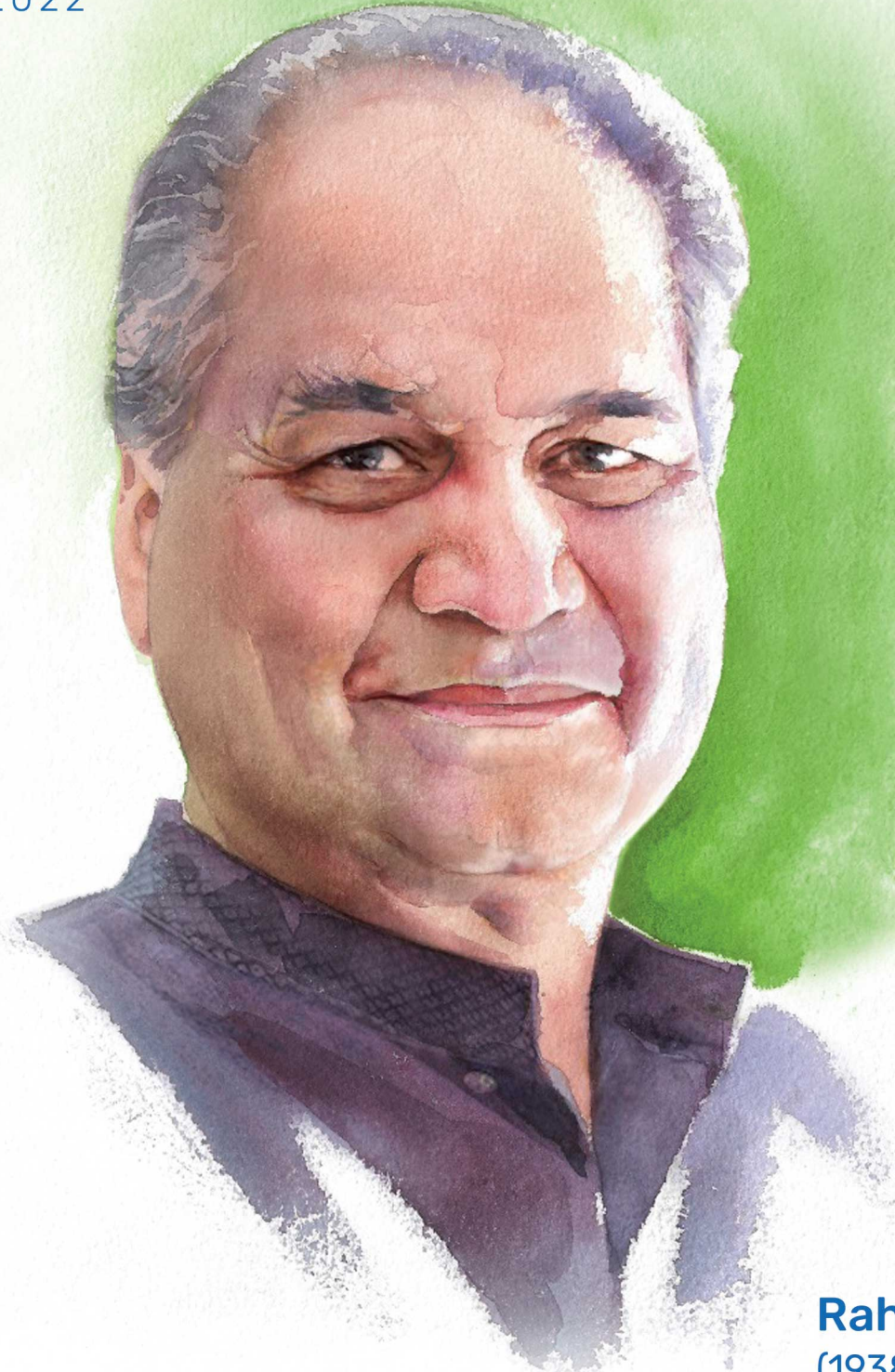


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ANNUAL
REPORT

2021-2022

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BAJAJ HOLDINGS & INVESTMENT LIMITED



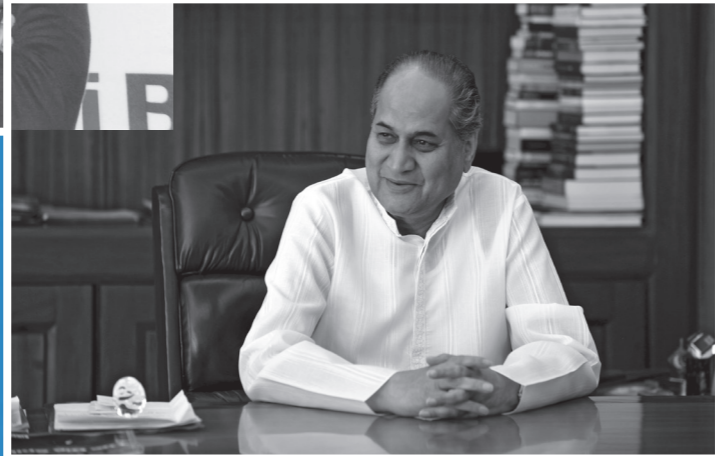
Rahul Bajaj
(1938 - 2022)

CONTENTS

- 4 Corporate Information
- 7 Directors' Report
(Including Annual Report on CSR Activities)
- 29 Management Discussion and Analysis
- 39 Corporate Governance
- 64 General Shareholder Information
- 75 Standalone Financial Statements
- 154 Consolidated Financial Statements



“Earlier organisations made individuals, today individuals make an organisation.”



CORPORATE INFORMATION

Board of Directors

Shekhar Bajaj

Chairman
(from 1 May 2021)

D J Balaji Rao

Dr. Gita Piramal

Dr. Naushad Forbes

Anami Roy

Pradip Shah

Dr. Arindam Kumar Bhattacharya
(from 17 September 2021)

Niraj Bajaj

Vice Chairman

Sanjiv Bajaj

Managing Director & CEO

Madhur Bajaj

Rajiv Bajaj

Manish Kejriwal

Audit Committee

Pradip Shah

Chairman

Dr. Gita Piramal

Dr. Naushad Forbes

Dr. Arindam Kumar Bhattacharya
(from 1 April 2022)

Manish Kejriwal

Nomination and Remuneration Committee

Dr. Gita Piramal

Chairperson

D J Balaji Rao

Dr. Arindam Kumar Bhattacharya
(from 1 April 2022)

Niraj Bajaj

Risk Management Committee

Pradip Shah

Chairman

Dr. Arindam Kumar Bhattacharya
(from 1 April 2022)

Sanjiv Bajaj

Anish Amin

Stakeholders Relationship Committee

Dr. Gita Piramal

Chairperson

Dr. Naushad Forbes

Manish Kejriwal

Corporate Social Responsibility Committee

Dr. Naushad Forbes

Chairman

Anami Roy

Sanjiv Bajaj

Chief Financial Officer

Anant Marathe

Company Secretary

Sriram Subbramaniam

Statutory Auditors

S R B C & CO LLP

(up to 13 November 2021)

Kalyaniwalla & Mistry LLP

(from 17 November 2021)

Secretarial Auditor

Shyamprasad D Limaye

Practising Company Secretary

Bankers

Deutsche Bank

Citibank N A

HDFC Bank

Registered Office

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

CIN: L65100PN1945PLC004656

LEADING THE WAY



Shekhar Bajaj
Chairman



Sanjiv Bajaj
Managing Director & CEO



Anant Marathe
CFO

DIRECTORS' REPORT

Dear Shareholders,

Your directors present the seventy seventh Annual Report along with the audited standalone and consolidated financial statements for FY2022.

Sad Demise of Shri Rahul Bajaj, Chairman Emeritus of the Company

At the outset, your directors express their profound grief on the sad demise of Shri Rahul Bajaj, the iconic leader of Bajaj Group, who passed away on 12 February 2022.

He lived an extraordinary life. He was the architect of one of the most respected business groups in the country, a vocal proponent of entrepreneurship, and a voice of the industry at large.

He stood for what he believed, a man driven by values, and bold in both expression and action. He was the torchbearer of the family legacy that dates back to the founding days of our country and championed the creation of a new India.

While his passing away has left a void amongst us, he leaves behind an unparalleled foundation for all of us to build upon.

The Board places on record its whole-hearted appreciation of the invaluable contribution made by him to the spectacular success of the Company and the Group over several decades.

Financial Results

The financial results of the Company are elaborated in the [Management Discussion and Analysis Report](#).

The highlights of the [Standalone Financial Results](#) are given below:

Particulars	(₹ In Crore)	
	FY2022	FY2021
Total income	1,833.16	431.14
Total expenses	132.04	121.23
Profit before tax	1,701.12	309.91
Tax expense	70.60	111.32
Profit for the year	1,630.52	198.59
Earnings per share (in ₹)	146.5	17.8

Closing balances in reserve/other equity

Particulars	(₹ In Crore)	
	FY2022	FY2021
Reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	2,473.16	2,147.06
Securities premium	444.42	444.42
General reserve	3,706.96	3,706.96
Retained earnings	3,637.00	3,647.69
Other reserves - Equity instruments through other comprehensive income	4,999.15	3,906.78
Other reserves- Debt instruments through other comprehensive income	15.90	52.56
Other reserves- Hedge instruments through other comprehensive income	(0.02)	0.01
Total	15,276.57	13,905.48

Note: Detailed movement of above reserves can be seen in 'Statement of Changes in Equity'.

The highlights of the Consolidated Financial Results are as under:

Particulars	(₹ In Crore)	
	FY2022	FY2021
Total income	486.51	463.07
Share of profits of associates	3,893.67	3,445.59
Profit before tax	4,225.90	3,765.74
Profit for the year	4,055.68	3,649.83
Earnings per share (₹)	364.4	327.9

Transfer to Reserve Fund

Under section 45-IC of Reserve Bank of India Act, 1934, non-banking financial companies (NBFCs) are required to transfer a sum of not less than 20% of its net profit every year to the reserve fund before declaration of any dividend. Accordingly, Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') has till date transferred a sum of ₹ 2,473.16 crore to its reserve fund.

Operations

Detailed information on the operations of the Company and details on the state of affairs of the Company are covered in [Management Discussion and Analysis Report](#).

Presentation of Standalone and Consolidated Financial Statements

The financial statements of the Company for FY2022, on a standalone and consolidated basis, have been prepared in compliance with the Companies Act, 2013 ('the Act'), applicable Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and are disclosed in accordance with Schedule III of the Act. The consolidated financial statements incorporate the audited financial statements of the subsidiaries and associates of the Company.

Dividend Distribution Policy

Pursuant to the provisions of SEBI Listing Regulations, the Company had formulated a Dividend Distribution Policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/ or retaining profits earned. The Board at its meeting held on 17 September 2021 had revised the Dividend Distribution Policy thereby enabling the Company to maintain a minimum dividend pay-out of 50% of distributable profits on standalone basis each year. The revised Policy is available on the website of the Company at <https://www.bhil.in/investors.html#url-codes-policies>

Dividend

Final Dividend

The Reserve Bank of India (RBI) vide its circular dated 24 June 2021, has laid down framework for declaration of dividend by NBFCs. Accordingly, the Board of Directors after taking into account various aspects and in compliance with the said circular, to the extent applicable, recommend for consideration of the members at the ensuing AGM, payment of final dividend of ₹ 25 per equity share (250%) of face value of ₹ 10 for the year ended 31 March 2022.

Interim Dividend

The Board of Directors, at its meeting held on 17 September 2021, after taking into account its financial position as on that date, declared an interim dividend of ₹ 90 per equity share (900%) of face value of ₹ 10 for the year ended 31 March 2022. The record date fixed for the purpose of declaration of dividend was 29 September 2021. The total dividend pay-out on account of interim dividend was ₹ 1,001.64 crore.

The total dividend pay-out (including interim dividend) for FY2022 would be ₹ 1,279.87 crore.

The dividend recommended is in accordance with the principles and criteria set out in the Dividend Distribution Policy.

The final dividend, if declared, at the ensuing AGM will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer to Notice of AGM.

The Covid-19 Pandemic

FY2022 was once again dominated by the Covid-19 pandemic as new waves of infection swept across countries. In India, the second wave (called 'Delta') proved far more deadly than the first that struck in 2020.

The advent of the highly transmissible variant 'Omicron' in early January 2022 (the third wave) spread much dread across the world. During this wave, India's daily number of reported cases peaked to nearly 3.50 lakh on 20 January 2022 and the active case load was over 22 million as on 23 January 2022. Fortunately, while highly transmissible, Omicron was not as clinically deadly as the Delta variant. So, while many got infected, almost all got well again within a week or so, without hospitalisation and mortality.

Considering the nature of business of the Company, the operations of the Company went uninterrupted and the impact of Covid-19 on the business was minimal.

Subsidiaries/Associates and Joint Ventures

Following are the subsidiaries/associates of the Company:

Name of the Company	% shareholding of BHIL and its subsidiaries	Status
Bajaj Auto Ltd.	35.83%	Associate
Bajaj Finserv Ltd.	41.63%	Associate
Bajaj Auto Holdings Ltd.	100%	Subsidiary
Maharashtra Scooters Ltd.	51%	Subsidiary

The financial highlights of performance of the subsidiaries and associates of the Company and their contribution to the overall performance of the Company during FY2022 is covered in the [Management Discussion and Analysis Report](#).

During FY2022, no new subsidiary was incorporated/acquired. Neither the Company has entered into a joint venture with any company.

The Company does not have a material subsidiary as defined under the SEBI Listing Regulations.

The financial statements of the subsidiary companies are also available in a downloadable format under Investors section of the Company's website at <https://www.bhil.in/investors.html#url-annual-reports>.

A separate statement containing the salient features of the subsidiaries in the prescribed form AOC-1 is attached to the consolidated financial statements.

Directors and Key Managerial Personnel (KMP)

A) Change in Directorate

i) Resignation

The Board at its meeting held on 29 April 2021, appointed Dr. Omkar Goswami as an Independent director, with effect from 1 May 2021 for a period of five years. Dr. Goswami tendered his resignation, as an Independent Director of the Company, due to personal commitments and additional professional work with effect from 9 July 2021.

ii) Appointment

On recommendation of the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 17 September 2021, has appointed Dr. Arindam Kumar Bhattacharya as an Independent Director, for a period of five years effective from 17 September 2021. Further, shareholders have approved his appointment through a postal ballot on 17 November 2021.

The Board is of the opinion that Dr. Arindam Kumar Bhattacharya is a person of integrity, expertise and has competent experience to serve the Company as an Independent Director.

B) Directors liable to retire by rotation

Niraj Bajaj and Manish Kejriwal retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Brief details of Niraj Bajaj and Manish Kejriwal, who are seeking re-appointment, are given in the Notice of AGM.

C) Change in KMP

There was no change in KMPs of the Company during FY2022.

Sanjivnayan Rahulkumar Bajaj was re-appointed as the Managing Director & CEO of the Company w.e.f. 1 April 2017 for a period of five years, up to 31 March 2022. The Board at its meeting held on 16 March 2022, approved the re-appointment of Sanjiv Bajaj as Managing Director & CEO for a fresh term of five years and fixed his remuneration at its meeting held on 28 April 2022, based on the recommendation of NRC, subject to necessary approvals of the members.

Declaration given by Independent Directors

The Independent Directors have submitted declaration of independence, as required under section 149(7) of the Act, stating that they meet the criteria of independence as provided in section 149(6) of the Act, as amended and Regulation 16 of the SEBI Listing Regulations, as amended.

The independent directors have also confirmed compliance with the provisions of Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, relating to inclusion of their name in the databank of Independent directors. Pursuant to the aforementioned Rules, the Independent Directors have passed the online proficiency self-assessment test, to the extent applicable.

The Board took on record the declaration and confirmation submitted by the Independent Directors, regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the SEBI Listing Regulations.

Policy on Directors' Appointment and Remuneration

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration Policy. The policy, *inter-alia*, provides:

- a) the criteria for determining qualifications, positive attributes and independence of directors; and
- b) remuneration for directors, key managerial personnel and other employees.

The Policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy is available on the Company's website at <https://www.bhil.in/investors.html#url-codes-policies>

As per the requirements of RBI Master Directions and SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the [Corporate Governance Report](#).

Compliance with Code of Conduct

All Board members and Senior Management Personnel have affirmed their compliance with the Company's Code of Conduct for FY2022.

A declaration to this effect signed by the Managing Director & CEO is included in this Annual Report.

Annual Return

A copy of the annual return as required 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 is hosted on the Company's website at <https://www.bhil.in/investors.html#url-annual-reports>.

Number of meetings of the Board

Six meetings of the Board were held during FY2022. Details of the meetings and attendance thereat form a part of the [Corporate Governance Report](#).

Directors' Responsibility Statement

In accordance with section 134(3)(c) of the Act and based on the information provided by the Management, the directors state that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- they have 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 FY2022 and of the profit of the Company for that period;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

The Audit Committee comprises of Pradip Shah as Chairman, Dr. Naushad Forbes, Dr. Gita Piramal, Dr. Arindam Kumar Bhattacharya and Manish Kejriwal as other members. The Board at its meeting held on 16 March 2022 re-constituted the Audit Committee by inducting Dr. Arindam Kumar Bhattacharya as a member of the Committee with effect from 1 April 2022.

The brief terms of reference and attendance record of members are given in the [Corporate Governance Report](#).

Particulars of Loans, Guarantees or Investments

The Company, being an NBFC registered with the RBI and engaged in the business of investments in ordinary course of its business, is exempt from complying with the provisions of section 186 of the Act with respect to investments. Accordingly, the disclosures of the investments made as required under the aforesaid section have not been made in this Report. During the year under review, the Company did not give loans to any person.

Share Capital

The paid-up equity share capital as on 31 March 2022 was ₹ 111.29 crore. There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year. The Company has neither issued shares with differential voting rights or sweat equity shares, nor has it granted any stock options.

Classification as Systemically Important Non-Deposit taking NBFC

The Company has been registered with the Reserve Bank of India ('RBI') as a Non-Banking Financial Institution (Non-Deposit taking). As per the RBI circular dated 22 February 2019 namely 'harmonisation of different categorisation of NBFC's', the Company being a Systemically Important Non-Deposit taking Company has been categorised as an NBFC- Investment and Credit Company. The Company has not accepted public deposits during the year under review.

Related Party Transactions

All contracts/arrangements/transactions entered by the Company during FY2022 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and repetitive in nature as well as for transactions which are not foreseen and details of which are not available, upto the limits as specified in the SEBI Listing Regulations. Pursuant to the said omnibus approval, details of related party transactions entered into are also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during FY2022 were on arm's length basis and in the ordinary course of business of the Company as per the Act and not material under the SEBI Listing Regulations or extant RBI guidelines. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

Details of transactions with related parties during FY2022 are provided in the notes to the financial statements. There were no material related party transactions requiring disclosure as per the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

The Policy on Materiality of and Dealing with Related Party Transactions was amended pursuant to the amendment to SEBI Listing Regulations. The said Policy is placed on the Company's website at <https://www.bhil.in/investors.html#url-codes-policies> and also forms a part to the [Corporate Governance Report](#).

