

## **BAJAJ AUTO HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

The directors present their Forty-Fifth Annual Report and the Audited Financial Statements for the year ended 31 March 2023.

### **Financial results**

#### **Highlights**

	<b>Rs. In Lakh</b>	
	<b><u>2022-23</u></b>	<b><u>2021-22</u></b>
Profit before tax	138.80	93.00
Provision for tax	23.76	16.19
<b>Profit for the year</b>	<b>115.04</b>	<b>76.81</b>
Transfer to General Reserve	Nil	Nil
<b>Balance carried to Balance Sheet</b>	<b>115.04</b>	<b>76.81</b>

### **Share Capital**

The paid-up Equity Share Capital as on 31 March 2023, 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' or the 'Company') and 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.

## **Annual Return**

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs within the Regulatory timelines will be available to Members upon request.

## **Number of meetings of the Board**

During FY2023, the Board met four times, viz., 28 April 2022, 28 July 2022, 21 October 2022 and 30 January 2023.

The gap between any two meetings has been less than one hundred and twenty days.

## **Directors' responsibility statement**

In accordance with the provisions of section 134(3)(c) of the Act, the directors state that –

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **Particulars of Loans, Guarantees or Investments**

Information regarding Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013, are detailed in the Financial Statements, as applicable.

## **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 (DIN 02997795), 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 key managerial personnel.

### **Presentation of financial results**

The financial results of the Company for the year ended 31 March 2023, have been disclosed as per Schedule III to the Companies Act, 2013.

A Cash Flow Statement for the year 2022-23 is attached to the Balance Sheet.

### **Details in respect of frauds reported by auditors under section 143(12)**

During the year under review, there were no frauds reported by the auditors to the audit committee or the Board under section 143(12) of the Companies Act, 2013.

### **Significant and Material Orders Passed by the Regulators or Courts**

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

### **Statutory Auditor**

The Board of Directors, at their meeting held on 8 November 2021, appointed KKC & Associates LLP, Chartered Accountants, as Statutory Auditors to conduct audit of the financial statements of the Company for FY2021-22. The members of the Company approved the appointment of KKC & Associates LLP, at the Extra-ordinary General Meeting (EGM) held on 16 November 2021. Pursuant to the provisions of Section 139(8) of the Act, the tenure of auditors appointed in a casual vacancy caused due to resignation was valid only till the conclusion of 44<sup>th</sup> annual general meeting ('AGM').

Accordingly, in the 44<sup>th</sup> AGM, the members approved continuation/appointment as Statutory Auditor for remaining term of four years i.e. from the conclusion of the 44<sup>th</sup> AGM till the conclusion of the 48<sup>th</sup> AGM, i.e., for the financial year ending 31 March 2023 till 31 March 2027.

The statutory audit report given by KKC & Associates LLP for FY2023, does not contain any qualification, reservation or adverse remark or disclaimer.

### **Secretarial Standards of ICSI**

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars.

**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,**

**Sd/-**

**Sanjiv Bajaj**

**Chairman**

**(DIN – 00014615)**

Pune: 27 April 2023

## Independent Auditor's Report

To  
The Members of  
Bajaj Auto Holdings Limited

## Report on the audit of the Financial Statements

### Opinion

1. We have audited the accompanying Ind AS financial statements of Bajaj Auto Holdings Limited ('the Company'), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ('the Financial Statements').
2. 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 ('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 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs 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 ('ICAI') 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 opinion on the Financial Statements.

### Other Information

4. The Company's board of directors is responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the Financial Statements and our auditors' report thereon.
5. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The Company's Board of Directors are 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 state of affairs, loss and other comprehensive income, changes in equity and cash flows 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. 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 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.

8. In preparing the Financial Statements, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Statements**

10. 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.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 11.1. 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.
  - 11.2. 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) 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.
  - 11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
  - 11.4. Conclude on the appropriateness of the 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 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.
  - 11.5. 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.





