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Subsequent Measurement
Subsequent measurement of financial assets depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are two measurement categories into which the Company classifies its financial instruments:

Subsequently measured at amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognized in the Statement of Profit and Loss when the asset is derecognized or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Subsequently measured at FVTPL: Financial assets that do not meet the criteria for amortised cost, are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at FVTPL is recognized in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

The Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investments in mutual funds as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Bank balances and financial assets at amortised cost

The Company measures bank balances and financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment
The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

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The SPPI test (Solely Payments of Principal and Interest)
As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(iv) Reclassification of financial assets and liabilities
The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2020-21 and 2019-20.

(v) Derecognition of financial assets

A financial asset is derecognized only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized.

5) Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a

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new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

6) Taxation

a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income computation and Disclosure standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

c) Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilizing MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilized. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

d) Deferred tax is provided using the liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

e) Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences.

f) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

g) Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

h) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

7) Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but

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probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

8) Operating leases

As a lessor

The Company has leased out certain assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognized as an expense in the Statement of Profit and Loss in the period in which they are incurred.

9) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

11) Dividends on equity shares

The Company recognizes a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

12) Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 1 clause 1)
- Quantitative disclosures of fair value measurement hierarchy (note 24)
- Financial instruments (including those carried at amortised cost) (note 24)

2C. Significant accounting judgements, estimates and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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3 Cash and cash equivalents

	As at 31 March 2021	As at 31 March 2020
	₹	₹
Balances with banks	1,576,365	1,502,879
	1,576,365	1,502,879

4a Investment in associate

In ₹

Particulars	At cost
As at 31 March 2021	
Equity instruments	
- associate-Bajaj Finserv Ltd.	261,543,323
Total	**261,543,323**
As at 31 March 2020	
Equity instruments	
- associate -Bajaj Finserv Ltd.	261,543,323
Total	**261,543,323**

4b Other investments

In ₹

Particulars	At fair value	
	designated at fair value through profit and loss account	Total
As at 31 March 2021		
Mutual funds	220,679,318	220,679,318
Total	**220,679,318**	**220,679,318**
As at 31 March 2020		
Mutual funds	208,907,010	208,907,010
Total	**208,907,010**	**208,907,010**

All investments in 4a and 4b above are within India

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Bajaj Auto Holdings Limited
Notes to financial statement for the year ended 31 March 2021

5. Property, plant and equipment :

Current Year

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2020	Additions	Deductions and Adjustments	As at 31 March 2021	As at 1 April 2020	Deductions and Adjustments	For the Year	As at 31 March 2021	As at 31 March 2021
	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS									
Land Freehold	422,435	-	-	422,435	-	-	-	-	422,435
Buildings	974,568	-	-	974,568	821,361	-	32,400	853,761	120,807
Total	**1,397,003**	**-**	**-**	**1,397,003**	**821,361**	**-**	**32,400**	**853,761**	**543,242**

Previous Year

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 1 April 2019	Additions	Deductions and Adjustments	As at 31 March 2020	As at 1 April 2019	Deductions and Adjustments	For the Year	As at 31 March 2020	As at 31 March 2020
	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS									
Land Freehold	422,435	-	-	422,435	-	-	-	-	422,435
Buildings	974,568	-	-	974,568	788,988	-	32,373	821,361	153,207
Total	**1,397,003**	**-**	**-**	**1,397,003**	**788,988**	**-**	**32,373**	**821,361**	**575,642**

Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

6 Other financial liabilities

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Other Payables	97,676	95,972
Security deposits	99,000	99,000
	196,676	194,972

7 Deferred tax liability (net)

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Deferred tax liabilities		
Movement in fair value of financial assets designated at FVTPL	10,677,630	16,660,012
Deferred tax assets		
MAT credit entitlement	-	6,327,920
Gross deferred tax liabilities	10,677,630	10,332,092

Movement in deferred tax Liability ₹

Particulars	Financial instruments	MAT credit entitlement and others	Total
At 31 March 2019	12,871,806	(2,925,738)	9,946,068
(Charged)/credited			
- to profit and loss	3,788,206	(3,402,182)	386,024
- to other comprehensive income			
At 31 March 2020	16,660,012	(6,327,920)	10,332,092
(Charged)/credited			
- to profit and loss	(5,982,382)	6,327,920	345,538
- to other comprehensive income			
At 31 March 2021	10,677,630	0	10,677,630

8 Other non-financial liabilities

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Taxes and duties payable	5,000	5,000
Other payables	16,027	-
	21,027	5,000

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Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