Material Changes and Commitments

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Conservation of energy

The Company has taken, *inter alia*, following measures to reduce energy consumption:

- Switched from conventional lighting systems to LED lights at Mumbai location; and
- Selecting and designing offices to facilitate maximum natural light utilisation.

Technology absorption

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

Foreign exchange earnings and outgo

During the year under review, no foreign exchange was earned by the Company. No foreign exchange was earned by the Company during FY2021 as well.

The total foreign exchange outflow during the year under review was ₹ 39.62 crore (as against ₹ 37.04 crore during the previous year).

Corporate Social Responsibility (CSR)

The CSR Committee comprises of three directors viz., Dr. Naushad Forbes as Chairman, Anami Roy and Sanjiv Bajaj as other members. The Board at its meeting held on 28 October 2021 has appointed Dr. Naushad Forbes as Chairman of the Committee w.e.f. 29 October 2021.

As per section 135 of the Act, read with Companies (Corporate Social Responsibility) Rules, 2014, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, within a period of thirty days from the end of the financial year, in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

For FY2022, the CSR obligation of the Company is ₹ 8.70 crore. As on 31 March 2022, total amount spent on CSR activities by Company is ₹ 6.32 crore.

Due to Covid-19 pandemic, some part of the mandatory CSR obligations pursuant to ongoing projects has remained unspent as on 31 March 2022, thereby requiring it to be transferred to an Unspent Corporate Social Responsibility Account. Accordingly, the Company has opened an account with Axis Bank Ltd. to transfer unspent amount of ₹ 2.40 crore.

Detailed information on CSR Policy, its salient features and CSR initiatives undertaken during the year forms part of 'Annual Report on CSR activities'.

In terms of the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Policy, composition of the CSR Committee and the list of Board approved CSR projects is uploaded on the website of the Company.

The Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2022.

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

Pursuant to section 178 of the Act, the Nomination and Remuneration Committee (NRC) and the Board has decided that the evaluation shall be carried out by the Board only and the NRC will only review its implementation and compliance.

Further as per Schedule IV of the Act and provisions of SEBI Listing Regulations, the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated, on the basis of performance and fulfillment of criteria of independence and their independence from management. On the basis of the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of Independent Director.

Accordingly, the Board has carried out an annual performance evaluation of its own performance, that of its Committees, Chairperson and individual Directors.

The manner in which formal annual evaluation of performance was carried out by the Board for the period from 1 January 2021 to 31 December 2021 is given below:

- The Nomination and Remuneration Committee at its meeting held on 21 May 2020, reviewed the criteria for evaluation of the Board, its Committees, Chairman and individual directors, which is available on the website of the Company at <https://www.bhil.in/investors.html#url-codes-policies>.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the period from 1 January 2021 to 31 December 2021 and a consolidated report thereof were arrived at.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 16 March 2022.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 16 March 2022.
- Based on the report and evaluation, the Board and NRC at their respective meetings held on 16 March 2022, determined that the appointment of all Independent Directors may continue.
- During FY2022, the criteria and process followed by the Company was reviewed by the NRC and the Board, which opined these to be satisfactory.

Other than the Chairperson of the Board and NRC, no other director had access to the individual ratings given by the directors.

Significant and Material Orders passed by the Regulators or Courts

During FY2022, 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.

Internal Audit

At the beginning of each financial year, an audit plan is rolled out after the same has been approved by Audit Committee. Pursuant to Risk Based Internal Audit Framework, Internal Audit is aligned in such a manner that assurance is provided to the Audit Committee and Board of Directors on the overall risk management system including the quality and effectiveness of the internal controls, and governance related systems and processes.

Significant audit observations and corrective actions thereon are presented to the Audit Committee of Board.

Internal Financial Controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to its financial statements. These have been designed to provide reasonable assurance about recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

The Board is of the opinion that internal financial controls with reference to the financial statements were tested and reported adequate and operating effectively.

Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle Blower Policy encompassing vigil mechanism pursuant to the requirements of section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations. The whistle blower framework has been introduced with an aim to provide employees and directors with a safe and confidential channel to share their inputs about such aspects which are adversely impacting their work environment. The Policy/Vigil Mechanism has been revised recently and enables directors, employees and other persons to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

During the year under review, there were no complaints received under the above mechanism nor was any employee denied access to the Audit Committee. The Audit Committee reviews the functioning of the Vigil Mechanism/Whistle Blower Policy once a year.

The Whistle Blower Policy is uploaded on the website of the Company and can be accessed at <https://www.bhil.in/investors.html#url-codes-policies>

RBI Guidelines

The Company continues to fulfill all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital adequacy ratio of the Company was 111% as on 31 March 2022. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which meets yearly once to review its ALM risks and opportunities.

The Company is in compliance with the NBFC – Corporate Governance (Reserve Bank) Directions, 2015.

Corporate Governance

Pursuant to the SEBI Listing Regulations, a separate chapter titled 'Corporate Governance' has been included in this Annual Report, along with the reports on [Management Discussion and Analysis](#) and [General Shareholder Information](#).

The Managing Director & CEO and the CFO have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.

Certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility Report

Pursuant to the provisions of the SEBI Listing Regulations, the Company is required to give Business Responsibility Report ('BRR') in the Annual Report.

The BRR for FY2022 has been placed on the Company's website at <https://www.bhil.in/investors.html#url-annual-reports>

Auditors and Auditors' Report

Statutory auditor

Pursuant to the provisions of section 139 of the Act, S R B C & Co LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) were appointed as statutory auditors of the Company for a period of five years i.e. from the conclusion of the 72nd annual general meeting till the conclusion of the 77th annual general meeting.

RBI, vide its Guidelines for Appointment of Statutory Central Auditors (SCAs) / Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated 27 April 2021 (the "Guidelines"/"Circular"), mandated NBFCs (including HFCs) with an asset size of ₹ 1,000 crore and above to appoint a minimum of an audit firm for conducting statutory audit, where each term should be for a maximum period of 3 consecutive years. Further, the Guidelines also specified that an auditor who has completed a period of 3 years (counted as one tenure as per Guidelines) as on the date of the Circular shall not be eligible for re-appointment in the same Entity for six years (two tenures) after completion of one tenure of 3 years. Subsequently, the RBI had also released Frequently Asked Questions (FAQs) dated 11 June 2021, *inter alia*, clarifying that the existing statutory auditors who have completed 3 years with an entity would not be able to continue as auditors with effect from second half of the financial year 2021-22, even though they may not have completed their present tenure as approved by the members of the said entity.

By virtue of the aforesaid RBI Guidelines and related FAQs, S R B C & Co. LLP, being ineligible to continue as Statutory Auditors for the remaining part of their tenure, tendered their resignation as Statutory Auditors of the Company effective from 13 November 2021.

Consequent to the above, members of the Company, on the basis of recommendation of the Audit Committee and Board, by way of Postal Ballot, have approved appointment of Kalyaniwalla & Mistry LLP (Firm Registration No. 104607W / LLP W100166) as Statutory Auditors effective 17 November 2021 till conclusion of 77th AGM.

In the ensuing AGM, approval of the members is being sought again for their continuation/ re-appointment as Statutory Auditor for remaining term of two years, i.e., from the conclusion of the 77th AGM till the conclusion of the 79th AGM, i.e., for the financial year ending 31 March 2023 and 31 March 2024, respectively.

As per the Guidelines, for NBFC entities with asset size of ₹ 15,000 crore and above as at the end of previous year, the statutory audit should be conducted under joint audit of a minimum of two audit firms. Considering that the Company, as on 31 March 2022, having an asset size exceeding ₹ 15,000 crore, the Company is required to appoint Joint Statutory Auditors.

In accordance with the RBI Guidelines, the Board of Directors, based on the recommendation of Audit Committee, at their meeting held on 28 April 2022, have recommended the appointment of NBS & Co., Chartered Accountants (Firm Registration no. 110100W) as the other Joint Statutory Auditor for a period of 3 years i.e. from the conclusion of the 77th AGM till the conclusion of the 80th AGM to conduct audit of the financial statements of the Company for the year ended 31 March 2023, 31 March 2024 and 31 March 2025, respectively, subject to members' approval at the ensuing AGM.

The statutory audit report for FY2022 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditor.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) to undertake the secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report. It does not contain any qualification, reservation or adverse remark or disclaimer made by secretarial auditor.

Pursuant to Regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance has been issued by Shyamprasad D Limaye for the financial year ended 31 March 2022 and the same has been submitted to stock exchanges. There are no observations, reservations or qualifications in the said report.

Since, the auditors, i.e., statutory auditors and secretarial auditors have not reported any matter under section 143(12) of the Act, no detail is required to be disclosed under section 134(3)(ca) of the Act.

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 granting exemptions in view of the Covid-19 pandemic.

Statutory Disclosures

- The financial results of the Company and its subsidiaries are placed on the website of the Company at <https://www.bhil.in/investors.html#url-annual-reports>
- Details as required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, ratio of remuneration of Directors and KMP to median remuneration of employees and percentage increase in the median remuneration are annexed to this Report.
- Details as required under the provisions of section 197(12) of the Act read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, which form part of the Directors' Report, will be made available to any member by way of email upon request, as per provisions of section 136(1) of the said Act.
- Pursuant to RBI Master Direction-Information Technology Framework for the NBFC sector, the Company has constituted an IT Strategy Committee to review the IT strategies in line with the corporate strategies, board policy reviews, cyber security arrangements and any other matter related to IT governance.
- The provisions of section 148 of the Act, are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under sub-section (1) of section 148 of the Act.
- The Company has a policy on prevention of sexual harassment at the workplace. The Company has also complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no case reported during the year under review.
- There is no change in the nature of business of the Company during FY2022.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.

On behalf of the Board of Directors

Shekhar Bajaj
Chairman

Pune: 28 April 2022

Annual Report on CSR activities for the financial year ended 31 March 2022

1. Brief outline of Company's CSR Policy

Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond Balance Sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities residing in the vicinity of its facilities by taking sustainable initiatives in the areas of health, education, environment conservation, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us 'Activating Lives'.

Guiding principles

The Bajaj Group believes that social investments should:

- **Benefit generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for self-reliance and growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for self-help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Be focused:** The Company believes that activities should be focused around locations where it has a presence and hence can effectively guide, monitor and implement specific projects.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.
- **Sustain natural resources:** The Company encourages balanced development and ensures least adverse impact on environment – Growth with Mother Nature's blessings.

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company on 14 May 2014 has got amended on 29 April 2021, with approvals of the CSR Committee and Board of Directors. The Policy, *inter alia*, covers the following:

- Philosophy, approach & direction;
- Guiding principles for selection, implementation and monitoring of activities; and
- Guiding principles for formulation of annual action plan

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman		
2.	Anami Roy	Member	3	3
3.	Sanjiv Bajaj	Member		

3. Web-links where the following are disclosed on the Website of the Company

Composition of CSR Committee

: <https://www.bhil.in/people.html#url-committees-of-the-board>

CSR Policy

: <https://www.bhil.in/investors.html#url-codes-policies>

CSR projects approved by the board

: <https://www.bhil.in/investors.html#url-corporate-social-responsibility-information>

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any : Not Applicable
6. Average net profit of the Company as per section 135(5) : ₹ 434.77 crore
7. (a) Two percent of average net profit of the Company as per section 135(5) : ₹ 8.70 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year, if any : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 8.70 crore
8. (a) CSR amount spent or unspent for the financial year :

Total amount spent for the financial year	Total amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 6.32 crore	₹ 2.40 crore	18 April 2022	Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ In Crore)	Amount spent in the current financial year (₹ In Crore)	Amount transferred to Unspent CSR Account for the project as per section 135(6) (₹ In Crore)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Women as agents of change and economic empowerment.	Education (ii)	Yes	Maharashtra	Gondiya, Chandrapur	15 months	1.00	0.20	-	No	Grameen Foundation for Social Impact	CSR00002812
2.	Bajaj I Create Business Incubation Center for Indian Army Veterans	Para Military Veterans (vi)	Yes	Maharashtra	Pune	14 months	0.50	0.02	-	No	I Create India	CSR00002434
3.	Business incubation centers for Indian ARMY veterans for entrepreneurship development	Para Military Veterans (vi)	Yes	Maharashtra	Pune	16 months	0.74	0.21	-	No	I Create India	CSR00002434
4.	Enabling financial inclusion through development of software product ecosystem	Health (i)	Yes	Karnataka	Bangalore	25 months	4.50	0.50	1.00	No	Indian Software Product Industry Round Table (iSpirt) Foundation	CSR00001434
5.	Aarogya Sakhi	Health (i)	Yes	Maharashtra	Pune	32 months	0.91	0.11	-	No	Jnana Prabodhini	CSR00002565
6.	Procurement of robotic surgical system	Health (i)	Yes	Maharashtra	Aurangabad	38 months	6.42	1.72	1.00	No	Marathwada Medical and Research Institute (Kamalnayan Bajaj Hospital)	CSR00001776
7.	Employable skill development training in para medical and allied health care profession	Education (ii)	Yes	Maharashtra	Ahmednagar	40 months	0.93	0.10	-	No	Pravara Medical Trust	CSR00012383
8.	Prosthetic aids for people with disability	Health (i)	Yes	Maharashtra	Pune	15 months	1.25	0.25	0.40	No	Ratna Nidhi Charitable Trust	CSR00000064
9.	Livelihoods in the Healthcare space in Pune City	Education (ii)	Yes	Maharashtra	Pune	14 months	0.52	0.05	-	No	Social Venture Partners India (SVP India)	CSR00001672
10.	Building Resilient Ecosystem Against Malnutrition	Healthcare (i)	Yes	Maharashtra	Thane	14 months	0.61	0.47	-	No	Yuva Mitra	CSR00000080
Total							3.63	2.40				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ In Crore)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Construction of first floor library and classroom complex	Education (ii)	Yes	Maharashtra	Wardha	0.40	No	Shiksha Mandal Wardha	CSR00016545
2	Purchase of 2 lakh vaccines for mass vaccination drive in PMC, PCMC and other locations.	Health (i)	Yes	Maharashtra	Aurangabad, Pune	2.29	No	Janakidevi Bajaj Gram Vikas Sanstha	CSR00001725
Total						2.69			

(d) Amount spent in Administrative Overheads

Nil

(e) Amount spent on Impact Assessment, if applicable

Nil

(f) Total amount spent for the financial Year (8b+8c+8d+8e)

₹ 6.32 crore

(g) Excess amount for set off, if any

Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: : None

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): : Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : None

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) : As mentioned in the [Directors' Report](#)

Sanjiv Bajaj
Managing Director & CEO

Dr. Naushad Forbes
Chairman - CSR Committee

Pune: 28 April 2022

Annexure to Directors' Report

Remuneration Details under rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (as amended), for the year ended 31 March 2022

Name of Director/KMP	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration for FY2022 ²
(A) Managing Director		
Sanjiv Bajaj - Managing Director	48.18	7.96
(B) Non-Executive directors ¹		
Shekhar Bajaj	0.21	N.A
D J Balaji Rao	0.38	28.57
Dr. Gita Piramal	0.55	-
Dr. Naushad Forbes	0.63	36.36
Anami Roy	0.25	20.00
Pradip Shah	0.50	(7.69)
Dr. Arindam Kumar Bhattacharya ³	-	N.A
Niraj Bajaj	0.25	28.57
Rajiv Bajaj	0.17	(20.00)
Madhur Bajaj	0.25	20.00
Manish Kejriwal	0.55	18.18
(C) Key Managerial Personnel		
Sanjiv Bajaj, Managing Director	-	7.96
Anant Marathe, CFO		44.80
Sriram Subbramaniam, CS		16.56
(D) Remuneration of Median employee (other than whole-time directors)		6.57
(E) Permanent employees of the Company as on 31 March 2022⁴		21

- 1) a) Remuneration payable to non-executive directors/ independent directors is based on the number of meetings of the Board and its Committees attended by them as members during the year. The amount of commission payable to non-executive directors is fixed at ₹ 200,000.
- b) Remuneration to directors does not include sitting fees paid to them for attending Board / Committee meetings.
- 2) There has been no change in the payment criteria for remuneration to non-executive/ independent directors. The variation reflected in the column '% increase in remuneration in FY2022' for non-executive directors is either due to the tenure of directorship, absenteeism from meeting(s) during a particular quarter, etc.
- 3) Dr. Arindam Kumar Bhattacharya has voluntarily waived his sitting fee and commission which he is entitled to receive for attending the Board and Committee meeting(s) during FY2022.
- 4) The term 'Permanent employees' does not include trainees, probationers and contract employees.

Notes on Disclosures under Rule 5

- 1) During FY2022, average increase in salary of employees other than Managing Director is 20.04%.
- 2) Increase in the remuneration of the Managing Director, which was 7.96% during the year under review, was given keeping in view the trends of remuneration in industry.
- 3) The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report Form No. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2022.

To the Members,
Bajaj Holdings & Investment Ltd.
(CIN: L65100PN1945PLC004656)
Mumbai-Pune Road,
Akurdi, Pune - 411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by Bajaj Holdings & Investment Ltd. (hereinafter called as 'the Company'). Subject to limitation of physical interaction and verification of records caused by Covid-19 Pandemic lock down while taking review after completion of financial year, the Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2022, complied with the applicable statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2022, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) Rules, Regulations, Guidelines and Directions issued by the Reserve Bank of India for Non-Deposit taking NBFCs; as specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, rules, regulations, directions, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors, including one woman independent director. There were no changes in the composition of the Board of Directors, during the period under review.

Adequate notices were given to all directors to schedule the Board Meetings, including Committees thereof along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried out unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there was no other event/action having major bearing on Company's affairs.

Shyamprasad D Limaye
FCS 1587 CP 572
UDIN: F001587D000225910

Pune: 28 April 2022

Annexure to Secretarial Audit

To,
The Members,
Bajaj Holdings & Investment Ltd.
Mumbai-Pune Road,
Akurdi, Pune 411035.

My Secretarial Audit Report for Financial Year ended 31 March 2022 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Shyamprasad D Limaye
FCS 1587 CP 572

Pune: 28 April 2022

Independent Auditor's Certificate on compliance with the Conditions of Corporate Governance

To
The Members
Bajaj Holdings & Investment Ltd.

1. The Corporate Governance Report prepared by Bajaj Holdings & Investment Ltd. (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('the Listing Regulations') ('Applicable criteria') for the financial year ended 31 March 2022 as required by the Company for annual submission to the Stock exchange.
2. We have examined the Corporate Governance Report and compliance of conditions of Corporate Governance by the Company, for the financial year ended 31 March 2022, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2022, as amended ('Listing Regulations') from time to time and pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance and preparation of the Corporate Governance Report for the financial year ended March 31, 2022 is the responsibility of the Management including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report for the financial year ended 31 March 2022 and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.
4. The Management along with the Board of Directors of the Company are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India as amended from time to time.