12. 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.
13. 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

14. As required by the Companies (Auditor's Report) Order, 2020 ('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 A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
  - 15.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - 15.2. 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.
  - 15.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - 15.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
  - 15.5. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - 15.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - 15.7. In our opinion and according to the information and explanations given to us, no remuneration is paid by the Company to its directors during the current year.
16. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - 16.1. The Company does not have any pending litigations which would impact its financial position.
  - 16.2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - 16.3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - 16.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary





# kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

---

shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- 16.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 16.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 16.4 and 16.5 contain any material misstatement.
- 16.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year. Hence, compliance with section 123 of the Act by the Company does not arise.
- 16.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

*Soorej Kombaht*

**Soorej Kombaht**

Partner

ICAI Membership No: 164366

UDIN: 23164366BGYKTQ9580



Place: Pune

Date: 27 April 2023

## **Annexure “A” to the Independent Auditor’s Report on the Financial Statements of Bajaj Auto Holdings Limited for the year ended 31 March 2023**

(Referred to in paragraph 14 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (‘PPE’).  
The Company does not have any intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company’s business does not involve inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us, the Company does not have sanctioned working capital limits from banks or financial institutions. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.
- iii. (a) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, paragraph 3(iii)(a), 3(iii)(c), 3(iii)(d) and 3(iii)(e) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the investments made are not prejudicial to the Company’s interest. The Company has not provided guarantees, securities and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company’s interest. Accordingly, provision of clause 3(ii)(b) is not applicable to that extent.
- (c) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in nature of loans to Promoters / Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment Accordingly, paragraph 3(iii)(f) is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the applicable provisions of section 185 and 186 of the Act with respect to the investments made. The





Company has not granted any loans or provided any guarantee or securities under section 185 and section 186 of the Act.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, provision of clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities in all cases during the year
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks, government and dues to debenture holders or in payment of interest thereon to any lender during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that has not raised any loans on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or





joint ventures. Accordingly, the provision of clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year nor have we been informed of any such case by the Management.
- (b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, provision of clause 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards. The provision of section 177 of the Act are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it related to section 177 of the Act is not commented upon.
- xiv. In our opinion and based on our examination, the Company is not required to have an internal audit system as per the provisions of the Act. Accordingly, the provision of clause 3(xiv) of the order is not applicable to the company.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, provision of clause 3(xv) of the Order is not applicable to the Company. and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is an unregistered Core Investment Company ("CIC") as defined in the regulations made by Reserve Bank of India. The Company is not required to obtain registration with Reserve Bank of India and continues to fulfil the criteria of an unregistered CIC.
- (d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CIC's) (Reserve Bank) Directions, 2016) there are 17 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CIC's are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India.
- xvii. According to the information and explanation given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.





# kkc & associates llp

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

---

- xviii. There has been no resignation of the statutory auditors during the year and accordingly provision of clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provision of section 135 of the Act relating to CSR is not applicable to the Company. Accordingly, the provision of clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The Company does not have any subsidiary, associate or joint venture company and is not required to prepare consolidated financial statements. Accordingly, provisions of clause 3(xxi) of the Order is not applicable to the company.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

*Singh Kombaht*

**Soorej Kombaht**

Partner

ICAI Membership No: 164366

UDIN: 23164366BGYKTQ9580



Place: Pune

Date: 27 April 2023

## **Annexure 'B' to the Independent Auditors' report on the Financial Statements of Bajaj Auto Holdings Limited for the year ended 31 March 2023**

(Referred to in paragraph 15.6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls with reference to the aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').**

#### **Opinion**

1. We have audited the internal financial controls with reference to the Financial Statements of **Bajaj Auto Holdings Limited** ('the Company') as at 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls 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 ('the Guidance Note').

#### **Management's responsibility for Internal Financial Controls**

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

#### **Auditor's responsibility**

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SAs'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Financial Statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the 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.
6. 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 the Financial Statements.





## Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the 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 the Financial Statements include 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 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 the Financial Statements

8. Because of the inherent limitations of internal financial controls with reference to the 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 the Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621



**Soorej Kombaht**

Partner

ICAI Membership No: 164366

UDIN: 23164366BGYKTQ9580



Place: Pune

Date: 27 April 2023

**BAJAJ AUTO HOLDINGS LTD**

BALANCE SHEET

AS AT

31 March 2023

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2023



**BAJAJ AUTO HOLDINGS LTD**  
**BALANCE SHEET AS AT 31 MARCH 2023**

(₹ In Lakh)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	22.63	18.83
Investment in associate	4a	2,615.43	2,615.43
Other investments	4b	2,423.76	2,293.61
		<b>5,061.82</b>	<b>4,927.87</b>
<b>Non-financial assets</b>			
Current tax assets (net)		180.02	179.35
Property, plant and equipment	5	4.79	5.11
		<b>184.81</b>	<b>184.46</b>
<b>Total</b>		<b>5,246.63</b>	<b>5,112.33</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Other financial liabilities	6	2.43	2.52
		<b>2.43</b>	<b>2.52</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		0.03	0.03
Deferred tax liability (net)	7	139.04	119.69
Other non-financial liabilities	8	0.05	0.05
		<b>139.12</b>	<b>119.77</b>
<b>EQUITY</b>			
Equity share capital	9	24.50	24.50
Other equity	10	5,080.58	4,965.54
		<b>5,105.08</b>	<b>4,990.04</b>
<b>Total</b>		<b>5,246.63</b>	<b>5,112.33</b>

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

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

*Singh Kombaht*  
Soorej Kombaht  
Partner  
ICAI Membership Number: 164366  
Pune: 27 April 2023



*Anish Amin*  
*V Rajagopalan*

Anish Amin  
Director  
DIN: 00070679

V Rajagopalan  
Director  
DIN: 02997795



**BAJAJ AUTO HOLDINGS LTD**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023**

(₹ In Lakh)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
<b>Revenue from operations</b>			
Interest income	11	0.42	0.00
Dividend income		8.36	6.27
Rental income		1.98	1.98
Net gain on fair value changes	12	130.15	86.81
<b>Total revenue from operations</b>		<b>140.91</b>	<b>95.06</b>
Other income	13	-	-
<b>Total income</b>		<b>140.91</b>	<b>95.06</b>
<b>Expenses</b>			
Depreciation, amortisation and impairment	14	0.32	0.32
Other expenses	15	1.79	1.74
<b>Total expenses</b>		<b>2.11</b>	<b>2.06</b>
<b>Profit before tax</b>		<b>138.80</b>	<b>93.00</b>
Tax expense			
Current tax		4.41	3.28
Net current tax		4.41	3.28
Deferred tax		19.35	12.91
Total tax expense	16	23.76	16.19
<b>Profit for the year</b>		<b>115.04</b>	<b>76.81</b>
<b>Other comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>115.04</b>	<b>76.81</b>
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 100)	17	470	314

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

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht  
Partner  
ICAI Membership Number: 164366



*Anish Amin*

Anish Amin  
Director  
DIN: 00070679

*V Rajagopalan*

V Rajagopalan  
Director  
DIN: 02997795

Pune: 27 April 2023



**BAJAJ AUTO HOLDINGS LTD**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

**A. Equity share capital**

(₹ In Lakh)

Particulars	Note No.	Year ended 31 March 2023	Year ended 31 March 2022
At the beginning of the year		24.50	24.50
Changes in equity share capital during the year		-	-
<b>At the end of the year</b>	9	<b>24.50</b>	<b>24.50</b>

**B. Other equity**

(₹ In Lakh)

Particulars	Note No.	Reserves and surplus		Total other equity
		General reserve	Retained earnings	
<b>Balance as at 31 March 2021</b>	10	<b>4,267.86</b>	<b>620.87</b>	<b>4,888.73</b>
Profit for the year		-	76.81	76.81
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income for the year ended 31 March 2022		-	76.81	76.81
<b>Balance as at 31 March 2022</b>	10	<b>4,267.86</b>	<b>697.68</b>	<b>4,965.54</b>
Profit for the year		-	115.04	115.04
Other comprehensive income (net of tax)		-	-	-
Total comprehensive income for the year ended 31 March 2023		-	115.04	115.04
<b>Balance as at 31 March 2023</b>	10	<b>4,267.86</b>	<b>812.72</b>	<b>5,080.58</b>