9 Share capital

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Authorised		
50,000 (Previous Year - 50,000) Equity Shares of ` 100/- each	5,000,000	5,000,000
Issued, subscribed and fully paid-up shares		
24,500 (Previous Year - 24,500) Equity Shares of ` 100/- each	2,450,000	2,450,000
	2,450,000	2,450,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31 March 2021		As at 31 March 2020	
Equity shares	Nos.	₹	Nos.	₹
At the beginning of the year	24,500	2,450,000	24,500	2,450,000
Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	24,500	2,450,000	24,500	2,450,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

	As at 31 March 2021		As at 31 March 2020	
Equity shares of ₹ 100 each fully paid	Nos.	% Holding	Nos.	% Holding
Bajaj Holdings & Investment Limited	24,500	100.00%	24,500	100.00%

10 Other equity

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
a Reserves and surplus :		
General reserve		
Balance as at the beginning and end of the year	426,786,018	426,786,018
Surplus in the statement of profit and loss		
Balance as at the beginning of the year	50,503,610	38,507,290
Profit for the year	11,583,526	11,996,320
Less: Appropriations		
Final dividend, declared and paid during the year	-	-
Tax on final dividend	-	-
Total appropriations	-	-
Balance as at the end of the year	62,087,136	50,503,610
	488,873,154	477,289,628

b Nature and purpose of reserve

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

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Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

11 Interest income

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
Interest income on		
Others	36,750	36,750
	36,750	36,750

12 Net gain on fair value changes

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
Net gain/(loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	11,972,308	14,413,829
Fair value changes:		
Realised	60,460	796,984
Unrealised	11,911,848	13,616,845
	11,972,308	14,413,829

13 Other income

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
Income tax refund received	-	-
	-	-

14 Depreciation, amortisation and impairment

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
Depreciation on property, plant and equipment	32,400	32,372
	32,400	32,372

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15 Other expenses

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
Repairs to buildings	41,317	17,700
Rates and taxes	20,149	20,149
Insurance	7,328	5,735
Payment to auditor	59,000	59,000
Legal and professional charges	38,232	73,924
Miscellaneous expenses	12,968	23,261
	178,994	199,769

Payment to auditor

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
As auditor		
Audit fee	50,000	50,000
Tax audit fee	-	-
Limited review	-	-
Other services (certification fees and other matters)	-	-
Reimbursement of expenses	-	-
GST/Service tax, on above	9,000	9,000
	59,000	59,000

16 Tax expense

	For the year ended 31 March 2021 ₹	31 March 2020 ₹
(a) Tax expense		
Current tax		
Current tax on profits for the year	66,600	3,600,882
Adjustments for current tax of prior periods		
Less: MAT credit entitlement	-	(3,402,182)
Total current tax expense	66,600	198,700
Deferred tax		
Decrease/(increase) in deferred tax assets		
(Decrease)/increase in deferred tax liabilities	(5,982,382)	3,788,206
Total deferred tax expenses/(benefit)	(5,982,382)	3,788,206
Provision for possible non-utilisation of MAT credit	6,327,920	-
Tax expenses	412,138	3,986,906
(b) Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate		
Profit before tax	11,995,664	15,983,226
Tax at the Indian tax rate of 25.17%* (Previous year - 27.82%)	3,019,069	4,446,533
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Others	(2,261,393)	(23,538)
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
- Profit on investments not taxable		
- Dividend income	-	(436,089)
- Change in tax rate	5,982,382	-
Provision for possible non-utilisation of MAT credit	(6,327,920)	
Tax expense	412,138	3,986,906

* From the income tax return filing for the year ended 31 March 2020 ,the company has opted for reduced corporate tax rate of 25.17% as per section 115BAA of the Income Tax Act 1961, wherein MAT is not applicable.Accordingly,provision for possible non-utilisation of MAT credit of ₹ 6,327,920 has been made.

Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

17 Earnings Per Share (EPS)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit for the year (₹)	11,583,526	11,996,320
Weighted average number of shares outstanding during the year (Nos)	24,500	24,500
Earnings per share (Basic and Diluted) `	473	490
Face value per share `	10	10

18 Contingent liabilities

There are no Contingent Liablities as on 31 March 2021 and 31 March 2020.

19 Segment information

The Company's business activity, including its associate, falls within a single business segment i.e. investment and therefore, segment reporting in terms of Ind AS 108 on Segment Reporting is not applicable.

20 Lease

As a lessor

The Company has given premises on operating leases. The lease arrangements is for a period of one year which is cancellable. The lease is renewable for further period on mutually agreeable terms and also include escalation clauses.