Auditor's Responsibility

5. Pursuant to the requirements of the Listing Regulations our responsibility is to provide reasonable assurance in the form of opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 1 above.
6. It is neither an audit nor an expression of opinion on the financial statements of the Company.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
 - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report for the financial year ended 31 March 2022;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained the Register of Directors as on 31 March 2022 and verified that at least one independent woman director was on the Board throughout the year;
 - iv. Obtained and read the minutes of the following committees and Board held between 1 April 2021 to 31 March 2022.
 - a) Board of Directors meetings;
 - b) Annual General meeting (AGM);

- c) Audit Committee meetings;
 - d) Nomination and Remuneration Committee meetings;
 - e) Stakeholders Relationship Committee meeting;
 - f) Risk Management Committee meetings;
 - g) Corporate Social Responsibility Committee meetings.
- v. Obtained necessary declarations in Form DIR 8 and MBP 1 from the directors of the Company and Declaration of independence from the independent Directors of the Company for the financial year ended March 31, 2022.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
8. We have carried out an examination of the relevant records of the Company as stipulated in paragraph 7 above in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), the Standards on Auditing specified under section 143 (10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on our examination of the relevant records and documents as stipulated in paragraph 7 above and according to the information and explanations provided to us and the representations made by the Directors and the Management, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in Listing Regulations as applicable for the year ended March 31, 2022.

Restrictions on use:

11. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.
12. This report is addressed and provided to the members of the Company solely for the purpose of compliance with the relevant regulations of Corporate Governance under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
Firm Registration No.: 104607W/W100166

Anil A Kulkarni
Partner
Membership No.: 047576
UDIN: 22047576AIAKMB6153
Pune
April 28, 2022
Certificate No: VBH020

Certificate by Practising Company Secretary

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Bajaj Holdings & Investment Ltd. (CIN: L65100PN1945PLC004656) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company, and subject to limitation of physical interaction and verification of records caused by Covid 19 Pandemic lock down;

I certify that the following persons are Directors of the Company (during 1 April 2021 to 31 March 2022) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name Of Director	DIN	Designation
1	Shekhar Bajaj	00089358	Chairman and Non-Executive Director
2	Nirajkumar Ramkrishnaji Bajaj	00028261	Vice-Chairman, Non-Executive Director
3	Sanjivnayan Rahul Kumar Bajaj	00014615	Managing Director & CEO
4	Madhure Kumar Ramkrishnaji Bajaj	00014593	Non-Executive Director
5	Rajivnayan Rahul Kumar Bajaj	00018262	Non-Executive Director
6	Manish Santosh Kumar Kejriwal	00040055	Non-Executive Director
7	Balaji Rao Jagannath Rao Doveton	00025254	Independent Director
8	Dr. Gita Piramal	01080602	Independent Director
9	Dr. Naushad Darius Forbes	00630825	Independent Director
10	Anami Narayan Prema Roy	01361110	Independent Director
11	Pradip Panalal Shah	00066242	Independent Director
12	Dr. Arindam Kumar Bhattacharya	01570746	Independent Director

1. Dr. Omkar Goswami who was appointed as the Independent Director on 1 May 2021 resigned on 9 July 2021 and ceased to be a director of the Company w.e.f. 9 July 2021.

Shyamprasad D Limaye
FCS. 1587 C.P. No. 572
UDIN: F001587D000225910

Pune: 28 April 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Background

Bajaj Holdings & Investment Ltd. ('BHIL' or 'the Company') is registered with the Reserve Bank of India as a Non-Banking Financial Company – Investment and Credit Company (NBFC-ICC).

BHIL is a part of BSE 200 and Nifty 200 index of top 200 companies listed in India.

BHIL is essentially a holding and investment company and does not have any other operations of its own. The Company's investments consist of:

- a. *Strategic investments* in group companies and
- b. *Financial investments* in capital markets and investment in properties.

- a. Strategic investments in group companies:

As on 31 March 2022, BHIL and its subsidiaries, held strategic stakes of

- 35.83% in Bajaj Auto Ltd. (BAL),
- 41.63% in Bajaj Finserv Ltd. (BFS),
- 51% in Maharashtra Scooters Ltd. (MSL), and
- other group companies such as Bajaj Electricals Ltd., Mukand Ltd. and Hercules Hoists Ltd.

- b. Financial investments in capital markets and investment in properties:

As on 31 March 2022, the Company held investments in equity and fixed income securities and investment in properties to the tune of ₹ 10,638 crore at market value.

The market value of the investment portfolio comprising of strategic and financial investments of BHIL stood at ₹ 156,649 crore as compared to cost of ₹ 10,158 crore as on 31 March 2022.

BAL which manufactures and sells motorcycles and commercial vehicles, is The World's Favourite Indian.

BFS is the holding company for various financial services businesses under the Bajaj group. It participates in the financing business through its 52.49% holding in Bajaj Finance Ltd. (BFL) and in the protection and savings businesses through its 74% holding in two unlisted subsidiaries, Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). BFS also has smaller subsidiaries – an asset management company that is awaiting final approval from the Securities and Exchange Board of India; a digital market-place for loans, insurance and investments and a digital health tech venture. BFL has two subsidiaries – Bajaj Housing Finance Ltd., a housing finance company and Bajaj Financial Securities Ltd., a stock broking and wealth management company.

BFS and BFL are included in the benchmark BSE Sensex and Nifty 50 index of large cap stocks, while BAL is included in Nifty 50 index. MSL is listed too.

The two erstwhile demerged businesses viz. manufacturing and financial services continue to grow resulting in a market capitalization of ₹ 105,691 crore and ₹ 271,364 crore of BAL and BFS respectively as on 31 March 2022. The annualised return of BAL and BFS since initial listing post demerger stood at 19.5% and 29.3% respectively as compared to 9.5% of Sensex for the corresponding period – a commendable long term growth.

Keeping in mind, various factors including investments (other than strategic investments) available with BHIL, requirements of funds for strategic purposes, performance of associates and applicable laws and regulations, the Company distributed a significantly higher amount by way of interim dividend to its shareholders.

Over the years, BHIL has delivered significant value to its shareholders through dividend and capital appreciation.

Economy and markets

Financial year 2021-22 (FY2022) was once again dominated by Covid as new waves of infection swept across countries. In India, the second wave ('Delta') proved far more deadly than the first. After a shaky start in some places, the roll-out of vaccines in India began in dead earnest. The eventual success of nation-wide vaccination across this far flung sub-continent played a large role in curbing hospitalisation.

The advent of the highly transmissible variant 'Omicron' brought the third wave in early January 2022. Fortunately, while highly transmissible, Omicron was nowhere as clinically deadly as Delta. India did not see a re-run of lockdowns and a massive drop in GDP as witnessed in FY2021. Thanks to a huge vaccination drive, the earlier strong link between Covid waves and fall in GDP growth was considerably reduced.

FY2022 GDP growth recovered to 8.9% from -6.6% in FY2021. GDP growth was led by agriculture and manufacturing sector even as services sector struggled amid sharp pull back in contact heavy services.

Robust tax collections, all time high exports of \$ 414 billion and a sharp revival in Purchasing Managers Index, all point towards healthy recovery in the economy during FY2022.

Policy environment in the economy also remained quite supportive through the financial year with government continuing to focus on capital expenditure, unveiling of Production Linked Incentive (PLI) schemes, supporting people in the lower strata through schemes like the free food-grain programs and emergency credit line guarantee scheme (ECLGS) for Micro, Small and Medium Enterprises (MSMEs), etc. The RBI policy also maintained accommodative stance with rates being held steady through the year.

Inflation risks however remained pronounced through the financial year amid continued supply side disruptions.

Closer to the end of the financial year, the geo-political crisis created new set of challenges for the Indian economy in the form of higher commodity prices including that of crude oil. However, compared to previous cycles, Indian economy stands strong to withstand the external sector shock.

The Indian bond markets remained broadly stable during FY2022 due to liquidity management by RBI. The Indian equity markets represented by Sensex also registered a return of 18% in FY2022 on the back of a solid 68% return in FY2021. The robustness of Indian equities was also highlighted from the fact that the market was able to withstand a heavy bout of selling by Foreign Institutional Investors (FIIs). FIIs sold a total of \$ 17 billion in FY2022 and yet the market managed to hold its ground. This was largely on the back of robust Systematic Investment Plan (SIP) flows in Indian mutual funds of ₹ 1.3 trillion (\$ 16 billion) during the year.

Overall, there are short term concerns around higher commodity prices, but most of them are supply-side issues owing to specific events like Covid-19 or geo-political issues. These pressures are expected to ease over time. A strong rebound in consumption, healthy bank balance sheets and rejuvenated exports are likely to be the trifecta for sustained returns on Indian equities.

On fixed income side, while there are a lot of uncertainties on global variables, India has always emerged resilient.

Performance Highlights

(₹ In Crore)

Particulars	FY2022	FY2021
Standalone		
Total income	1,833.16	431.14
Profit for the year	1,630.52	198.59
Investments, at cost	10,158	9,920
Investments, at market value	156,649	109,209
Equity (net worth)	15,388	14,017
Consolidated		
Total income *	486.51	463.07
Profit for the year	4,055.68	3,649.83

* Consolidated income is lower than standalone income due to elimination of intercompany dividends.

As at 31 March 2022, assets under management (AUM) of BHIL crossed ₹ 150,000 crore at market value. BHIL, being an investment company, its investment portfolio largely depends on the performance of stock and money markets.

The Company recorded an all-time high consolidated profit for the year of ₹ 4,055.68 crore in FY2022 v/s ₹ 3,649.83 crore in FY2021, on the back of a strong recovery by the group companies.

Standalone results

BHIL's focus is on earning income through dividends, interest and profits on investments held. The standalone results are given below:

Table 1: Standalone financials of BHIL

(₹ In Crore)

Particulars	FY2022	FY2021
[a] Statement of Profit and Loss		
Interest on fixed income securities	236.35	239.41
Dividend		
From associates and subsidiaries	1,402.01	-
From others	66.49	40.23
Profit on sale of fixed income securities (net)	51.58	65.73
Rent from investment property	20.03	19.10
Others	56.70	66.67
Total income	1,833.16	431.14
Total expenses	132.04	121.23
Profit before tax	1,701.12	309.91
Tax expense	70.60	111.32
Profit for the year	1,630.52	198.59

Particulars	(₹ In Crore)	
	FY2022	FY2021
[b] Other comprehensive income		
Fair value change on equity instruments	1,412.18	3,447.29
Other comprehensive income, net of tax	1,187.38	3,125.69
[c] Total comprehensive income (a+b)	2,817.90	3,324.28

BHIL received dividends from associates and subsidiaries of ₹ 1,402.01 crore in FY2022 and no dividends in FY2021. Hence, total income and profit of the Company on a standalone basis for FY2022 is significantly higher than FY2021. Lower tax expense pursuant to the deduction under section 80M of the Income Tax Act, 1961 on dividend distributed by the Company further boosted profit for the year.

As required by Ind AS, considering the Company's business model, mark to market gains / losses on equity (other than in associates and subsidiaries carried at cost) and a significant part of fixed income securities of BHIL are reflected in other comprehensive income and not in Statement of Profit and Loss.

Realised profit on sale of equity investments was ₹ 147.45 crore in FY2022 as compared to ₹ 316.51 crore during FY2021.

BHIL's mark to market gain on equity investments for FY2022 stood at ₹ 1,412.18 crore as compared to mark to market gain of ₹ 3,447.29 crore for FY2021. These gains are reflected in other comprehensive income. Mark to market gain is lower due to a solid previous year for equities.

Investments

BHIL seeks to grow its portfolio with long-term orientation in its investments. It does not have significant liabilities and has no constraints of Asset Liability Management.

The objective of BHIL's investments portfolio is to balance risk with adequate return. The Company's Board approved investment policy prescribes that a minimum of 35% of surplus funds at cost (excluding strategic investments) is to be invested in fixed income instruments and a maximum of 65% of surplus funds at cost (excluding strategic investments) is to be invested in equity and equity linked instruments. The policy limits were reviewed by the Board at the beginning of the year. The Company monitors these limits at market value, too.

The investment portfolio is managed by an Investment Committee comprising the Managing Director & CEO and members of the Management. The Committee meets at least once a month. The Company also has a professional team of fund managers, research and credit analysts, that is led by Chief Investment Officer. Research analysts are devoted to various sectors in listed space and separately for private equity.

The investment portfolio of the Company is set out in Table 2.

Table 2: Position of investments held by the Company

(₹ In Crore)

Particulars	FY2022			FY2021		
	Cost	Market value	% to Total surplus (At cost)	Cost	Market value	% to Total surplus (At cost)
a. Strategic investments - equities	3,135	146,011		3,135	99,806	
b. Financial investments						
1. Other equity investments						
Other listed equities	2,132	4,841	31.14	2,212	4,259	33.50
Unlisted equities and funds	582	1,357	8.50	560	982	8.48
subtotal	2,714	6,198	39.64	2,772	5,241	41.98
2. Fixed income investments						
Debentures and bonds	1,854	1,880	27.08	1,900	1,964	28.77
Government securities	761	753	11.12	849	844	12.85
Mutual funds	1,219	1,222	17.81	936	933	14.17
CD and CP	298	298	4.35	147	147	2.23
subtotal	4,132	4,153	60.36	3,832	3,888	58.02
Total (b.1.+b.2.)	6,846	10,351	100.00	6,604	9,129	100.00
c. Investment in properties (cost net of depreciation)	177	287		181	274	
d. Grand total (a+b+c)	10,158	156,649		9,920	109,209	

Equity investments

Strategic / group investments

BHIL holds strategic / group investments, as set out in Table 3.

Table 3: Position of strategic/group investments held by the Company as on 31 March 2022

(₹ In Crore)

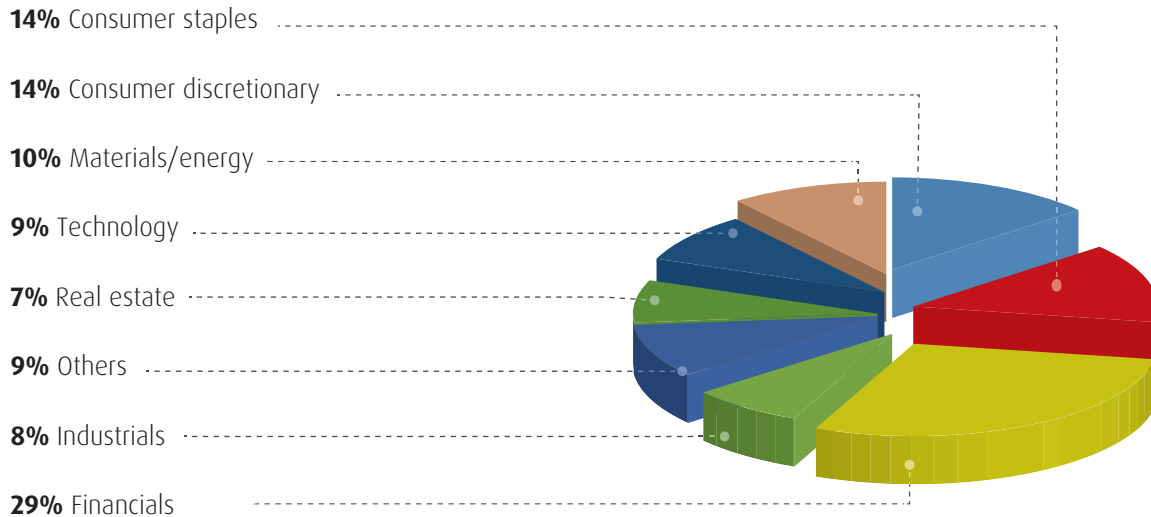
Equity shares held in	FY2022		FY2021	
	Cost	Market value	Cost	Market value
[a] Bajaj Auto Ltd.	1,929.79	35,334.39	1,929.79	35,504.63
[b] Bajaj Finserv Ltd.	743.82	106,310.85	743.82	60,249.12
[c] Investments in other group companies				
Bajaj Auto Holdings Ltd.	0.25	0.25	0.25	0.25
Maharashtra Scooters Ltd.	239.49	2,144.09	239.49	2,079.37
Bajaj Electricals Ltd.	176.74	2,019.77	176.74	1,835.41
Mukand Ltd.	32.89	114.32	32.89	67.18
Hercules Hoists Ltd.	12.34	87.05	12.34	69.64
Mukand Engineers Ltd.	0.10	0.15	0.10	0.09
Subtotal	461.81	4,365.63	461.81	4,051.94
Total	3,135.42	146,010.87	3,135.42	99,805.69

Other equity investments

BHIL invests in equities normally with a five year holding horizon or longer, based on its views on further growth potential, from public equity markets as well as opportunities in the private equity space. This helps in managing its liquidity risk while generating adequate returns.

At cost, BHIL’s exposure to other equities decreased to 40% by end of FY2022 from 42% in FY2021. At market value, exposure to other equities rose to 60% from 57%.

Chart A: Sectoral allocation of other equity investments (at cost)



The sectors which outperformed the Sensex were utilities, materials, communication services, industrials, technology, realty and energy while consumer staples, consumer discretionary, financials and healthcare underperformed.

BHIL’s other equities portfolio comprises of its investments in listed and unlisted entities. Investments in listed entities dominate the pie with a 78.6% share of other equity investments, at cost.

BHIL’s largest unlisted equity investment is in National Stock Exchange (NSE), which continues to perform exceedingly well (despite its issues in past periods). In FY2022, BHIL invested in several Alternative Investment Funds (AIFs).

BHIL’s other equities portfolio generated a return of 23.6% for FY2022, better than the Sensex. Over longer horizon, BHIL’s other equities portfolio has outperformed the Sensex.

Chart B: Composition of equity investments (at cost)



Fixed income investments

The objective of BHIL's fixed income investments portfolio is to provide safety of capital along with liquidity and a reasonable return. Therefore, the investments are heavily oriented towards Government Securities (G-secs) and high-quality AAA rated corporate bonds. During the year, the Company has continued investing in the exchange traded funds with similar underlying investments as existing investments.

During FY2022, RBI remained pro-growth with an accommodative stance. The RBI ensured that the pace of rise in yields was gradual and the RBI intervened frequently to cap any meaningful upside in yields in the short-term. It managed excessive liquidity through various measures like VRRR (variable reverse repo rate) auctions and managed bond yields by GSAP (G-sec acquisition program) auctions to buy out excess government securities via open market operations. Its only towards end of FY2022 inflationary pressures emerged.

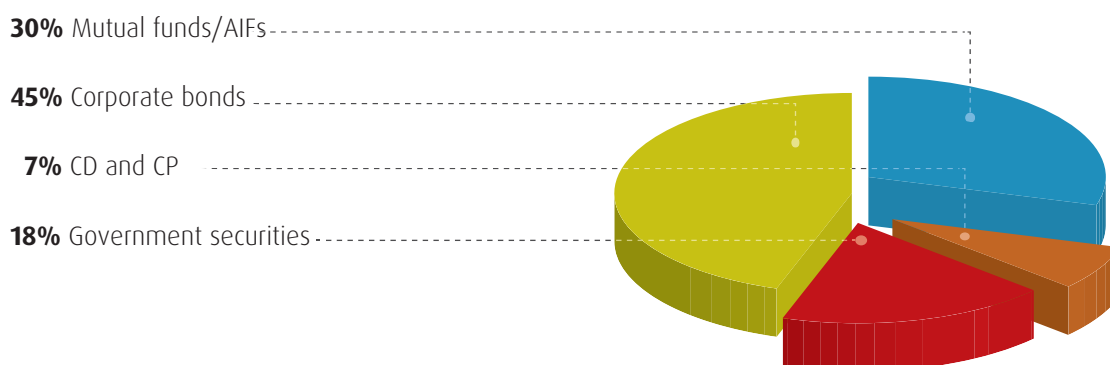
Like previous year, wide term spreads and narrow credit spreads played out in the market. The 10 year benchmark G-sec yield gradually moved up from 6.17% to 6.84%.