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

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht  
Partner  
ICAI Membership Number: 164366



*Anish Amin*  
V. N. 7702  
Anish Amin  
Director  
DIN: 00070679

*V. N. 7702*  
V Rajagopalan  
Director  
DIN: 02997795

Pune: 27 April 2023



**Bajaj Auto Holdings Limited**

**Statement of Cash Flows for the year ended 31 March 2023**

(₹ In Lakh)

Particulars	Year ended			
	31 March 2023		31 March 2022	
	₹	₹	₹	₹
<b>I. Operating activities</b>				
Profit before tax		138.80		93.00
Adjustments to reconcile profit before tax to net cash flows:				
Add/(Less) :				
i) Depreciation	0.32		0.32	
ii) Profit on sale of current investments, net	(130.15)		(86.81)	
		(129.83)		(86.49)
<b>Operating Profit Before Working Capital Changes</b>		<b>8.97</b>		<b>6.51</b>
<b>Changes in Assets &amp; Liabilities</b>				
i) Trade Payables	-		-	
ii) Other liabilities	(0.09)		(0.15)	
iii) Other financial assets	-		-	
		(0.09)		(0.15)
Sale of investments (current investments)	-		-	
		-		-
<b>Net cash from operating activities before income tax</b>		<b>8.88</b>		<b>6.36</b>
Taxes Paid (net of refunds)		(5.07)		(3.30)
<b>Net cash flow from operating activities</b>		<b>3.81</b>		<b>3.06</b>
<b>Financing Activities</b>				
Dividend paid	-		-	
Corporate dividend tax paid	-		-	
<b>Net cash (used in) financing activities</b>		<b>-</b>		<b>-</b>
<b>Net Change in cash and cash equivalents</b>		<b>3.81</b>		<b>3.06</b>
<b>Cash and cash equivalents as at the beginning of the year</b>		<b>18.82</b>		<b>15.76</b>
<b>Cash and cash equivalents as at the end of the year</b>		<b>22.63</b>		<b>18.82</b>

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

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khinji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht  
Partner  
ICAI Membership Number: 164366  
Pune: 27 April 2023



*Anish Amin* 1.9.2023

Anish Amin  
Director  
DIN: 00070679

V Rajagopalan  
Director  
DIN: 02997795





## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

- 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 25 August 2016 (last updated on 29 December 2022). 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.

Financial statements were subject to review and approval of Board of Directors. On 27 April 2023, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting

## 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, and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

### 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



## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

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).

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 lacks 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.





## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

### 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.  
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.



## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

### (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.

#### 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





## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

- 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.

### 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.



## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

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

#### i. Classification

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

#### ii. Initial Recognition

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### iii. Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

#### iv. Derecognition

The Company derecognises financial liability when the obligation under the liability is discharged, cancelled or expired.

### 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) Deferred tax is provided using the liability method on temporary differences arising between the





## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

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.

- d) 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.
- e) 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.
- f) 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.
- g) 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 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





## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

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.

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.



## Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

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)

### 13) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Directors who is the Chief Operating Decision Maker. The Core Management Committee examines performance both from product and a geographical perspective.



Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

**3 Cash and cash equivalents**

	As at	
	31 March 2023	31 March 2022
	(₹ In Lakh)	(₹ In Lakh)
Balances with banks	22.63	18.83
	<b>22.63</b>	<b>18.83</b>

**4a Investment in associate**

		(₹ In Lakh)
Particulars	At cost	
As at 31 March 2023		
Equity instruments		
- associate-Bajaj Finserv Ltd.	2,615.43	
<b>Total</b>	<b>2,615.43</b>	
As at 31 March 2022		
Equity instruments		
- associate-Bajaj Finserv Ltd.	2,615.43	
<b>Total</b>	<b>2,615.43</b>	

**4b Other investments**

		(₹ In Lakh)	
Particulars	At fair value		Total
	designated at fair value through profit and loss account		
As at 31 March 2023			
Mutual funds	2,423.76		2,423.76
<b>Total</b>	<b>2,423.76</b>		<b>2,423.76</b>
As at 31 March 2022			
Mutual funds	2,293.61		2,293.61
<b>Total</b>	<b>2,293.61</b>		<b>2,293.61</b>