	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Receivable		
Within one year	16,500	16,500
After one year but not more than five years	-	-
More than five years	-	-
	16,500	16,500

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21 Disclosure of Transactions with Related Parties as required by the Ind AS 24

	Name of Related Party and Nature of Relationship	Nature of Transaction	2020-21		2019-20	
			Transaction Value ₹	Outstanding amount carried in the balance sheet ₹	Transaction Value ₹	Outstanding amount carried in the balance sheet ₹
[a]	**Holding Company**					
	Bajaj Holdings & Investment Ltd	Contribution to equity 24,500 shares of Rs 100 each	-	2,450,000	-	2,450,000
		Dividend Paid	-	-	-	-
		Revenue expenses reimbursement paid	16,027	-	-	-
[b]	**Other entities**					
	Bajaj Finserv Ltd, (associate of holding company)	Contribution to equity 209,005 shares of Rs 5 each	-	261,543,323	-	261,543,323
		Dividend Received	-	-	1,567,538	-
	Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid	7,328	-	5,735	-

Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.

Related parties as defined under para 9 of Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company.

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BAJAJ AUTO HOLDINGS LTD. ★ Akurdi Pune-35. ★

22 Capital management

a) Objectives, policies and processes of capital management

The Company is cash surplus and has only equity capital. The Company has been recognised as a Core Investment Company (CIC) by the Reserve Bank of India (RBI) in terms of the regulations governing Non-Banking Financial Companies and is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (through mutual funds) in line with the CIC guidelines set out by the RBI and investment policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings.

	31 March 2021 ₹	31 March 2020 ₹
Equity	491,323,154	479,739,628
Less: Tangible and other assets	543,242	575,642
Working capital	8,557,271	8,713,653
Investments in associate	261,543,323	261,543,323
Investment in equity, debt and similar investments	220,679,318	208,907,010

No changes were made in the objectives, policies and processes of capital management during the year.

b) Dividends distributed and proposed

	31 March 2021 ₹	31 March 2020 ₹
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2020 and 31 March 2019 is ₹ Nil per equity share.	-	-

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Bajaj Auto Holdings Limited

Notes to standalone financial statements for the year ended 31 March 2021

23 Maturity analysis of assets and liabilities

₹

	As at					
	31 March 2021			31 March 2020		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Assets						
Financial Assets						
Cash and cash equivalents	1,576,365	-	1,576,365	1,502,879	-	1,502,879
Investment in associates	-	261,543,323	261,543,323	-	261,543,323	261,543,323
Other investments	-	220,679,318	220,679,318	-	208,907,010	208,907,010
Other financial assets	-	-	-	-	-	-
Non-financial Assets						
Current tax assets (net)	-	17,933,423	17,933,423	-	17,800,022	17,800,022
Property, plant and equipment	-	543,242	543,242	-	575,642	575,642
Total	1,576,365	500,699,306	502,275,671	1,502,879	488,825,997	490,328,876
Liabilities						
Financial Liabilities						
Trade payables	54,000	-	54,000	54,000	-	54,000
Other financial liabilities	196,676	-	196,676	194,972	-	194,972
Non-financial Liabilities						
Current tax liabilities (net)	-	3,184	3,184	-	3,184	3,184
Deferred tax Liability (net)	-	10,677,630	10,677,630	-	10,332,092	10,332,092
Other non-financial liabilities	21,027	-	21,027	5,000	-	5,000
Total	271,703	10,680,814	10,952,517	253,972	10,335,276	10,589,248
Net	1,304,662	490,018,492	491,323,154	1,248,907	478,490,721	479,739,628

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24 Fair value measurement

i) Financial instruments by category

₹

	31 March 2021			31 March 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Investments						
- Liquid mutual funds	220,679,318	-	-	208,907,010	-	-
- Equity shares	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-
Cash and cash equivalents	-	-	1,576,365			1,502,879
Total financial assets	**220,679,318**	-	**1,576,365**	**208,907,010**	-	**1,502,879**
Financial liabilities						
Trade payables	-	-	54,000	-	-	54,000
Other financial liabilities	-	-	196,676	-	-	194,972
Total financial liabilities	-	-	**250,676**	-	-	**248,972**

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard, which are explained herein below.

Financial assets measured at fair value - recurring fair value measurements At 31 March 2021

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
- Liquid mutual funds	4b	220,679,318	-	-	220,679,318

Financial assets measured at fair value - recurring fair value measurements At 31 March 2020

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
- Liquid mutual funds	4b	208,907,010	-	-	208,907,010

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted
- Close ended mutual funds at NAV's declared by AMFI
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as ICRA (Investment Information and credit rating agency)
- Commercial papers and certificate of deposits, being short term maturity papers, amortised cost is assumed to be the fair value

iii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade payables, other financial assets/liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

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25 On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2021 and 31 March 2020 and hence no disclosures have been made in this regard.

26 **Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements

As per our report of even date

For S R B C & CO LLP
ICAI Firm Registration Number: 324982E/E300003
Chartered Accountants

per Paul Alvares
Partner
Membership Number: 105754

Pune: 29 April 2021

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

On behalf of the Board of Directors

BAJAJ AUTO HOLDINGS LTD. ★ Akurdi, Pune-35. ★

Ajay Sathe
Director

V Rajagopalan
Director