With an expectation of hardening yields over the year, BHIL booked major capital gains in H1 FY2022. It endeavored to reduce duration optimally to gain maximum from the steepness of the curve around the 5-year segment. The strategy helped in gaining higher accruals in the portfolio through interest income while remaining protected from overall hardening of yields.

For FY2022, BHIL's realised yield on the fixed income portfolio was 6.7%. The total return (realised and unrealised) was 5.5% compared to CRISIL bond Index return of 4.5%. At year end, BHIL's portfolio yield was 6.3% with average maturity of 3.8 years.

Break-up of fixed income investments is presented in Chart C given below:

Chart C: Composition of fixed income investments (at cost)



Consolidated results

Consolidated financial results include consolidated results of the companies shown in Table 4.

Table 4: Consolidated entity – Bajaj Holdings & Investment Ltd.

Name of the company	% shareholding and voting power of BHIL and its subsidiaries	Consolidated as
a. Bajaj Auto Ltd. (BAL)	35.83%*	Associate
b. Bajaj Finserv Ltd. (BFS)	41.63%	Associate
c. Bajaj Auto Holdings Ltd. (BAHL)	100%	Subsidiary
d. Maharashtra Scooters Ltd. (MSL)	51%	Subsidiary

* Equity pickup of BHIL share in BAL's profit is net of elimination of cross-holding of BAL in BHIL of 3.14%

Bajaj Auto consolidates its 49.90% stake in Pierer Bajaj AG.

Bajaj Finserv's consolidated results include results of its lending arm Bajaj Finance Ltd. (BFL) and its two insurance subsidiaries – Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC).

On a consolidated basis, BHIL recorded an all-time high profit for the year of ₹ 4,055.68 crore v/s ₹ 3,649.83 crore in FY2021, on the back of a strong recovery by the group companies. More specifically, it was aided by excellent performance of BFL and BAL. The intercompany dividends received by BHIL and its subsidiaries, are eliminated in the consolidated results.

Table 5: Consolidated financials of BHIL

Particulars	₹ In Crore	
	FY2022	FY2021
Total income	486.51	463.07
Share of profits of associates	3,893.67	3,445.59
Profit before tax	4,225.90	3,765.74
Profit for the year attributable to BHIL	4,055.68	3,649.83
Other comprehensive income, net of tax	2,788.62	5,682.98
Total comprehensive income attributable to BHIL	6,844.30	9,332.81

Results of subsidiaries and associates

Subsidiaries

Bajaj Auto Holdings Ltd. (BAHL)

The financials of BAHL are given below:

Table 6: Financials of BAHL

Particulars	₹ In Crore	
	FY2022	FY2021
Total income	0.95	1.22
Profit before tax	0.93	1.20
Profit for the year	0.77	1.16
Profit attributable to BHIL (100%)	0.77	1.16

Maharashtra Scooters Ltd. (MSL)

The financials of MSL are given below:

Table 7: Financials of MSL

Particulars	₹ In Crore	
	FY2022	FY2021
Total income	194.46	30.71
Profit before tax	172.24	9.04
Profit for the year	142.71	8.81
Profit attributable to BHIL (51%)	72.78	4.49

Associates

Bajaj Auto Ltd. (BAL)

The consolidated financials of BAL are given below:

Table 8: Consolidated financials of BAL

Particulars	₹ In Crore	
	FY2022	FY2021
Total income	34,428.85	29,017.54
Profit before tax	7,651.68	6,241.43
Profit for the year	6,165.87	4,857.02
Profit attributable to BHIL (35.83%*)	1,996.67	1,584.52

* Equity pickup of BHIL share in BAL's profit is net of elimination of cross-holding of BAL in BHIL of 3.14%.

Bajaj Finserv Ltd. (BFS)

The consolidated financials of BFS are given below:

Table 9: Consolidated financials of BFS

Particulars	₹ In Crore	
	FY2022	FY2021
Total income	68,438.98	60,591.57
Profit before tax	11,270.58	9,862.34
Profit for the year	4,556.77	4,470.46
Profit attributable to BHIL (41.63%)	1,897.00	1,861.07

Significant ratios

The key financial ratios and details of significant changes in these ratios, to the extent applicable, as required by SEBI (LODR) (Amendment) Regulations, 2018 are given below:

Table 10: Significant ratios – BHIL standalone

Particulars	FY2022	FY2021
Current ratio	2	2
Operating profit margin %*	92.8%	71.9%
Net profit margin %*	88.9%	46.1%
Return on net worth %*	11.1%	1.6%

* These ratios are higher in FY2022 due to higher profit.

Cautionary statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.

CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and about considering all stakeholders' interests while conducting business.

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, ('SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') for FY2022.

This report outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations and the Regulations of Reserve Bank of India ('RBI') for Non-Banking Financial companies ('the NBFC Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures are well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

Philosophy

For us, corporate governance is a reflection of principles entrenched in our values and policies and also embedded in our day to day business practices, leading to value driven growth. The commitment of the Bajaj group to the highest standards of good corporate governance practices predates SEBI and the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj group. BHIL maintains the same tradition and commitment.

Key elements of BHIL's Corporate Governance

- Compliance with applicable laws.
- Number of Board meetings more than the statutory requirement, including meetings dedicated to discussing on investment strategy and risk.
- Board is composed of directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management, as required.
- Panel of independent directors with outstanding track record and reputation.
- Pre-audit committee meetings of Audit Committee Chair with Statutory auditors, Internal auditor and members of executive management who are the process owners.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every other Director, Committees of the Board, the Chairman of the Board and the Board.
- Presentations by key senior management team members of the Company to familiarise the directors about the investment activities/strategies.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters brought to the Board are considered carefully and discussions are meaningful.
- Half-yearly communication from the Chairman to all shareholders of the Company giving an update on the Company's performance.
- Adoption of key governance policies and codes by the Board in line with best practices, which are made available to stakeholders for downloading/viewing from the Company's website. These, *inter alia*, include:
 - Whistle Blower Policy/Vigil Mechanism;
 - Policy on Materiality of Related Party Transaction specifying thresholds;

- Code of Conduct;
 - Dividend Distribution Policy; and
 - Policy on Prevention of Sexual Harassment at workplace
- Presentations on Regulatory updates to the Board to keep them abreast of the evolving laws.

Board of Directors

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

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

Composition

In compliance with the provisions of the SEBI Listing Regulations, the Company has an optimum combination of non-executive, non-independent and non-executive, independent directors with a woman independent director. The Company has a non-executive chairman. According to provisions of the SEBI Listing Regulations, if the non-executive chairman is a promoter, at least half of the board of the company should consist of independent directors.

As on 31 March 2022, the Board of the Company consisted of twelve directors, of whom one was executive (Managing Director & CEO), six were non-executive independent (including one woman independent director) and five were non-executive and non-independent. The Board has no institutional nominee director. As [Table 1](#) shows, the Company is in compliance with the SEBI Listing Regulations.

Number of meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, as well as major items of the agenda are fixed in advance for the entire year. Besides the quarterly Board meetings, meetings are also scheduled in the month of March and September every year to facilitate the Board to devote additional time in discussion on investment portfolio and future plans.

During FY2022, the Board met six times, viz., 29 April 2021, 22 July 2021, 17 September 2021, 28 October 2021, 20 January 2022 and 16 March 2022. The gap between two consecutive meetings has been less than one hundred and twenty days.

Attendance Record of Directors

Table 1: Composition of the Board and attendance record of directors for FY2022

Name and Category	Relationship with other directors	No. of Shares held in the Company	No. of Board Meetings		Whether attended the AGM	% of meetings attended in last 3 years
			Entitled to attend	Attended		
CHAIRMAN						
*Shekhar Bajaj	Brother of Madhur Bajaj and Niraj Bajaj	4,500	5	5	✓	N.A.
INDEPENDENT DIRECTORS						
D J Balaji Rao	-	Nil	6	6	✓	100
Dr. Gita Piramal	-	Nil	6	5	✓	100
Dr. Naushad Forbes	-	3,500	6	6	✓	100
Anami Roy	-	Nil	6	6	✓	100
Pradip Shah	-	Nil	6	5	✓	100
**Dr. Arindam Kumar Bhattacharya	-	Nil	4	4	✓	N.A.
VICE CHAIRMAN & NON-EXECUTIVE DIRECTOR						
Niraj Bajaj	Brother of Shekhar Bajaj and Madhur Bajaj	1,435	6	6	✓	100
MANAGING DIRECTOR & CEO						
Sanjiv Bajaj	Brother of Rajiv Bajaj	1,000	6	6	✓	100
NON- EXECUTIVE DIRECTORS						
Madhur Bajaj	Brother of Shekhar Bajaj and Niraj Bajaj	1,000	6	6	✓	100
Rajiv Bajaj	Brother of Sanjiv Bajaj	1,000	6	4	×	67
Manish Kejriwal	-	100	6	6	✓	100

* Appointed as a director and non-executive Chairman of the Company w.e.f. 1 May 2021.

** Appointed as a non-executive Independent Director of the Company w.e.f. 17 September 2021.

Board Diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee (NRC) has devised a policy on Board Diversity. The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are persons of eminence in areas such as profession, business, industry, finance, law, administration, research etc. and bring with them experience / skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

Core Skills/Expertise/Competencies

A brief profile of directors is available on the website of the Company at <https://www.bhil.in/people.html#url-board-of-directors>

As stipulated under schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The chart/matrix of such core skills/expertise/competencies, along with the names of directors who possess such skills, is given in the Table 2 below.

Table 2: Core skills/ expertise/ competencies of the Board of Directors

Sr. No.	Core skills/Expertise/Competencies
1.	Management and Governance
2.	Financial Services
3.	Consumer behaviour, sales, marketing and customer experience
4.	Technology and Innovation
5.	Understanding of accounting and financial statements
6.	Risk, Assurance and Internal Controls
7.	Regulatory, Public policy and economics
8.	Human Resource
9.	Business Transformation and Strategy

Sr. No.	Name of the director	Core Skills/Expertise/Competencies
1.	Shekhar Bajaj	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
2.	D J Balaji Rao	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls and Business Transformation and Strategy.
3.	Dr. Gita Piramal	Management and Governance, Financial Services, Understanding of accounting and financial statements, Human Resources and Business Transformation and Strategy.
4.	Dr. Naushad Forbes	Management and Governance, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
5.	Anami Roy	Management and Governance, Financial Services, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics and Human Resources.
6.	Pradip Shah	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
7.	Dr. Arindam Kumar Bhattacharya	Management and Governance, Technology and Innovation, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.

Sr. No.	Name of the director	Core Skills/Expertise/Competencies
8.	Niraj Bajaj	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
9.	Sanjiv Bajaj	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
10.	Madhur Bajaj	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Regulatory, Public policy and economics, Human Resources and Business Transformation and Strategy.
11.	Rajiv Bajaj	Management and Governance, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Risk, Assurance and Internal Controls, Human Resources and Business Transformation and Strategy.
12.	Manish Kejriwal	Management and Governance, Financial Services, Consumer behaviour, sales, marketing and customer experience, Technology and Innovation, Understanding of accounting and financial statements, Regulatory, Public policy and economics and Business Transformation and Strategy.

The chart/matrix of such core skills/expertise/competencies is also available on the website of the Company at <https://www.bhil.in/investors.html#url-miscellaneous>

Non-executive Directors' Compensation

During FY2022, sitting fee of ₹ 100,000 per meeting was paid to non-executive directors (independent and non-independent) for every meeting of the Board and/or Committee of the Board, attended by them as a member.

The members of the Company vide special resolution passed at the 76th Annual General Meeting of the Company held on 22 July 2021, have, approved payment of commission up to a sum not exceeding one percent per annum of the net profits of the Company, for a period of 5 years, calculated in accordance with the provisions of sections 197 and 198 of the Act, to the non-executive directors, as may be decided by the Board of Directors at its discretion, from time to time during the five year term up to 31 March 2026.

In terms of the said approval and as approved by the Board at its meeting held on 14 March 2019, non-executive directors of the Company are being paid commission at the rate of ₹ 200,000 per meeting of the Board and its Committees attended by them as member.

The Company believes that non-executive directors' (including independent directors') compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. The payment which is proportionate to attendance ensures directors' remuneration is commensurate with their time, effort, attendance and participation.

The Company currently does not have a stock option programme for any of its directors.

Information placed before the Board

In advance of each meeting, the Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by different functional heads on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under the SEBI Listing Regulations. The independent directors of the Company who met on 16 March 2022, expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

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

- Succession planning and organization structure.
- Internal financial controls.
- Supervisory and observation letters issued by the Reserve Bank of India (RBI).
- Status of compliance with Companies Act, 2013, SEBI regulations, RBI Regulations and shareholder related matters.
- Investment risk management system, Risk Management Policy and strategy followed.
- Compliance with corporate governance standards.
- Minutes of meetings of Risk Management, Asset-Liability and IT Strategy Committees.
- Presentations on the various Regulatory updates.

Directors & Officers Liability Insurance (D&O Policy)

The Company has in place a D&O policy which is renewed every year. It covers all the directors (including independent directors) of the Company. The Board is of opinion that the quantum and risk presently covered is adequate.

Orderly succession to Board and Senior Management

One of the key functions of the board of directors is selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.

Pursuant to SEBI Listing Regulations, the framework of succession planning for appointment to Board/management is placed before the Board for its review.

Succession planning is a critical element of the human resources strategy at the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on building talent. This strategy is enabled by hiring most of our employees near the entry level and grooming them using a 'grow from within' career management framework. To further strengthen the Leadership Talent Identification and grooming processes, the Company has developed and implemented a custom and contemporary 'Talent Management Framework' for its employees.

Directorships and memberships of board committees

Table 3: Number of directorships/committee positions of directors for FY2022 (including the Company)

Name of the director	Directorships			Committee positions in listed and unlisted public limited companies	
	In listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairperson)	As Chairperson
Shekhar Bajaj	4	4	4	4	1
D J Balaji Rao	4	-	-	3	1
Dr. Gita Piramal	4	-	2	7	3
Dr. Naushad Forbes	5	-	8	6	1
Anami Roy	6	3	1	8	4
Pradip Shah	7	1	7	6	3
*Dr. Arindam Kumar Bhattacharya	2	-	2	2	-
Niraj Bajaj	4	4	6	2	1
Sanjiv Bajaj	5	5	7	8	-
Madhur Bajaj	5	-	3	-	-
Rajiv Bajaj	5	2	3	-	-
Manish Kejriwal	3	-	-	5	-

*Dr. Arindam Kumar Bhattacharya was inducted in the Audit Committee of the Company w.e.f. 1 April 2022.

Note: For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies and companies under section 8 of the Act have been excluded. Only the Audit Committee and the Stakeholders Relationship Committee are considered for the purpose of reckoning committee positions.

None of the directors hold office as a director, including as alternate director, in more than twenty companies at the same time. None of them have directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary company of a public company are included and directorships in section 8 companies and dormant companies are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, none of the directors serve as director/ independent director in more than seven equity listed companies. Further, the Managing Director in the Company does not serve as an independent director in more than three equity listed companies and in fact not even in a single entity. The independent directors also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with upcoming RBI Scale Based Regulations.

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

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

Table 4: Name of listed entities (including Debt listed companies) where directors of the Company held directorships for FY2022 (including the Company)

Name of the director	Name of listed entities	Category
Shekhar Bajaj	a) Bajaj Holdings & Investment Ltd.	Chairman, non-executive
	b) Bajaj Electricals Ltd.	Chairman & Managing Director, executive
	c) Bajaj Auto Ltd.	Non-executive
	d) Hercules Hoists Ltd.	Non-executive

Name of the director	Name of listed entities	Category
D J Balaji Rao	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
Dr. Gita Piramal	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
Dr. Naushad Forbes	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finserv Ltd.	Non-executive, independent
	c) Bajaj Finance Ltd.	Non-executive, independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	e) Zodiac Clothing Company Ltd.	Non-executive, independent
Anami Roy	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Finance Ltd.	Non-executive, independent
	c) Bajaj Housing Finance Ltd.	Non-executive, independent
	d) Bajaj Finserv Ltd.	Non-executive, independent
	e) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	f) Glaxosmithkline Pharmaceuticals Ltd.	Non-executive, independent
	g) Finolex Industries Ltd.	Non-executive, independent
Pradip Shah	a) Bajaj Auto Ltd.	Non-executive, independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, independent
	c) Kansai Nerolac Paints Ltd.	Chairman, non-executive, independent
	d) Pfizer Ltd.	Chairman, non-executive, independent
	e) KSB Ltd.	Non-executive, independent
	f) BASF Ltd.	Non-executive, independent
	g) Sonata Software Ltd.	Chairman, non-executive, independent
Dr. Arindam Kumar Bhattacharya	a) Lemon Tree Hotels Ltd.	Non-executive, independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, independent
Niraj Bajaj	a) Mukand Ltd.	Chairman & Managing Director, executive
	b) Bajaj Holdings & Investment Ltd.	Vice Chairman, non-executive
	c) Mukand Engineers Ltd.	Non-executive
	d) Bajaj Auto Ltd.	Chairman, non-executive

Name of the director	Name of listed entities	Category
Sanjiv Bajaj	a) Bajaj Finance Ltd.	Chairman, non-executive
	b) Bajaj Housing Finance Ltd.	Chairman, non-executive
	c) Maharashtra Scooters Ltd.	Chairman, non-executive
	d) Bajaj Finserv Ltd.	Chairman & Managing Director, executive
	e) Bajaj Holdings & Investment Ltd.	Managing Director & CEO, executive
	f) Bajaj Auto Ltd.	Non-executive
Madhur Bajaj	a) Bajaj Auto Ltd.	Vice-Chairman, non-executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
	e) Bajaj Electricals Ltd.	Non-executive
Rajiv Bajaj	a) Bajaj Auto Ltd.	Managing Director & CEO, executive
	b) Bajaj Finserv Ltd.	Non-executive
	c) Bajaj Finance Ltd.	Non-executive
	d) Bajaj Holdings & Investment Ltd.	Non-executive
	e) Bajaj Electricals Ltd.	Non-executive
Manish Kejriwal	a) Bajaj Finserv Ltd.	Non-executive
	b) Bajaj Holdings & Investment Ltd.	Non-executive
	c) Bharti Airtel Ltd.	Non-executive, independent

Independent Directors

Opinion of the Board

The Board hereby confirms that, in its opinion, the Independent Directors on the Board fulfil the conditions specified in the SEBI Listing Regulations and the Act and are independent of the management of the Company.