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





**Bajaj Auto Holdings Limited**  
Notes to financial statement for the year ended 31 March 2023

**5. Property, plant and equipment :**

Current Year	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1 April 2022 ₹	Additions ₹	Deductions and Adjustments ₹	As at 31 March 2023 ₹	As at 1 April 2022 ₹	For the Year ₹	As at 31 March 2023 ₹	As at 31 March 2023 ₹
<b>TANGIBLE ASSETS</b>								
Land Freehold	4.22	-	-	4.22	-	-	-	4.22
Buildings	9.75	-	-	9.75	8.86	0.32	9.18	0.57
<b>Total</b>	<b>13.97</b>	<b>-</b>	<b>-</b>	<b>13.97</b>	<b>8.86</b>	<b>0.32</b>	<b>9.18</b>	<b>4.79</b>

Previous Year	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1 April 2021 ₹	Additions ₹	Deductions and Adjustments ₹	As at 31 March 2022 ₹	As at 1 April 2021 ₹	For the Year ₹	As at 31 March 2022 ₹	As at 31 March 2022 ₹
<b>TANGIBLE ASSETS</b>								
Land Freehold	4.22	-	-	4.22	-	-	-	4.22
Buildings	9.75	-	-	9.75	8.54	0.32	8.86	0.89
<b>Total</b>	<b>13.97</b>	<b>-</b>	<b>-</b>	<b>13.97</b>	<b>8.54</b>	<b>0.32</b>	<b>8.86</b>	<b>5.11</b>



Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

6	Other financial liabilities	As at	
		31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
	Other Payables	0.99	0.99
	Security deposits	0.99	0.99
	Audit fees payable	0.45	0.54
		<u>2.43</u>	<u>2.52</u>
7	Deferred tax liability (net)		
		As at	
		31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
	Deferred tax liabilities		
	Movement in fair value of financial assets designated at FVTPL	139.04	119.69
	Gross deferred tax liabilities	<u>139.04</u>	<u>119.69</u>
	<b>Movement in deferred tax Liability</b>	<b>(₹ In Lakh)</b>	
		<b>Financial instruments</b>	<b>Total</b>
	At 31 March 2021	106.78	106.78
	(Charged)/credited		
	- to profit and loss	12.91	12.91
	- to other comprehensive income		
	At 31 March 2022	119.69	119.69
	(Charged)/credited		
	- to profit and loss	19.35	19.35
	- to other comprehensive income		
	At 31 March 2023	139.04	139.04
8	Other non-financial liabilities		
		As at	
		31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
	Taxes and duties payable	0.05	0.05
		<u>0.05</u>	<u>0.05</u>



**9 Equity Share capital**

	As at	
	31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
<b>Authorised</b>		
50,000 (Previous Year - 50,000) equity shares of ₹ 100/- each	50.00	50.00
<b>Issued, subscribed and fully paid-up shares</b>		
24,500 (Previous Year - 24,500) equity shares of ₹ 100/- each	24.50	24.50
	<b>24.50</b>	<b>24.50</b>

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

	As at 31 March 2023		As at 31 March 2022	
	Nos.	(₹ In Lakh)	Nos.	(₹ In Lakh)
<b>Equity shares</b>				
At the beginning of the year	24,500	24.50	24,500	24.50
Equity shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>24,500</b>	<b>24.50</b>	<b>24,500</b>	<b>24.50</b>

**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 2023		As at 31 March 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of ₹ 100 each fully paid</b>				
Bajaj Holdings & Investment Limited	24,500	100.00%	24,500	100.00%

**d. Details of promoter shareholding**

	As at 31 March 2023		As at 31 March 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Shares held by promoters at the end of the period</b>				
<b>Promoter name</b>				
Bajaj Holdings & Investment Limited	24,500	100.00%	24,500	100.00%