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

The Company issues a formal letter of appointment/ re-appointment to independent directors in the manner as provided in the Act. As per the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website at <https://www.bhil.in/investors.html#url-miscellaneous>.

Resignation of independent director

The Board of Directors at the meeting held on 29 April 2021, appointed Dr. Omkar Goswami, as an independent director of the Company, subject to the approval of members.

Due to personal commitments and additional professional work, Dr. Omkar Goswami tendered his resignation on 9 July 2021. He confirmed that there were no other material reasons for his resignation from the Board other than the reasons stated above. Considering his short tenure as Independent Director of the Company and considering he attended none of the Company's Board or Audit committee meetings during his tenure as an independent director, his details are not included in Table 1.

Familiarisation Programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which Company operates, its business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company and group, etc.

During FY2022, the directors were updated on the following, through presentations at Board meetings:

- Risk Management Framework including technological risk, operational risk, financial risk, market risk, compliance risk, etc.
- Regulatory changes having a bearing on industry and Company's business model; and
- Information Technology Management including cyber security.

The details of familiarisation programmes are placed at <https://www.bhil.in/investors.html#url-miscellaneous>.

Independent Directors' Meeting

Pursuant to the Act and the SEBI Listing Regulations, the independent directors must hold at least one meeting in a year without attendance of non-independent directors and members of the management. Accordingly, independent directors of the Company met on 16 March 2022, without the attendance of non-independent directors and members of the Management and

- i) noted the report of Performance Evaluation from the Chairman of the Board for the period 1 January 2021 to 31 December 2021;
- ii) reviewed the performance of non-independent directors and the Board as a whole;
- iii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors; and
- iv) assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All independent directors were present at the meeting. Dr. Naushad Forbes was elected as Chairman for the meeting.

Certificate from Practising Company Secretary

The Company has received a certificate from Shyamprasad D Limaye, Practising Company Secretary, to the effect that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same certificate forms part of this Annual Report.

Review of Legal Compliance Reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Code of Conduct

The SEBI Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of directors as laid down in the Act.

Accordingly, the Company has a Board approved code of conduct for Board members and senior management of the Company and the same has been placed on the Company's website at <https://www.bhil.in/investors.html#url-codes-policies>.

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2022. A declaration to this effect signed by the Managing Director & CEO is given in this Annual Report.

Subsidiary Companies

The Company has Bajaj Auto Holdings Ltd. ('BAHL') as its unlisted wholly-owned subsidiary company and Maharashtra Scooters Ltd. ('MSL') as its listed subsidiary company which, however, is not a 'material subsidiary' as per SEBI Listing Regulations.

The Policy on 'material subsidiaries' in terms of regulation 16(1)(c) of the SEBI Listing Regulations as approved by the Board at its meeting held on 14 March 2019 is placed at <https://www.bhil.in/investors.html#url-codes-policies>.

Provisions to the extent applicable as required under SEBI Listing Regulations with reference to subsidiary companies were duly complied with.

During the year under review, the Audit Committee reviewed the financial statements of and in particular, the investments made by its unlisted subsidiary company i.e. BAML, to the extent applicable. Minutes of the board meetings of the subsidiary company as well as a statement of significant transactions and arrangements entered into by the subsidiary, as applicable, were regularly placed before the Board of the Company.

Related Party Transactions

All related party transactions which were entered into during FY2022 were on an arm's length basis and in the ordinary course of business under the Act and not material under the SEBI Listing Regulations.

All Related Party Transactions during FY2022 were entered with the approval of the Audit Committee pursuant to provisions of Act and the SEBI Listing Regulations. The details of such transactions were placed before the Audit Committee for noting/review, on a quarterly basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more in the Company, if any, is set out separately in this Annual Report. Disclosures relating to related party transactions on a half-yearly basis are filed with the stock exchanges.

During FY2022, there were no materially significant related party transactions that had potential conflict with the interest of the Company at large.

SEBI vide its circular dated 9 November 2021 has amended SEBI Listing Regulations notifying certain changes in the provisions relating to 'Related Party Transactions', thereby requiring to make amendments to the Policy on materiality of related party transactions and dealing with related party transactions.

In line with amendment to the SEBI Listing Regulations, the Board, at its meeting held on 16 March 2022, amended the Policy on Materiality of and Dealing with Related Party Transactions. The revised policy is given below as required pursuant to Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and the same has also been hosted on the Company's website and can be accessed at <https://www.bhil.in/investors.html#url-codes-policies>.

Policy on materiality of related party transactions and dealing with related party transactions

Quote

Background:

Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of Bajaj Holdings & Investment Ltd. (the Company) at its meeting held on 15 October 2014 had approved a Policy on Materiality of & dealing with related party transactions. Pursuant to SEBI circular dated 9 May 2018, which notified certain amendments effective from 1 April 2019, the Policy was revised by the Board at its meeting held on 14 March 2019.

SEBI, vide circular dated 9 November 2021, has notified further amendments necessitating changes to be made in the policy, which will be effective from 1 April 2022, unless stated otherwise.

Policy:

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions, which is to be read together with Regulation 23 of the said Regulations and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided therein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

Material modification will mean & include any modification to an existing RPT having variance of 50% of the existing limit or ₹ 10 crore whichever is higher, as sanctioned by the Audit Committee or Shareholders, as the case may be.

Provided further that:

- a related party transaction to which the subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the audit committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the Company;
- With effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party, but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

3. Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:
- i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the SEBI Listing Regulations, as may be applicable;
 - ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
 - iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
 - iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;
 - v. Transactions entered into between the Company & any of its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
 - vi. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.
4. Notwithstanding the above, approval of the Board & shareholders would be necessary, where the RPTs exceed the following threshold limits:

Description	Threshold limits
Sale, purchase or supply of any goods or materials	₹ 1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statements, whichever is less or such other limit as may be prescribed by the Regulatory authorities.
Selling or otherwise disposing of or buying of any property including by way of leave and license arrangement	
Availing or rendering of any services	
Other matters	

The Chairman of Board and Audit Committee of the Company are jointly authorised to make changes to this Policy as they may deem fit and expedient, taking into account the law for the time being in force.

The above policy is subject to review from time to time and at least once in every three years.

Unquote

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and NBFC Regulations, the Company has an Audit Committee, meeting the composition prescribed thereunder with a minimum of two-third of its members (including Chairman) being independent directors. All members are non-executive directors and are financially literate and have accounting or related financial management expertise.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI Listing Regulations and NBFC Regulations.

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and NBFC Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The terms of reference of the Committee can be accessed at <https://www.bhil.in/investors.html#url-miscellaneous>

Meetings and attendance

During FY2022, the Committee met six times viz., on 29 April 2021, 22 July 2021, 17 September 2021, 28 October 2021, 20 January 2022 and 16 March 2022. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two consecutive meetings

In addition to the members of the Audit Committee, these meetings were attended by the heads of finance, internal audit functions and the statutory auditor of the Company and those executives who were considered necessary for providing inputs to the Committee.

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

Pradip Shah, Chairman of the Audit Committee, was present at the AGM which was held through video conferencing (VC) on 22 July 2021 to answer shareholders' queries.

Table 5: Composition of the Audit Committee and attendance record of the members for FY2022

Name of director	Category	No. of meetings attended during FY2022	
		Entitled to attend	Attended
Pradip Shah	Chairman, non-executive, independent	6	5
Dr. Gita Piramal	Non-executive, independent	6	5
Dr. Naushad Forbes	Non-executive, independent	6	6
*Dr. Arindam Kumar Bhattacharya	Non-executive, independent	N.A.	N.A.
Manish Kejriwal	Non-executive, non-independent	6	6

*appointed as a member of committee w.e.f. 1 April 2022.

During FY2022, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

Pursuant to the Act, SEBI Listing Regulations and NBFC Regulations, the Company has constituted a Nomination and Remuneration Committee consisting of composition as defined therein.

The terms of reference of the Committee, *inter alia*, includes formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by Companies Act, SEBI Listing Regulations and NBFC Regulations.

SEBI vide notification dated 3 August 2021 amended the SEBI Listing Regulations, 2015. Vide the said amendment, it has introduced the following additional term of reference of the Nomination and Remuneration Committee with effect from 1 January 2022:

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates.

In view of the above amendment, the terms of reference of the Committee were suitably amended to incorporate the above. The terms of reference of the Committee can be accessed at <https://www.bhil.in/investors.html#url-miscellaneous>

Meetings and attendance

During FY2022, the Committee met thrice on 29 April 2021, 17 September 2021 and 16 March 2022.

Dr. Gita Piramal, Chairperson of Nomination and Remuneration Committee, was present at the AGM which was held through video conferencing (VC) on 22 July 2021 to answer shareholders' queries.

Table 6: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY2022

Name of director	Category	No. of meetings attended during FY2022	
		Entitled to attend	Attended
Dr. Gita Piramal	Chairperson, non-executive, independent	3	2
D J Balaji Rao	Non-executive, independent	3	3
*Dr. Arindam Kumar Bhattacharya	Non-executive, independent	N.A.	N.A.
Niraj Bajaj	Non-executive, non-independent	3	3

*appointed as a member of committee w.e.f. 1 April 2022.

During FY2022, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for evaluation of Independent Directors, *inter alia*, includes attendance and participation, acting in good faith, openness to ideas, pro-active and positive approach with regard to Board and Senior Management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition and independence and Independent views and judgment.

The said criteria is hosted on the website of the Company and can be accessed at <https://www.bhil.in/investors.html#url-codes-policies>.

Risk Management Committee

Pursuant to the RBI Regulations and SEBI Listing Regulations, the Company has constituted a Risk Management Committee consisting of composition as specified therein.

SEBI, vide its notification dated 5 May 2021, has introduced roles and responsibilities of Risk Management Committee. In addition to the existing terms of reference which *inter alia*, include, managing the integrated risk, laying down procedures to inform the Board about risk assessment and minimisation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company including cyber security, the Board at its meeting held on 22 July 2021, has amended the terms of reference of the Committee to include the following:

1. To formulate a detailed risk management policy which shall include:
 - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c) Business continuity plan.
2. To review and guide the management on reputational and market (investment) risk;
3. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The terms of reference of the committee can be assessed at <https://www.bhil.in/investors.html#url-miscellaneous>.

In line with the amendment to SEBI Listing Regulations, dated 5 May 2021, the Company has formulated a Risk Management Policy. The policy, *inter alia*, covers framework for identification of risks pertaining to the business and the mitigation aspects. The same is also hosted on the website of the Company at <https://www.bhil.in/investors.html#url-codes-policies>.

During FY2022, the Company did not trade in nor had any exposure in commodities market.

Meetings and attendance

As per the amendment to SEBI Listing Regulation, the Risk Management Committee shall now be required to meet twice in a year.

In compliance with the above, during FY2022, the Committee met twice, viz., 17 September 2021 and 16 March 2022. The meetings were scheduled well in advance and not more than one hundred and eighty days elapsed between any two meetings.

Table 7: Composition of Risk Management Committee and attendance record of members for FY2022

Name of director/Senior executive	Category	No. of meetings attended during FY2022	
		Entitled to attend	Attended
Pradip Shah	Chairman, non-executive, independent	2	2
*Dr. Arindam Kumar Bhattacharya	Non-executive, independent	N.A.	N.A.
Sanjiv Bajaj	Executive, non-independent	2	2
Anish Amin	Member	2	2

*appointed as a member of committee w.e.f. 1 April 2022.

During FY2022, the Board had accepted all recommendations of the Committee.

Stakeholders Relationship Committee

Pursuant to the Act and the SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee, consisting of composition as specified therein.

The terms of reference of the Committee, *inter alia*, includes review of measures taken for effective exercise of voting rights by members and review of adherence to the service standards in respect of various services being rendered by the registrar and share transfer agent. More details on the terms of reference of the Committee are placed at <https://www.bhil.in/investors.html#url-miscellaneous>.

This Committee specifically looks into the grievances of equity shareholders of the Company.

More details on this subject and on members related matters have been furnished in 'General Shareholder Information.'

Meeting and attendance

During FY2022, the Committee met once on 20 January 2022, *inter alia*, to review the status of investors' services rendered. The secretarial auditor as well as the Company Secretary were present at the said meeting.

The Committee was apprised of the major developments on matters relating to investors. In addition, the Committee also considered matters that can facilitate better investor services and relations.

During FY2022, meeting of senior executives of KFin Technologies Ltd. with few Committee members was organised to discuss matters regarding the recent SEBI amendment enhancing the responsibilities of RTA with respect to investor related services.

Dr. Gita Piramal, Chairperson of the Stakeholders Relationship Committee, was present at the AGM which was held through video conferencing (VC) on 22 July 2021 to answer shareholders' queries.

Table 8: Composition of Stakeholders Relationship Committee and attendance record of members for FY2022

Name of director	Category	No. of meetings attended during FY2022	
		Entitled to attend	Attended
Dr. Gita Piramal	Chairperson, non-executive, independent	1	1
Dr. Naushad Forbes	Non-executive, independent	1	1
Manish Kejriwal	Non-executive, non-independent	1	1

During FY2022, the Board had accepted all recommendations of the Committee.

The Company Secretary of the Company acts as the Compliance Officer.

Table 9: Investors' complaints attended and resolved during FY2022

Investors' complaints	Attended/resolved during FY2022
Pending at the beginning of the year	0
Received during the year	4
Disposed off during the year	4
Remaining unresolved at the end of the year	0
Complaints not solved to the satisfaction of shareholders	Nil

Duplicate Share Certificate Issuance Committee

To meet the requirement of the Act and SEBI Listing Regulations, the Company has constituted a Duplicate Share Certificate Issuance Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

As a measure to enhance ease of dealing in securities market by the investors, SEBI vide its circular dated 25 January 2022, directed the listed companies that going forward the securities shall be issued in dematerialised form only, while processing any service request including issue of duplicate share certificate.

In compliance with the above, with effect from 25 January 2022, the Company through its RTA has ensured that only a 'Letter of Confirmation' is issued to the members seeking physical duplicate share certificates in lieu of original share certificates lost or misplaced. The letter of confirmation issued, will enable the members to dematerialise their holdings within a period of 120 days, from its issuance.

Meeting and attendance

During FY2022, the Committee met once on 16 March 2022.

Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2022

Name of director	Category	No. of meetings attended	
		Entitled to attend	Attended
Niraj Bajaj	Chairman, non-executive, non-independent	1	0
Sanjiv Bajaj	Executive, non-independent	1	1
Rajiv Bajaj	Non-executive, non-independent	1	1

Information Technology (IT) Strategy Committee

Pursuant to Master Direction – Information Technology Framework for NBFC Sector, the Company has constituted an IT Strategy Committee. The Committee comprises of Dr. Naushad Forbes, Independent Director as its Chairman and other members being Sanjiv Bajaj, Anurag Chottani, Vivek Likhite, Anish Amin and Anant Marathe.

The Committee met twice during FY2022 as required under the above Master Direction.

The terms of reference of the Committee includes the following:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources; and
- Ensuring proper balance of IT investments for sustaining NBFC's growth and becoming aware about exposure towards IT risks and controls.

Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place an Asset Liability Management Committee. The Committee comprises of senior executives of the Company.

The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically covering liquidity risk management, management of market risks, funding and capital planning, profit planning etc.

The said Committee meets once annually. The decisions of the Committee are placed before the Board for their noting and review.

Investment Committee

Pursuant to the RBI Guidelines, the Company has in place an Investment Committee. The Committee comprises of senior executives of the Company with MD & CEO as the Chairman of the committee.

The role of the Committee is to review the investment strategy, asset allocation, investment decision and other operating guidelines, monitor the changing environment in the money market / capital market and accordingly, recommend any changes to the investment strategy for execution and also review the audit reports on Treasury operations and provide directions for corrective actions, as applicable.

The said Committee meets on a monthly basis. The decisions of the Committee are placed before the Audit Committee for their noting and review.

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

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

Criteria of making payments to non-executive directors

Non-executive directors of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgment. They also oversee the corporate governance framework of the Company.

The criteria of making payments to non-executive directors, are placed on the Company's website and can be accessed at <https://www.bhil.in/investors.html#url-codes-policies>.

Details of Remuneration of directors

During FY2022, all non-executive directors were paid sitting fees and commission as per the details provided in Form MGT-7 (annual return) which is hosted on the website of the Company at <https://www.bhil.in/investors.html#url-annual-reports>.

Managing Director and Chief Executive Officer

During FY2022, the Company paid remuneration to Sanjiv Bajaj, Managing Director & CEO of the Company as provided in annual return in MGT-7, which is hosted on the website of the Company.

The Managing Director is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which form part of the perquisites allowed to him. No pension is paid by the Company.

The Company has no stock option plans for the directors and hence, it does not form a part of the remuneration package payable to any executive and/or non-executive director. During the year under review, no director was paid any performance-linked incentive.

Pursuant to the provision of the Act, Sanjiv Bajaj, Managing Director & CEO of the Company, who is also the Chairman of Maharashtra Scooters Ltd., a subsidiary of the Company has been paid sitting fees of ₹ 300,000 from MSL.

During FY2022, the Company did not advance any loans to any of the non-executive directors and/or Managing Director. Details of remuneration paid/payable to directors for FY2022 are provided in annual return.

Management

Management discussion and analysis

This is given as separate chapter in the Annual Report.

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, the senior management is required to make disclosures to the Board relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company. As per the disclosures submitted by the senior management, there were no such transactions during FY2022.

Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015 ('SEBI PIT Regulations'), the Company has a Board approved code of conduct to regulate, monitor and report trading by insiders ('code of conduct') and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ('code of fair disclosure').

During FY2022, there was no non-compliance reported by any designated person/employees with respect to SEBI PIT Regulations.

The Company also, by frequent communication, makes aware the designated employees of the obligations under the insider trading regulations.

The Audit Committee and the Board at its meeting held on 16 March 2022 had reviewed the compliance in terms of Regulation 9A(4) of SEBI (Prohibition of Insider Trading) Regulations, 2015 and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating effectively.

Means of Communication

Quarterly, half-yearly and annual financial results and other public notices issued for the members are published in Business Standard, Sakal and other newspapers. The Company also sends the half-yearly financial results, along with a detailed write-up, to members.

The Company has its own website, www.bhil.in, which contains all important public domain information including financial results, various policies framed/approved by the Board, matters concerning the shareholders, details of the contact persons, etc.

Green Initiatives by MCA

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

In compliance with the said provisions and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/ communications through email to those shareholders who have registered their email addresses with their depository participant'(s)/ Company's registrar and share transfer agent. The same is available on the website of the Company at www.bhil.in.

During FY2022, the Company sent documents, such as notice calling the annual general meeting, postal ballot notice, audited financial statements, Directors' Report, Auditors' Report, credit of dividend intimation letters, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the depositories.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on General meetings and details of special resolution(s) passed

A. Annual General Meeting

During the previous three years, the annual general meetings (AGM) of the Company were held/ deemed to be held at the registered office of the Company at Mumbai-Pune Road, Akurdi, Pune 411 035 on the following dates and time:-

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the Annual General Meetings, if any	Voting percentage of members participated	
			% Favour	% Against
74th AGM	26 July 2019 at 4.00 p.m.	1. Re-appointment of Nanoo Gobindram Pamnani as an Independent Director of the Company for a second term of five consecutive years with effect from 1 April 2019	98.18%	1.82%
		2. Re-appointment of Balaji Rao Jagannathrao Doveton as an Independent Director of the Company for a second term of five consecutive years with effect from 1 April 2019	97.64%	2.36%
		3. Re-appointment of Dr. Gita Piramal as an Independent Director of the Company for a second term of five consecutive years with effect from 17 July 2019	99.98%	0.02%
		4. Approval for continuation of Rahulkumar Kamalnayan Bajaj as a Non-Executive and Non- Independent Director of the Company from 1 April 2019 to 17 May 2019	99.33%	0.67%
75th AGM	22 July 2020 at 4.00 p.m.	None	-	-
76th AGM	22 July 2021 at 4.15 p.m.	1. Appointment of Shekhar Bajaj as a Non-executive, Non-Independent Director of the Company	93.39%	6.61%
		2. Approval for payment of commission to non-executive directors for a period of five years commencing from 1 April 2021	96.78%	3.22%

All resolutions proposed by the Board have been passed with overwhelming majority by the members.

The recording of the last AGM and the written transcript of the same are hosted on the website of the Company and can be accessed at <https://www.bhil.in/investors.html#url-general-meetings>.

B. Postal ballot

During FY2022, no Special Resolution was passed by way of postal ballot.

However, during FY2022, following Ordinary resolutions were passed vide postal ballot dated 17 November 2021:

1. Appointment of Dr. Arindam Kumar Bhattacharya as an Independent Director for a term of five consecutive years w.e.f. 17 September 2021; and
2. Appointment of Kalyaniwalla & Mistry LLP, Chartered Accountants as Statutory Auditors and to fix their remuneration.

Procedure for postal ballot

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('remote e-voting'), in addition to physical ballot. Postal ballot notices and forms are dispatched along with the postage pre-paid business reply envelope to members/beneficial owners through email at their registered email addresses and through physical copy to the members who have not registered their email addresses.

The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.

Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman/Managing Director and the voting results are announced by the Chairman/Managing Director by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolutions, if passed by requisite majority, are deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or remote e-voting.

In view of the relaxation granted by MCA, postal ballot notice dated 17 September 2021, was sent through email only, to all those members who had registered their email addresses with the Company/depositories. Arrangements were also made for other members to register their email address to receive the postal ballot notice and cast their vote online.

Details of Capital market non-compliance, if any

There was no non-compliance by the Company of any legal requirements; nor has there been any penalty/stricture imposed on the Company by any stock exchange, SEBI or any statutory authority on any matter related to capital markets during the last three years.

Compliance Certificate

The MD & CEO and CFO have certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on Corporate Governance

This chapter, read together with the information given in the Directors' Report and the section on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance during FY2022. The Company has been regularly submitting the quarterly compliance report to the Stock exchanges as required under SEBI Listing Regulations.

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

The disclosure as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

a.	number of complaints filed during the financial year	Nil
b.	number of complaints disposed of during the financial year	Nil
c.	number of complaints pending as on end of the financial year	Nil

Statutory Auditors

The Reserve Bank of India (RBI) has vide its notification dated 27 April 2021, issued 'Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs)'. The details on the said guidelines are given in the Director's Report.

By virtue of the above-mentioned guidelines, S R B C & Co. LLP, became ineligible and rendered their resignation as the Statutory Auditors of the Company vide their letter dated 16 September 2021, effective from 13 November 2021.

Considering the above, the members by way of postal ballot approved appointment of Kalyaniwalla & Mistry LLP, Chartered Accountants, as the Statutory Auditors of the Company. More details are available in the Directors' Report.

Total fee paid by the Company to Kalyaniwalla & Mistry LLP, towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for FY2022 is mentioned below.

Additionally, fee paid to S R B C & Co. LLP, (Statutory Auditors till 13 November 2021) for their services and fee paid to Statutory Auditors of its subsidiaries, on a consolidated basis, including all entities in their network firm/entity of which they are a part is given in the Table 11 below.

Table 11: Fees paid to the Statutory Auditors for FY2022.

Sr. No.	Particulars	Amount (₹)			
		Statutory Audit Fee	Limited Review fee	Tax audit fee	Other services
1	Kalyaniwalla & Mistry LLP	900,000	100,000	-	-
2	S R B C & Co. LLP	-	200,000	300,000	15,000
3	S R B C & Associates	-	-	-	1,860,905
4	Ernst & Young Associates LLP	-	-	-	25,000
5	Khimji Kuverji & Co LLP	50,000	-	-	-
6	Kirtane & Pandit LLP	750,000	125,000	-	70,000

Auditors' Certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations.

This certificate is annexed to the [Directors' Report](#).

Compliance of Mandatory and Discretionary Requirements

Mandatory

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations.

Discretionary

The Company has also complied with the discretionary requirements as under:

1. Shareholder rights

A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to each household of shareholders.

2. Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

3. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

As per SEBI Listing Regulations, the Chairperson and the Managing Director or the Chief Executive Officer shall not be related and the Chairperson shall be a non-executive director.

The Company has a non-executive Chairman, not related to Managing Director & CEO of the Company.

4. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

Declaration under Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
Bajaj Holdings & Investment Ltd.

I, Sanjiv Bajaj, Managing Director & CEO of Bajaj Holdings & Investment Ltd., hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them, for the year ended 31 March 2022.

Sanjiv Bajaj
Managing Director & CEO

Pune: 25 April 2022

GENERAL SHAREHOLDER INFORMATION

77th Annual General Meeting

Day and Date	Thursday, 28 July 2022
Time	4.00 p.m.
Venue	Virtual, Registered Office of the Company at Akurdi, Pune – 411 035 (Deemed venue)
Financial Year	1 April 2021 to 31 March 2022

Tentative meeting schedule for considering financial related matters for FY2023

Type of meeting	Particulars	Indicative month
Audit Committee and Board	To review and approve the unaudited financial results for the quarter ending 30 June 2022, subject to limited review	July 2022
	To review and approve the unaudited financial results for the quarter and half-year ending 30 September 2022, subject to limited review	October 2022
	To review and approve the unaudited financial results for the quarter and nine months ending 31 December 2022, subject to limited review	January/early February 2023
	To review and approve audited annual results for the year ending 31 March 2023	April 2023/early May 2023

In addition to the above, Board meetings are convened in March and September to discuss strategy, operating plans and other matters. Additional Committee meetings are also convened as and when deemed necessary.

Registrar and Share Transfer Agent

Pursuant to conversion of status from private limited company to public limited company, the name of Registrar and Share Transfer Agent of the Company ('BHIL') viz., KFin Technologies Pvt. Ltd. has been changed to KFin Technologies Ltd. (referred to as 'KFin') with effect from 24 February 2022.

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') KFin continues to be the Registrar and Share Transfer Agent; and handle all relevant corporate registry services for equity shares.

Review of service standards adhered by KFin with respect to share related activities

The Company has agreed service timelines and standards for various shareholder related service with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any in the timelines for processing service request, best practices and other measures to strengthen shareholders related services. In addition, the activities at KFin are also reviewed by the internal audit team.

During FY2022, a meeting of SRC members with a few senior officials of KFin was organised to get an overview of the activities at their end.

Record Date

The Company has fixed 1 July 2022 as the record date for the purpose of declaration of final dividend for FY2022.

Dividend and Date of Payment

The Board of Directors have recommended a final dividend of ₹ 25 per equity share (250%) of the face value of ₹ 10 for FY2022, subject to approval of the members at the ensuing Annual General Meeting ('AGM').

Dividend on equity shares, if declared, at the AGM, will be credited/dispatched between Monday, 1 August 2022 and/or Tuesday, 2 August 2022, to all eligible shareholders holding shares as of the end of the day on Friday, 1 July 2022.

Payment of Dividend

The SEBI Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India ('RBI') for making payment to members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the members.

In cases where the dividend cannot be paid through electronic mode, it will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

Pursuant to aforesaid circular, the Company has written to members holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode.

For enabling payment of dividend for FY2022 through electronic mode, Members holding shares in physical mode are requested to send form ISR-1 along with requisite documents to KFin before Friday, 1 July 2022. The form can be downloaded from the website of the Company at <https://www.bhil.in/investors.html#url-stock-exchange-intimations> and RTA at <https://ris.kfintech.com/clientservices/isc>. In case of members holding shares in demat mode, they are requested to update details with their respective depository participant.

Tax Deducted at Source (TDS) on Dividend

The dividend, if declared will be taxable in the hands of the shareholders. The TDS rate would vary depending on the residential status of the shareholders and the documents submitted by them and accepted by the Company. For more details, shareholders are requested to refer to the 'Notice of AGM.'

Unclaimed Dividends

As per section 124(5) of Companies Act, 2013 (the 'Act') and section 205 of the erstwhile Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by the Central Government. Accordingly, unpaid/unclaimed dividends for FY1996 to FY2014 have already been transferred by the Company to the said Fund from FY2003 onwards.

Unpaid/unclaimed dividend for FY2015 shall be transferred to the Fund in September 2022. Members are requested to verify their records and send their claim, if any, for FY2015 before such amount become due for transfer. Communications are being sent to members, who have not yet claimed dividend for FY2015, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in the coming years including current year.

Year	Dividend Type	Date of Declaration AGM Date	Last date for claiming dividend	Due date for transfer
2014-2015	Final	23 July 2015	22 August 2022	21 September 2022
2015-2016	Interim	9 March 2016	8 April 2023	8 April 2023
2015-2016	Final	27 July 2016	26 August 2023	25 September 2023
2016-2017	Final	20 July 2017	19 August 2024	18 September 2024
2017-2018	Final	20 July 2018	19 August 2025	18 September 2025
2018-2019	Final	26 July 2019	25 August 2026	24 September 2026
2019-2020	Interim (Confirmed as Final)	21 February 2020	22 March 2027	21 April 2027
2020-2021	Final	22 July 2021	21 August 2028	20 September 2028
2021-2022	Interim	17 September 2021	17 October 2028	16 November 2028

The Company has uploaded the details of unclaimed dividend on the Company's website at <https://www.bhil.in/investors.html#url-shareholders-guide-including-iepf-matters> and also on website specified by the Ministry of Corporate Affairs www.iepf.gov.in/IEPF/service

Unclaimed dividends up to 1994-95 have been transferred to the general revenue account of the Central Government. Those who have not encashed their dividend warrants for the period prior to and including 1994-95 are requested to claim the amount from Registrar of Companies, Maharashtra, Pune, situated at Akurdi, Pune 411 035.

Initiatives for Reduction of Unclaimed Dividend

The Company with a view to reduce the quantum of unclaimed dividend has undertaken several steps as was done in the last few years. This primarily included proactively reaching out to shareholders, sending periodic communications and advising the shareholders who approach the Company/KFin for other service request to claim their dividend, if any. The amount is remitted based on the verification of the documents and bonafides of the claim.

As a result, significant amount of unclaimed dividend was remitted to the shareholders. The Company will endeavor to undertake additional initiatives in this regard.

Transfer of Shares to IEPF

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF, within 30 days of such shares becoming due for transfer.

Various steps are being taken on an ongoing basis to reach out to shareholder, through emails, and other means, requesting them to claim shares which are due for transfer to IEPF. In addition, the Company also publishes a notice in newspapers intimating the members regarding the said transfer.

During FY2022, the Company transferred 3,310 equity shares of the face value of ₹ 10 each in respect of 49 shareholders to the Demat Account of the IEPF Authority held with NSDL. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at <https://www.bhil.in/investors.html#url-shareholders-guide-including-iepf-matters>.

As provided under these Rules, the shareholder would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. The said IEPF Rules, 2016 and

amendment thereunder are available on the Company's website at <https://www.bhil.in/investors.html#url-shareholders-guide-including-iepf-matters>.

Shareholders are requested to get in touch with the compliance officer for further details on the subject at investors@bhil.in. or ssubbramian@bhil.in

Share Transfer System

SEBI has mandated transfer of securities only in dematerialised form with effect from 1 April 2019. Thereafter, SEBI had fixed 31 March 2021 as the cut-off date for re-lodgement of deficient transfer deeds. Accordingly, with effect 1 April 2021, share transfers in physical form are prohibited under any circumstances and the same shall be processed only in dematerialised form.

All transmission, transposition, issue of duplicate share certificate(s), etc., as well as requests for dematerialisation/rematerialisation are processed at KFin. The work related to dematerialisation/rematerialisation is handled by KFin through connectivity with NSDL and CDSL.

E-Voting Facility provided by Listed Entities

SEBI has issued a circular dated 9 December 2020 for increase in the participation by the public non-institutional shareholders/retail shareholders. It has been decided to enable e-voting to all the demat account holders, via a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders will be able to cast their vote without having to register again with the e-voting service providers (ESPs). This will not only facilitate seamless authentication but also enhance the ease and convenience of participating in the e-voting process.

Shareholders are advised to refer to the Notice of AGM for the ways in which they may register to cast their votes.

Dematerialisation/Rematerialisation of Shares and Liquidity

During FY2022, 297,123 shares were dematerialised, compared to 30,894 shares during FY2021. No shares were rematerialised during the year 2021-22.

Shares held in physical and electronic mode as on 31 March 2022 are as given in Table 1.

Table 1: Shares held in physical and electronic mode

Particulars	Position as on 31 March 2022		Position as on 31 March 2021		Net change during 2021-2022	
	No. of shares	% of total shareholding	No. of shares	% of total shareholding	No. of shares	% of total shareholding
Physical	8,405,266	7.55	8,705,134	7.82	- 299,868	- 0.27
Demat:						
NSDL	99,391,785	89.31	99,153,329	89.09	238,456	0.22
CDSL	3,496,459	3.14	3,435,047	3.09	61,412	0.05
Sub Total	102,888,244	92.45	102,588,376	92.18		
Total	111,293,510	100.00	111,293,510	100.00	--	--

Stock Code

BSE, Mumbai	500490
National Stock Exchange	BAJAJHLDNG
Reuters	BJAT.BO
Bloomberg	BJHI.IN
ISIN for Depositories (NSDL and CDSL)	INE118A01012

Listing on Stock Exchanges

Shares of the Company are currently listed on the following stock exchanges:

Name	Address
1. BSE Ltd. (BSE)	1 st Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
2. National Stock Exchange of India Ltd. (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2023.

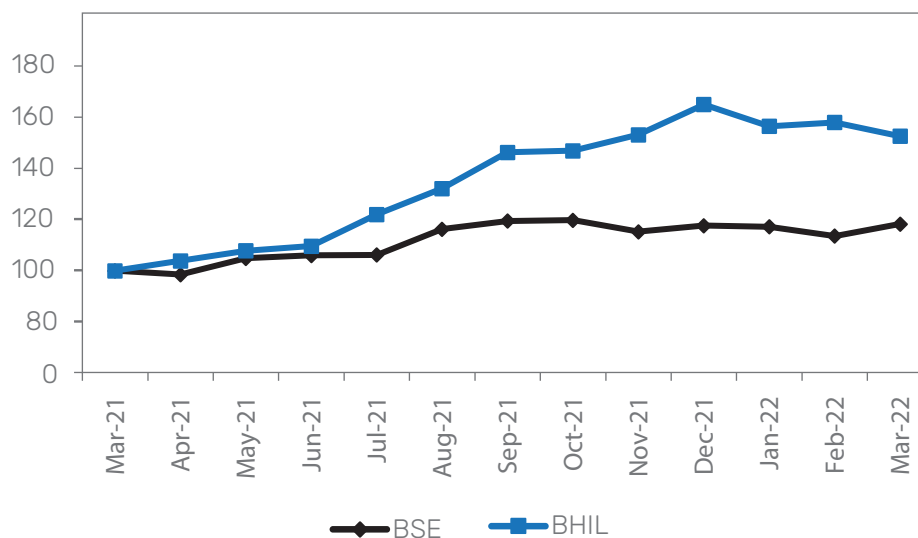
Market Price Data

Table 2: Monthly highs and lows of the Company's shares on BSE and NSE for FY2022
(₹ vis-à-vis BSE Sensex).

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr-2021	3,711.40	3,181.80	3,663.00	3,225.15	48,782.36
May-2021	3,676.00	3,345.00	3,677.00	3,341.35	51,937.44
Jun-2021	3,700.00	3,455.85	3,694.95	3,451.00	52,482.71
Jul-2021	4,060.00	3,579.95	4,060.00	3,586.00	52,586.84
Aug-2021	4,395.00	3,899.00	4,397.00	3,890.05	57,552.39
Sep-2021	5,121.40	4,235.75	5,100.00	4,231.25	59,126.36
Oct-2021	5,121.40	4,630.90	5,090.00	4,654.60	59,306.93
Nov-2021	5,161.35	4,732.25	5,160.00	4,734.00	57,064.87
Dec-2021	5,654.00	4,868.60	5,660.40	4,890.00	58,253.82
Jan-2022	5,588.85	5,003.95	5,587.00	5,000.00	58,014.17
Feb-2022	5,377.55	5,066.00	5,380.00	5,045.55	56,247.28
Mar-2022	5,244.25	4,735.80	5,250.00	4,752.05	58,568.51

Chart: Performance in comparison to BSE Sensex

Bajaj Holdings & Investment Ltd. (BHIL) stock performance Vs BSE Sensex during 2021-22 indexed to 100 on 31 March 2021



Distribution of Shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2022, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on

Categories	31 March 2022		31 March 2021	
	No. of shares	% to total capital	No. of shares	% to total capital
Promoters	56,859,346	51.09	55,596,367	49.95
Foreign Institutional Investors / Foreign Portfolio Investors	13,426,391	12.06	17,640,330	15.85
Public financial institutions	250,074	0.22	275,797	0.25
Mutual Funds	3,985,381	3.58	2,123,813	1.91
Nationalised and other Banks	20,049	0.02	20,346	0.02
NRIs and OCBs	878,173	0.79	741,786	0.67
Others	35,874,096	32.24	34,895,071	31.35
Total	111,293,510	100.00	111,293,510	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2022

	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	61,029	94.10	2,652,521	2.38
501 to 1000	1,436	2.21	1,055,738	0.95
1001 to 2000	952	1.47	1,363,302	1.22
2001 to 3000	426	0.66	1,053,335	0.95
3001 to 4000	188	0.29	659,320	0.59
4001 to 5000	150	0.23	687,975	0.62
5001 to 10000	274	0.42	1,898,863	1.71
10001 and above	401	0.62	101,922,456	91.58
Total	64,856	100.00	111,293,510	100.00

Shareholders' and Investors' Grievances

BHIL is committed to providing efficient and prompt service to its investors. The Board of Directors of the Company currently has a Stakeholders Relationship Committee to specifically look into and resolve grievances of security-holders on various matters.