**10 Other equity**

	As at	
	31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
<b>a Reserve and surplus :</b>		
<b>General reserve</b>		
Balance as at the beginning of the year	4,267.86	4,267.86
Add: Transferred from surplus in statement of profit and loss	-	-
Balance as at the beginning and end of the year	<b>4,267.86</b>	<b>4,267.86</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as at the beginning of the year	697.68	620.87
Profit for the year	115.04	76.81
Total appropriations	-	-
Balance as at the end of the year	<b>812.72</b>	<b>697.68</b>
	<b>5,080.58</b>	<b>4,965.54</b>

**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.





Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

	For the year ended	
	31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
<b>11 Interest income</b>		
Interest income on Others	0.42	-
	<u>0.42</u>	<u>-</u>
<b>12 Net gain on fair value changes</b>		
Net gain/(loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	130.15	86.81
Fair value changes:		
Realised	-	-
Unrealised	130.15	86.81
	<u>130.15</u>	<u>86.81</u>
<b>13 Other income</b>		
Miscellaneous receipt	-	-
	<u>-</u>	<u>-</u>
<b>14 Depreciation, amortisation and impairment</b>		
Depreciation on property, plant and equipment	0.32	0.32
	<u>0.32</u>	<u>0.32</u>
<b>15 Other expenses</b>		
Repairs to buildings	0.43	0.53
Rates and taxes	0.20	0.20
Insurance	0.15	0.03
Payment to auditor	0.50	0.59
Legal and professional charges	0.38	0.24
Miscellaneous expenses	0.13	0.15
	<u>1.79</u>	<u>1.74</u>
<b>Payment to auditor</b>		
As auditor		
Audit fee	0.50	0.50
GST/Service tax. on above	-	-
	<u>0.50</u>	<u>0.50</u>



**Bajaj Auto Holdings Limited**

**Notes to financial statements for the year ended 31 March 2023**

16 <b>Tax expense</b>	For the year ended	
	31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
<b>(a) Tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	4.41	3.28
<b>Deferred tax</b>		
(Decrease)/increase in deferred tax liabilities	19.35	12.91
<b>Tax expenses</b>	<b>23.76</b>	<b>16.19</b>
<b>(b) Reconciliation of tax expenses and the accounting profit multiplied by Statutory tax rate</b>		
Profit before tax	138.80	93.00
Tax at the Indian tax rate of 25.17%	34.93	23.41
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
- Others	(11.17)	(7.22)
<b>Tax expense</b>	<b>23.76</b>	<b>16.19</b>

17 <b>Earnings per share (EPS)</b>	For the year ended	
	31 March 2023	31 March 2022
Profit for the year (₹)	115.04	76.81
Weighted average number of shares outstanding during the year (Nos)	24,500	24,500
Earnings per share (Basic and Diluted) ₹	470	314
Face value per share ₹	100	100

**18 Contingent liabilities**  
There are no Contingent Liabilities as on 31 March 2023 and 31 March 2022.

**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 <b>Lease</b>	As at	
	31 March 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
<b>As a lessor</b>		
The Company has given premises on operating leases. These lease arrangements range for a period between one to three years and include both cancellable and non cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses		
<b>Receivable</b>		
Within one year	1.98	1.98
After one year but not more than five years	0.17	2.15
More than five years	-	-
	<b>2.15</b>	<b>4.13</b>



**Bajaj Auto Holdings Limited**

**Notes to financial statements for the year ended 31 March 2023**

**21 Financial risk management**

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

<b>Risk</b>	<b>Exposure Arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss	Credit ratings	Setting limits on the amount of acceptable risk, diversification of investment limits, dealing with creditworthy counterparties only
	Trade receivables	Credit Limit & Aging analysis	No. of overdue days, monitoring of credit limits
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable securities

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds.

**Other risk (Market Risk)**

The Company has deployed its surplus funds in debt instruments (including through mutual funds) and money market instruments. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

The Company has invested its surplus funds primarily in debt instruments mutual funds with AAA & STABLE A1+ rating and thus the Company does not have significant risk exposure here.





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

Name of related party and nature of relationship	Nature of transaction	2022-23		2021-22	
		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	-	24.50	-	24.50
	Revenue expenses reimbursement paid	-	-	-	-
[b] Other entities	Contribution to equity (2,090,050 shares of Rs 1 each((Previous year 209,005 shares of Rs. 5 each))	-	2,615.43	-	2,615.43
	Dividend received	8.36	-	6.27	-
	Insurance premium paid	0.15	-	0.03	-

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.