Routine queries/complaints received from shareholders are promptly attended to and replied. Queries/complaints received during the period under review related to non-receipt of dividend by warrants as well as through electronic clearing service, non-receipt of annual report, non-receipt of transferred shares and change of address and/or bank particulars. As on 31 March 2022, there were no pending issues to be addressed or resolved.

a) Updation of PAN, KYC and Nomination: SEBI vide its circular dated 3 November 2021 has, *inter alia*, mandated that any service request shall be entertained only upon registration of the PAN, KYC details, and nomination. The forms prescribed for these purposes are given below:

Forms	Purpose
Form ISR-1	Request for registering PAN, KYC details or Changes/Updation thereof
Form SH-13	Nomination form
Form ISR-3	Declaration to Opt-out of Nomination
Form SH-14	Change in Nomination

Members may access the above forms from website of the Company at <https://www.bhil.in/investors.html#url-stock-exchange-intimations>

The folios wherein any one of the cited document/details are not updated on or after 1 April 2023 shall be frozen by the RTA. Such members will not be permitted to lodge grievance or avail service request from the RTA, unless the KYC details are updated. Further, such member will not be eligible to receive dividend in physical mode.

The frozen folios will then be referred by RTA/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002 after 31 December 2025.

In view of the above, the Company had sent communication to members holding shares in physical form requesting them to update the said details.

b) Investor charter: In order to facilitate investor awareness about various activities where an investor has to deal with RTAs for availing Investor Service Requests, SEBI vide its circular dated 26 November 2021 has developed an Investor Charter for RTAs, *inter-alia*, detailing the services provided to Investors, Rights of Investors, various activities of RTAs with timelines, Dos and Don'ts for Investors. In accordance with the said circular, KFin has hosted the Investor Charter on its website and has also displayed the same at prominent places in offices, etc.

Further, the said circular also mandates registered RTAs to disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the format prescribed thereunder with effect from 1 January 2022. KFin, being registered RTA has confirmed compliances with aforesaid circular, to the extent applicable.

c) Investor grievances redressal mechanism: SEBI vide its circular dated 13 August 2020 has laid down procedure for handling complaints by the stock exchanges as well as the standard operating procedure for actions to be taken against listed companies for failure to redress investor grievances. The Company is in compliance with said circular.

d) Issue of shares only in dematerialised form: As an on-going measure to enhance ease of dealing in securities markets by investors, SEBI vide its circular dated 25 January 2022, has mandated that listed companies shall henceforth issue the securities in dematerialised form only, while processing the service requests such as issue of duplicate share certificates, Claim from Unclaimed suspense account, Endorsement, Renewal/Exchange of securities certificate, Sub-division, Splitting of shares certificate, Transmission, Transposition, Consolidation of securities certificate, etc.

For enabling the shareholders to demat their securities, the Registrar and Share Transfer Agent shall issue a 'Letter of Confirmation' in lieu of physical share certificates to physical shareholders for enabling them to dematerialise the securities.

Shareholders are requested to refer to the aforementioned circular(s) or write to the Company Secretary at ssubbramaniam@bhil.in for more clarity and understanding.

Unclaimed Demat Suspense Account with HDFC Bank for Unclaimed Shares

There are no shares which remain in the Demat suspense account as on 31 March 2022. All the shares lying in the demat suspense account has been transferred to IEPF Account as required by the Act.

Live Webcast of AGM

Pursuant to regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, with effect from 1 April 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on 28 July 2022.

The modalities for participation in the AGM are spelt out in Notice convening 77th AGM.

Voting through Electronic Means

Pursuant to section 108 of the Act, and the Rules made thereunder and provisions under the SEBI Listing Regulations, every listed company is required to provide its members, the facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with KFin, the authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of AGM, through such e-voting method. Further, in accordance with the Companies (Management and Administration) Rules, 2014, as amended, the Company shall also be making arrangements to provide for e-voting facility at the venue of the AGM.

Shareholders, who are attending the meeting and who have not already cast their votes by remote e-voting shall only be able to exercise their right of voting at the meeting.

Cut-off date, as per the said Rules, shall be 21 July 2022 and the remote e-voting shall be open from 25 July 2022 (9.00 a.m.) till 27 July 2022 (5.00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary as scrutiniser for the e-voting process.

The detailed procedure is given in the Notice of the 77th AGM and is also placed on the Company's website at <https://www.bhil.in/investors.html#url-general-meetings>.

Shareholders may get in touch with the Company Secretary for further assistance.

Credit Rating

Since, the Company had no borrowings during the year under review, no credit ratings were obtained by the Company from any credit rating agencies.

Outstanding Convertible Instruments/ADRs/GDRs/Warrants

The Company does not have any outstanding convertible instruments/ADRs/GDRs/warrants as on date.

Plant Location

BHIL is engaged in Investment activity business, hence it does not have any manufacturing plant.

Address for Correspondence

The shareholders may reach out to the below mentioned contact numbers or email addresses, in case of any query, clarifications, etc.

Share Transfer Agent

KFin Technologies Ltd.
Unit: Bajaj Holdings & Investment Ltd.
Tower B, Plot 31-32, Selenium Building,
Financial District, Nanakramguda, Gachibowli,
Hyderabad - 500 032.

Contact details

Toll free no.: 1800 309 4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

Company

Bajaj Holdings & Investment Ltd.
Corporate Office Extn.
Secretarial Department,
3rd Floor, Panchshil Tech Park,
Viman Nagar, Pune-411 014.

Contact details

Tel No: (020) 71576066
Fax No: (020) 71576364
E-mail: investors@bhil.in
Website: www.bhil.in

Weblinks of few important circulars referred in this report are given below:

Sr. No.	Date of the circular	Particulars
1.	18 October 2021	SEBI Transmission of Securities to Joint Holder(s)
2.	3 November 2021	SEBI Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination
3.	26 November 2021	SEBI Publishing Investor Charter and Disclosure of Complaints by Registrar and Share Transfer Agents (RTAs) on their Websites
4.	14 December 2021	SEBI Clarifications with respect to circular dated November 03, 2021, on 'Common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination'
5.	25 January 2022	SEBI Issuance of Securities in dematerialised form in case of Investor Service Requests

STANDALONE FINANCIAL STATEMENTS

Independent Auditors' Report on the Standalone Financial Statements

To the Members of **Bajaj Holdings & Investment Ltd.**

Opinion

We have audited the accompanying standalone financial statements of Bajaj Holdings & Investment Ltd. ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred as the 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2022. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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.

Management's responsibilities for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) rules, 2015, as amended.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31 March 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The comparative financial information of the Company for the year ended 31 March 2021 included in these standalone financial statements, was audited by another firm of Chartered Accountants. These previous auditors have expressed unmodified opinion for the year ended 31 March 2021 vide their audit report dated 29 April 2021 which has been furnished to us and we have relied upon that opinion without verification.

Our opinion is not modified in respect of the above matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity, dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022, from being appointed as a director in terms of section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with provision of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of it's knowledge and belief, 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 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

(b) The Management has represented, that, to the best of it's knowledge and belief, 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; and

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
 - v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni
Partner
ICAI Membership Number: 47576
UDIN: 22047576AIAJSW5231
Pune: 28 April 2022

Annexure A to the Independent Auditors' Report

As referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section in our report of even date on the standalone financial statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2022.

Statement on matters specified in paragraphs 3 and 4 of the Companies (Auditors' Report) order, 2020 ('the Order')

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's property, plant and equipment and intangible assets:
 - (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - (ii) The Company does not have any intangible assets, accordingly the reporting under clause 3 (i) (a) (B) of the Order is not applicable.
 - (b) As informed to us, there is regular programme of physical verification designed to cover all items on an annual basis, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us, all property, plant and equipment have been physically verified by the Management during the year and no discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts, registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds of all immovable properties, disclosed in the financial statements included under property, plant and equipment are held in the name of the Company as at the balance sheet date except for following assets:

Description of property	Gross carrying value (₹ in Crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held
Leasehold Land	1.10	Bajaj Auto Ltd.	-	15 Years
Building	7.34			

The titles/rights of the above-mentioned properties are pending to be transferred in the name of Company consequent to the demerger of erstwhile Bajaj Auto Ltd. (now Bajaj Holdings & Investment Ltd., the Company) with effect from 1 April 2007.

- (d) The Company has not revalued any of its property, plant and equipment during the year and does not have any intangible assets. Accordingly, the reporting under clause 3 (i) (d) of the Order is not applicable.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The business activity of Company does not involve any type of inventories and hence reporting under clause 3(ii) (a) of the Order is not applicable.
- (b) The Company has not been sanctioned any working capital limits at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3 (ii) (b) of the Order is not applicable.

Annexure A to Independent Auditors' Report (Contd.)

- iii. According to the information and explanation given to us and the records examined by us, 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, hence reporting under clauses 3 (iii) (a), (c), (d), (e) and (f) is not applicable.

In our opinion, the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

- iv. In our opinion and according to the information and explanation given to us, there are no loans, guarantees and securities given in respect of which provisions of sections 185 and 186 of the Act are applicable. Hence, not commented upon. In our opinion and according to the information and explanations given to us, provisions of the section 186 of the Act for the investments made by the Company have been complied with by the Company.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits under section 73 to 76 of the Act. Hence, reporting under clause 3 (v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the reporting under clause 3 (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of disputes are given below:

(₹ In Crores)

Name of the Statute	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	392.69	Various financial years from 1989-90 to 2006-07	ITAT
Income Tax Act, 1961	Income tax	3.05	Financial Year 2013-14	CIT(A)
Income Tax Act, 1961	Income tax	8.46	Financial Year 2015-16	CIT(A)
Income Tax Act, 1961	Income tax	5.32	Financial Year 2017-18	CIT(A)
The Maharashtra Municipal Corporation Act, 1949	Property tax	0.05	Financial Year 2017-18	Bombay Municipal Corporation

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix. The Company has not taken any loans or other borrowings from any lender during the year. Accordingly, the reporting under clause 3 (ix) (b) to (f) of the Order is not applicable.

Annexure A to Independent Auditors' Report (Contd.)

- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3 (x) (a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Accordingly, the reporting under clause 3 (x) (b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year. Accordingly, the reporting under clause 3 (xi) (a) of the order is not applicable.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As informed to us there were no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.
- xv. 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 and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us and audit procedures performed by us, we report that the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (c) According to the information and explanations given to us and audit procedures performed by us, we report that the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information given to us, in the group in accordance with Core Investment Companies (Reserve Bank) Directions, 2016) there are 16 companies forming part of the promoter/ promoter group of the Company which are CICs. Further as informed these CICs are unregistered CICs as per para 9.1 of notification no. RBI/2020-21/24 dated 13 August 2020 of the Reserve Bank Of India.

Annexure A to Independent Auditors' Report (Contd.)

- xvii. The Company has not incurred cash losses in the financial year under the audit and the immediately preceding financial year.
- xviii. M/s S R B C & CO LLP, the statutory auditor's of the Company have resigned with effect from 13 November 2021. As informed to us there have been no issues, objections or concerns raised by the said outgoing auditor.
- xix. According to the information and explanation given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that 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. (a) According to the information and explanations given to us, in respect of other than ongoing projects, the Company has transferred the unspent amount as at Balance Sheet date that was required to be transferred to a Fund Specified in Schedule VII of the Act in compliance with the proviso to sub-section 5 of section 135 of the Act.
- (b) According to the information and explanations give to us, there are no ongoing projects and there is no amount remaining unspent under sub-section 5 of section 135 of the Act. Accordingly, reporting under clause 3 (xx) (b) of the Order is not applicable.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni
Partner
ICAI Membership Number: 047576
UDIN: 22047576AIAJSW5231
Pune: 28 April 2022

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2(f) under the heading 'Report on other legal and regulatory requirements' of our independent auditors report of even date on the financial statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2022

Report on Internal Financial Controls over financial reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

Opinion

We have audited the internal financial controls over financial reporting of Bajaj Holdings & Investment Ltd. (the 'Company') as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's responsibility for internal financial controls

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

Auditor's responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure B to Independent Auditors' Report (Contd.)

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

Meaning of internal financial controls over financial reporting with reference to these standalone financial statements

A Company's internal financial control over financial reporting with reference to these standalone 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 control over financial reporting with reference to these standalone financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that 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 over financial reporting with reference to these standalone financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni
Partner
ICAI Membership Number: 047576
UDIN: 22047576AIAJSW5231
Pune: 28 April 2022

Balance Sheet

Particulars	Note No.	(₹ In Crore)	
		As at 31 March	
		2022	2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	21.47	21.75
Bank balances other than cash and cash equivalents	4	6.72	5.10
Investment in subsidiaries and associates	5A	2,913.35	2,913.35
Other investments	5B	12,579.11	11,106.65
Other financial assets	6	99.21	103.64
		15,619.86	14,150.49
Non-financial assets			
Current tax assets (net)		150.84	23.90
Investment properties	7	177.25	180.55
Right-of-use asset	8A	111.96	139.95
Property, plant and equipment	8B	7.74	7.04
Other non-financial assets	9	1.26	1.27
		449.05	352.71
Total		16,068.91	14,503.20

Balance Sheet (Contd.)

(₹ In Crore)

As at 31 March

Particulars	Note No.	As at 31 March	
		2022	2021
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3.83	0.82
Lease liability	30	113.69	136.18
Other financial liabilities	11	36.78	33.68
		154.30	170.68
Non-financial liabilities			
Current tax liabilities (net)		8.96	8.96
Deferred tax liabilities (net)	12	510.28	295.74
Provisions	13	2.78	6.28
Other non-financial liabilities	14	4.73	4.77
		526.75	315.75
EQUITY			
Equity share capital	15	111.29	111.29
Other equity	16	15,276.57	13,905.48
		15,387.86	14,016.77
Total		16,068.91	14,503.20
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 Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
		2022	2021
Revenue from operations			
Interest income	17	236.35	239.41
Dividend income		1,468.50	40.23
Rental income		20.03	19.10
Net gain on fair value changes	18	51.58	65.73
Other investment income	19	-	3.00
Total revenue from operations		1,776.46	367.47
Other income	20	56.70	63.67
Total income		1,833.16	431.14
Expenses			
Employee benefits expenses	21	36.05	36.17
Finance costs - interest on operating lease liability	30	3.15	3.80
Depreciation, amortisation and impairment	22	31.74	31.68
Other expenses	23	61.10	49.58
Total expenses		132.04	121.23
Profit before tax		1,701.12	309.91
Tax expense			
Current tax		52.66	101.25
Tax credits pertaining to earlier years		(24.86)	-
Deferred tax		6.62	10.07
Provision for possible non-utilisation of MAT credit		36.18	-
Total tax expense	24	70.60	111.32
Profit for the year		1,630.52	198.59

Statement of Profit and Loss (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2022	2021
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		0.81	0.60
Tax impacts on above		(0.33)	(0.21)
Net gain/(losses) on equity instruments designated at FVTOCI		1,412.18	3,447.29
Tax impacts on above		(188.59)	(339.86)
Items that will be reclassified to profit or loss			
Net gains/(losses) on debt instruments designated at FVTOCI		(41.40)	20.29
Tax impacts on above		4.74	(2.36)
Valuation gains/(losses) on derivative hedging instruments		(0.04)	(0.09)
Tax impacts on above		0.01	0.03
Other comprehensive income for the year (net of tax)		1,187.38	3,125.69
Total comprehensive income for the year		2,817.90	3,324.28
Basic and diluted Earnings per share (in ₹)	25	146.5	17.8
(Nominal value per share ₹ 10)			
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 Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Statement of Changes in Equity

A Equity share capital

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2022	2021
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
At the end of the year	15	111.29	111.29

B Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus			Other reserves			Total other equity
		Securities premium	General reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings	Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income	
Balance as at 31 March 2020	16	444.42	3,706.96	2,107.34	3,198.67	1,089.11	34.70	10,581.20
Profit for the year		-	-	-	198.59	-	-	198.59
Other comprehensive income (net of tax)		-	-	-	0.39	3,107.43	17.87	3,125.69
Total comprehensive income for the year ended 31 March 2021		-	-	-	198.98	3,107.43	17.87	3,324.28
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	39.72	(39.72)	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	289.76	(289.76)	-	-
Balance as at 31 March 2021	16	444.42	3,706.96	2,147.06	3,647.69	3,906.78	52.57	13,905.48
Profit for the year		-	-	-	1,630.52	-	-	1,630.52
Other comprehensive income (net of tax)		-	-	-	0.48	1,223.59	(36.69)	1,187.38
Total comprehensive income for the year ended 31 March 2022		-	-	-	1,631.00	1,223.59	(36.69)	2,817.90
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	326.10	(326.10)	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	131.22	(131.22)	-	-
Final dividend, declared and paid during the year		-	-	-	(445.17)	-	-	(445.17)
Interim dividend, declared and paid during the year		-	-	-	(1,001.64)	-	-	(1,001.64)
Balance as at 31 March 2022	16	444.42	3,706.96	2,473.16	3,637.00	4,999.15	15.88	15,276.57

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 Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2022	2021
I. Operating activities		
Profit before tax	1,701.12	309.91
Adjustments to reconcile profit before tax to net cash flows		
Add		
i) Depreciation, amortisation and impairment	31.74	31.68
ii) Finance costs - interest on operating lease liability	3.15	3.80
iii) Unrealised foreign exchange loss on revaluation	4.33	-
	39.22	35.48
Less		
i) Provision for diminution in value of investments written back	-	3.00
ii) Profit on sale of investments, net	34.37	52.80
iii) Distribution received from other funds	17.21	12.93
iv) Unrealised foreign exchange gain on revaluation	-	4.96
v) Amortisation of premium/discount on acquisition of debt securities	42.87	2.63
	94.45	76.32
	1,645.89	269.07
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	4.40	17.30
ii) (Increase)/decrease in other bank balances	(1.47)	4.90
iii) Increase/(decrease) in liabilities and provisions	1.62	(2.00)
	4.55	20.20
(Purchase)/sale of money market mutual funds, etc., net *	80.71	41.86
Net cash flow from / (used in) operating activities before income-tax	1,731.15	331.13
Income-tax paid (net of refund)	(167.17)	(105.85)
Net cash flow from operating activities	1,563.98	225.28
Carried forward	1,563.98	225.28

Statement of Cash Flows (Contd.)

(₹ In Crore)		
For the year ended 31 March		
Particulars	2022	2021
Brought forward	1,563.98	225.28
II. Investing activities		
i) Purchase of property, plant and equipment	(1.13)	(0.17)
ii) Sale of investments*	1,516.87	2,315.02
iii) Purchase of investments*	(1,604.84)	(2,502.99)
Net cash used in investing activities	(89.10)	(188.14)
III. Financing activities		
i) Dividend paid	(1,445.19)	(5.05)
ii) Cash payment for principal portion of operating lease liability	(26.82)	(26.63)
iii) Cash payment for interest portion of operating lease liability	(3.15)	(3.80)
Net cash used in financing activities	(1,475.16)	(35.48)
Net change in cash and cash equivalents	(0.28)	1.66
Cash and cash equivalents as at the beginning of the year	21.75	20.09
Cash and cash equivalents as at the end of the year	21.47	21.75

* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

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 Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Notes to standalone financial statements for the year ended 31 March 2022

1 Bajaj Holdings & Investment Ltd. (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1913. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company ('NBFC-ICC') with the Reserve Bank of India (RBI) vide registration number N-13.01952. The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

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 crore (INR 0,000,000), 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

Income

The Company recognises income (including rent, etc.) on accrual basis to the extent that it is probable that the economic benefits will flow to the Company and 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 recognised 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 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 recognises 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 recognises the effect of potentially different interest rates charged at various stages, if any, 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.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

2. Dividends

Dividends are recognised 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. Rent and other income

The Company recognises income (including rent) on accrual basis.