## Bajaj Auto Holdings Limited

### Notes to financial statements for the year ended 31 March 2023

#### 23 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 2023 (₹ In Lakh)	31 March 2022 (₹ In Lakh)
Equity	5,105.08	4,990.04
Add: Deferred tax liabilities	139.04	119.69
Less: Tangible and other assets	4.79	5.11
Working capital	200.14	195.58
Investments in associate	2,615.43	2,615.43
<b>Investment in equity, debt and similar investments</b>	<b>2,423.76</b>	<b>2,293.61</b>

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

##### b) Dividends distributed and proposed

###### Dividends recognised in the financial statements

Final dividend for the year ended 31 March 2022 and 31 March 2021 is ₹ Nil per equity share.



**Bajaj Auto Holdings Limited**

Notes to financial statements for the year ended 31 March 2023

**24 Maturity analysis of assets and liabilities**

(₹ In Lakh)

Particulars	As at				
	31 March 2023 Within 12 months	31 March 2023 After 12 months	Total	31 March 2022 After 12 months	Total
<b>Assets</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	22.63	-	22.63	18.83	18.83
Investment in associates	-	2,615.43	2,615.43	-	2,615.43
Other investments	-	2,423.76	2,423.76	-	2,293.61
Other financial assets	-	-	-	-	-
<b>Non-financial Assets</b>					
Current tax assets (net)	-	180.02	180.02	-	179.35
Property, plant and equipment	-	4.79	4.79	-	5.11
<b>Total</b>	<b>22.63</b>	<b>5,224.00</b>	<b>5,246.63</b>	<b>18.83</b>	<b>5,093.50</b>
<b>Liabilities</b>					
<b>Financial Liabilities</b>					
Trade payables	-	-	-	-	-
Other financial liabilities	-	2.43	2.43	-	2.52
<b>Non-financial Liabilities</b>					
Current tax liabilities (net)	-	0.03	0.03	-	0.03
Deferred tax Liability (net)	-	139.04	139.04	-	119.69
Other non-financial liabilities	0.05	-	0.05	0.05	0.05
<b>Total</b>	<b>0.05</b>	<b>141.50</b>	<b>141.55</b>	<b>0.05</b>	<b>122.29</b>
<b>Net</b>	<b>22.58</b>	<b>5,082.50</b>	<b>5,105.08</b>	<b>18.78</b>	<b>4,971.26</b>





**25 Fair value measurement****i) Financial instruments by category**

(₹ In Lakh)

	31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial assets</b>						
<b>Investments</b>						
- Liquid mutual funds	2,423.76	-	-	2,293.61	-	-
- Equity shares	-	-	2,615.43	-	-	2,615.43
Other financial assets	-	-	-	-	-	-
Cash and cash equivalents	-	-	22.63	-	-	18.83
<b>Total financial assets</b>	<b>2,423.76</b>	<b>-</b>	<b>2,638.06</b>	<b>2,293.61</b>	<b>-</b>	<b>2,634.26</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	2.43	-	-	2.52
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2.43</b>	<b>-</b>	<b>-</b>	<b>2.52</b>

**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 2022					
Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
- Liquid mutual funds	4b	2,423.76	-	-	2,423.76

Financial assets measured at fair value - recurring fair value measurements At 31 March 2022					
Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
- Liquid mutual funds	4b	2,293.61	-	-	2,293.61

**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 is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

**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.



Notes to financial statements for the year ended 31 March 2023

26 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 2023 and 31 March 2022 and hence no disclosures have been made in this regard.

27 Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2023 and no such company was identified.
- b. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.



Bajaj Auto Holdings Limited

Notes to financial statements for the year ended 31 March 2023

**28 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

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Soorej Kombaht  
Partner  
ICAI Membership Number: 164366

Pune: 27 April 2023

Anish Amin	V Rajagopalan
Director	Director
DIN: 00070679	DIN: 02997795