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. Changes in the expected useful life, if any, are accounted for by changing the amortisation period and treated as changes in accounting estimates. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.
- ii) An item of property, plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

B. Depreciation and amortisation

a. Leasehold land

Premium on leasehold land is amortised over the period of lease.

b. 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 by internal technical assessments.
- 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 lives are, as follows
 - Buildings – 25 to 40 years
 - Computers – 3 years
 - Others – furniture, electric fittings and office equipment – 2 to 10 years

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

- iii. Assets which are depreciated over useful life/residual value different than those indicated by Schedule II to the Companies Act, 2013 are as under

Assets given on lease in relation to investment properties	as per Schedule II	useful life
Building (interior)	60 years	5 years
Computers	6 years	5 years
Furniture	10 years	5 years
Electric fittings	10 years	5 years

Assets given on lease in relation to investment properties having nil residual value

Computers

Furniture

Office equipment

Electric fittings

- iv. Depreciation on additions is being provided on pro rata basis from the month of such additions.
- v. 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.
- vi. 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 property, plant and equipment

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. Investment properties

Land and buildings which are held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment properties. Investment properties are measured initially at their cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are expensed when incurred. Depreciation on investment properties is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed by Schedule II- Part 'C'.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

5. Investments and financial assets

A. Investment in subsidiaries and associates

Interest in subsidiaries and associates are recognised 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 through other comprehensive income (FVTOCI), or
- those to be measured subsequently at fair value through profit or loss (FVTPL), and
- those to be measured subsequently 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', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected.

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
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

If cash flows after initial recognition are realised 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 instruments 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.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk.

ii. Measurement

Initial measurement

Financial assets are initially recognised 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 three 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. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised 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 recognised in profit or loss and presented net in the Statement of Profit and Loss as revenue from operations with other gains/(losses) in the period in which it arises.

Equity instruments subsequently measured at FVTOCI

The Company subsequently measures all equity investments at FVTPL, unless the Company's Management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI, when such instruments meet the definition of equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to Statement of Profit and Loss. Dividends are recognised in Statement of Profit and Loss as dividend income when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVTOCI are not subject to an impairment assessment.

Debt instruments subsequently measured at FVTOCI

Debt instruments are measured at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets;
- The contractual terms of the financial asset meet the SPPI test.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to Statement of Profit and Loss and recognised in other gains/ (losses). Interest income from these financial assets is included in investment income using the effective interest rate method. Impairment expenses are presented as separate line item in the Statement of Profit and Loss.

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.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

Since the Company makes investments in highly rated fixed income securities, which are categorised as 'subsequently measured at FVTOCI', the risk parameters such as tenor, the probability of default corresponding to the credit rating by rating agency (viz. CRISIL, ICRA), for each of these instruments is considered in estimating the probable credit loss over life time of such securities.

ECL impairment loss allowance (or reversal) is recognised during the period only if material and is recognised 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.

Financial assets measured at amortised cost and revenue receivables: 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.

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 or changes its business model. Financial liabilities are never reclassified. However, such reclassifications, if any, are done prospectively.

v. Derecognition of financial assets

A financial asset is derecognised 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 derecognised.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

6. Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

7. Employee benefits

a. Compensated absences and long-term incentive plan

Compensated absences entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised on the basis of an independent actuarial valuation.

The Company's liability towards long-term incentive plan, being a defined benefit plan, is accounted for on the basis of an independent actuarial valuation.

They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Statement of Profit and Loss.

b. Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which covers the same under Cash Accumulation Policy and Debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficit in plan assets managed by LIC and BALIC as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

c. Defined contribution plans

The Company has three defined contribution plans for its employees:

- Contribution to superannuation fund as per the scheme of the Company
- Contribution to provident fund is made to Government Provident Fund Authority
- Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority

The Company recognises contribution payable to these fund/ schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

8. 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- c. Minimum Alternate Tax (MAT) in respect of a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.
- d. Deferred tax is provided using the asset-liability method on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- e. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.
- f. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
- g. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.
- h. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

9. Goods and service tax/value added taxes paid on acquisition of assets or on incurring expenses.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except

- When the tax incurred on a purchase of assets, goods or services is not eligible for recovery from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

10. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and, 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 recognised as a finance cost.

11. Operating leases including investment properties

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

a. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to note 2B clause 3C for accounting policies on impairment of non-financial assets.

b. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c. Short term leases

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

12. 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.

13. Earnings per share

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

14. Segment reporting

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

15. Foreign currency translation

Functional and presentational currency

The standalone financial statements are presented in INR which is also functional currency of the Company.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All differences arising on non-trading activities are taken to other income/expense in the Statement of Profit and Loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

16. Derivative financial instruments and hedge accounting

The Company enters into forward contracts to hedge the foreign currency risk of firm commitments. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

The Company enters into derivative financial instruments viz. foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. The Company does not hold derivative financial instruments for speculative purposes.

Hedge accounting

The Company designates certain hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised in other comprehensive income and accumulated in other equity relating to (effective portion as described above) are re-classified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss.

17. Dividends on equity shares

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

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

18. 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising 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 categorised 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.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

3 Cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Balances with banks	21.47	21.75
	21.47	21.75

4 Bank balances other than cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Unclaimed dividend accounts	6.72	5.10
	6.72	5.10

5 Investments

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
A Investment in subsidiaries and associates		
Investment in equity instruments carried at cost		
In subsidiaries		
Bajaj Auto Holdings Ltd.	0.25	0.25
Maharashtra Scooters Ltd.	239.49	239.49
Cost	239.74	239.74
In associates		
Bajaj Auto Ltd.	1,929.79	1,929.79
Bajaj Finserv Ltd.	743.82	743.82
Cost	2,673.61	2,673.61
Total (A)	2,913.35	2,913.35

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

5 Investments (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
B Other investments		
Investments carried at amortised cost		
In preference shares		
Mukand Ltd.	-	0.12
Amortised cost	-	0.12
In certificate of deposits		
Axis Bank Ltd.	99.37	49.12
Canara Bank Ltd.	98.93	-
Export Import Bank Of India	-	48.72
HDFC Bank Ltd.	49.59	-
Kotak Mahindra Bank Ltd.	24.80	-
Small Industries Development Bank of India	24.84	-
Amortised cost	297.53	97.84
In commerical papers		
National Bank For Agriculture And Rural Development Of India	-	49.57
Amortised cost	-	49.57
In open ended target maturity funds #		
Bharat Bond ETF Series 2025	264.49	101.97
Bharat Bond ETF Series 2030	302.12	283.51
Edelweiss Nifty PSU Bond Plus SDL Index Fund 2026	131.49	50.10
Nippon India ETF Nifty CPSE Bond Plus SDL 2024	107.12	101.86
Nippon India ETF Nifty SDL 2026	102.60	15.02
Amortised cost	907.82	552.46
Investments carried at fair value through other comprehensive income		
In government debt securities		
Government of India securities	386.58	567.59
State Development Loans (SDLs)	366.35	276.62
Fair value	752.93	844.21

The open ended target maturity funds have a pre-determined maturity date. The Company intends to hold its investments in these funds till maturity. These funds follow a passive buy and hold strategy. The existing underlying investment bonds in these funds are expected to be held till maturity unless sold for meeting redemptions or rebalancing requirements and can invest only in plain vanilla INR bonds with fixed coupon and maturity, as stated in the Scheme Information Document. Thus, these investments meet the requirement of SPPI test as per Ind AS 109 and are accordingly measured at amortised cost.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

5 Investments (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
In debt securities		
Bajaj Finance Ltd.	151.05	156.19
Bajaj Housing Finance Ltd.	-	153.36
Britannia Industries Ltd.	1.53	0.66
Export Import Bank Of India	-	96.47
Housing Development Finance Corporation Ltd.	151.60	308.75
HDFC Bank Ltd.	224.46	-
Indian Railway Finance Corporation Ltd.	194.26	196.57
India Grid Trust.	35.93	-
JM Financial Credit Solutions Ltd.	-	25.19
Kotak Mahindra Prime Ltd.	20.29	20.66
National Bank For Agriculture And Rural Development Of India	283.64	287.82
National Highway Authority Of India	107.57	108.65
NTPC Ltd.	78.34	79.35
Power Finance Corporation Ltd.	141.55	86.62
Power Grid Corporation Of India Ltd.	61.91	64.06
Rural Electrification Corporation Ltd.	100.23	51.79
State Bank Of India	200.36	197.98
Sundaram Finance Ltd.	127.19	129.48
Fair value	1,879.91	1,963.60
In equity instruments		
Bajaj Electricals Ltd. (Group company)	2,019.77	1,835.41
Hercules Hoists Ltd. (Group company)	87.05	69.64
Mukand Engineers Ltd. (Group company)	0.15	0.09
Mukand Ltd. (Group company)	114.32	67.18
Bajaj Hindusthan Sugar Ltd.	18.56	8.10
Bandhan Bank Ltd.	-	63.54
Bata India Ltd.	104.87	147.88
Berger Paints India Ltd.	38.55	82.45
Bharti Airtel Ltd.	125.71	61.57
Bharti Airtel Ltd.(Partly paid)	3.92	-
Britannia Industries Ltd.	98.26	103.83
Care Ratings Ltd.	-	17.20
Cipla Ltd.	26.98	-

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

5 Investments (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Container Corporation Of India Ltd.	-	67.74
Dabur India Ltd.	52.26	52.68
Godrej Agrovet Ltd.	34.21	40.53
HDFC Bank Ltd.	516.69	524.88
Heidelberg Cement India Ltd.	66.49	81.91
Hindustan Uniliver Ltd.	16.39	-
Housing Development Finance Corporation Ltd.	172.83	180.61
Housing Development Finance Corporation Ltd. (warrants)	7.20	10.27
ICICI Bank Ltd.	841.70	670.90
Indusind Bank Ltd.	44.19	45.09
Infosys Ltd.	327.41	234.89
Kotak Mahindra Bank Ltd.	108.39	108.34
L&T Technology Services Ltd.	126.40	65.71
Larsen & Toubro Ltd.	310.70	249.40
Marico Ltd.	305.52	249.48
Maruti Suzuki India Ltd.	174.71	143.40
Minda Industries Ltd.	172.78	100.47
Mrs. Bectors Food Specialities Ltd.	22.00	34.60
PB Fintech Ltd.	15.18	-
Pilani Investment & Industries Corporation Ltd.	0.28	0.27
Reliance Industries Ltd.	418.83	293.14
Reliance Industries Ltd. (Partly paid)	-	13.76
SBI Card & Payments Services Ltd.	36.92	40.23
Spandana Sphoorty Financial Ltd.	-	16.78
Tech Mahindra Ltd.	406.43	268.74
Tree House Education & Accessories Ltd.	1.94	1.76
Ujjivan Financial Services Ltd.	-	15.73
Ultratech Cement Ltd.	193.76	197.74
Yes Bank Ltd.	51.25	65.00
Fabindia Overseas Pvt. Ltd.	90.43	90.43
Indian Commodity Exchange Ltd.	0.01	25.44
National Stock Exchange Of India Ltd.	885.66	563.10
Fair value	8,038.70	6,909.91

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

5 Investments (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
In other funds		
Alteria Capital Fund II - Scheme I	31.34	-
BPEA India Credit Investment Trust II	25.79	50.37
BPEA India Credit Investment Trust III	3.77	-
Brookfield India Real Estate Trust REIT	85.40	60.87
Embassy Office Parks REIT	64.49	56.46
Fireside Ventures Fund II	11.33	6.25
IFMR FImpact Medium Term Opportunities Fund 2	25.47	25.41
India Real Estate Investment Fund	29.41	19.47
J M Financial Property Fund - I	0.70	0.86
Kedaara Capital Advisors- LLP AIF	32.20	35.25
Mindspace Business Parks REIT	39.44	33.56
Stellaris Venture Partner Ind Trust II	5.59	-
Trifecta Venture Debt Fund - II	49.60	30.30
Urban Infrastructure Venture Capital Ltd.	1.54	2.19
V.E.C. Strategic Advantage Scheme II	-	7.93
Fair value	406.07	328.92
Investments carried at fair value through profit and loss		
In mutual funds		
IDFC Overnight Fund - Direct Growth Plan	10.53	-
Nippon India Dynamic Bond Fund - Direct Growth Plan	179.06	171.25
Nippon India Liquid Fund Direct Growth	-	163.82
Nippon India Overnight Fund - Direct Growth Plan	56.51	24.95
SBI Overnight Fund -Direct Growth Plan	50.05	-
Fair value	296.15	360.02
Total (B)	12,579.11	11,106.65
Total Investments (C) = (A) + (B)	15,492.46	14,020.00

All investments in 5A and 5B above are within India.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

6 Other financial assets

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Interest accrued on investments, considered good	84.48	88.24
Interest receivable on investments, doubtful	1.18	1.18
Less: Impairment loss allowance	1.18	1.18
Dividend receivable	0.11	-
Security deposits	14.47	14.25
Derivative asset	-	0.02
Others	0.15	1.13
	99.21	103.64

7 Investment properties

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Gross carrying amount		
Opening balance	218.48	218.48
Additions	0.02	-
Deletions	0.02	-
Closing balance	218.48	218.48
Accumulated depreciation		
Opening balance	37.93	34.61
Depreciation charge	3.32	3.32
Deletions	0.02	-
Closing balance	41.23	37.93
Net carrying amount	177.25	180.55

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

7 Investment properties (Contd.)

i) Amounts recognised in profit or loss for investment properties

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Rental income	20.03	19.10
Direct operating expenses from properties that generated rental income	(2.52)	(2.46)
Profit from investment properties before depreciation	17.51	16.64
Depreciation	(3.32)	(3.32)
Profit from investment properties	14.19	13.32

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment properties.

iii) Leasing arrangements

Certain investment properties are leased out to tenants under operating leases. Disclosure on future rent receivable is included in Note 30.

iv) Fair value

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Investment properties	287.46	273.63

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties.

Investment properties leased out by the Company are cancellable leases. The market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

8A Right-of-use asset

Current year

(₹ In Crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	Deductions / adjustments	For the year	As at 31 March 2022	As at 31 March 2022
Aircraft - operating lease	195.93	-	-	195.93	55.98	-	27.99	83.97	111.96

Previous year

(₹ In Crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Deductions / adjustments	For the year	As at 31 March 2021	As at 31 March 2021
Aircraft - operating lease	195.93	-	-	195.93	27.99	-	27.99	55.98	139.95

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

8B Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block (a) (c)			Accumulated depreciation				Net block	
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	Deductions / adjustments	For the year (c)	As at 31 March 2022	As at 31 March 2022
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.10	-	0.02 (e)	1.08	-	-	-	-	1.08
Buildings (b)	8.18	-	-	8.18	3.40	-	0.14	3.54	4.64
Electric fittings	0.06	-	-	0.06	0.01	-	0.01	0.02	0.04
Furniture	0.87	-	-	0.87	0.09	-	0.08	0.17	0.70
Vehicles	0.11	1.11	-	1.22	0.01	-	0.06	0.07	1.15
Computers	0.37	0.02	-	0.39	0.14	-	0.12	0.26	0.13
Total	10.69	1.13	0.02	11.80	3.65	-	0.41	4.06	7.74

Previous year

(₹ In Crore)

Particulars	Gross block (a) (c)			Accumulated depreciation				Net block	
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Deductions / adjustments	For the year (c)	As at 31 March 2021	As at 31 March 2021
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.12	-	0.02 (e)	1.10	-	-	-	-	1.10
Buildings (b)	8.18	-	-	8.18	3.26	-	0.14	3.40	4.78
Electric fittings	0.06	-	-	0.06	-	-	0.01	0.01	0.05
Furniture	0.85	0.02	-	0.87	0.01	-	0.08	0.09	0.78
Vehicles	-	0.11	-	0.11	-	-	0.01	0.01	0.10
Computers	0.33	0.04	-	0.37	0.03	-	0.11	0.14	0.23
Total	10.54	0.17	0.02	10.69	3.30	-	0.35	3.65	7.04

(a) At cost, except leasehold land which is at cost, less amounts written off.

(b) i Includes premises on ownership basis in Co-operative Society ₹ 7.34 crore and cost of shares therein ₹ 1,000. (refer point (f))

ii Excludes premises held as investment properties and given on lease disclosed as an investment. Cost of investment property includes premises on ownership basis ₹ 5.61 crore represented by 1,770 equity shares and 182 debentures of the face value of ₹ 17,700 and ₹ 18,900,000 respectively. Correspondingly depreciation for the year on investment property amounting to ₹ 3.32 crore (previous year ₹ 3.32 crore) has been reduced from the said investments under note 7.

(c) Refer note 2B clause 3) of summary of significant accounting policies.

(d) Includes land at cost of ₹ 47,782.

(e) Represents amount amortised over lease period.

(f) Titles/rights pending transfer in the name of the Company post change in the name of the Company consequent to demerger of erstwhile Bajaj Auto Ltd. Since 2007 (now, Bajaj Holdings & Investment Ltd.).

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

9 Other non-financial assets

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Pre-paid expenses	1.04	1.02
Others	0.22	0.25
	1.26	1.27

10 Trade payables

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.83	0.82
	3.83	0.82

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 2022 and 31 March 2021 and hence no disclosures have been made in this regard.

Trade payables ageing schedule

Particulars	(₹ In Crore)					
	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31 March 2022						
MSME	-	-	-	-	-	-
Others	3.72	0.10	-	0.01	-	3.83
31 March 2021						
MSME	-	-	-	-	-	-
Others	0.30	0.44	0.05	0.03	-	0.82

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

11 Other financial liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Unclaimed dividend	6.72	5.10
Directors' remuneration and commission payable	17.14	15.85
Employee benefits payable	2.20	2.11
Security deposits	10.71	10.62
Derivative liabilities	0.01	-
	36.78	33.68

12 Deferred tax liabilities - net

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Deferred tax liabilities		
On account of timing difference in Property, plant and equipment	1.01	1.43
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	11.92	4.52
Movement in fair value of financial assets designated at FVTPL	2.33	0.52
Movement in fair value of financial assets designated at FVTOCI	497.79	330.14
Lease assets	-	1.32
Gross deferred tax liabilities	513.05	337.93
Deferred tax assets		
On account of timing difference in Retiral and other employee benefits		
Provision for compensated absences	0.19	0.27
Defined benefit plan provisions - OCI	0.13	0.46
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	1.68	1.05
Impairment allowance for financial asset	0.30	0.40
Lease assets	0.44	-
Other temporary differences	0.03	0.03
MAT credit entitlement	36.18	39.98
Less: Provision for possible non-utilisation of MAT credit *	36.18	-
Gross deferred tax assets	2.77	42.19
Deferred tax (assets)/liabilities - net	510.28	295.74

* On an assessment of its ability to utilise the available MAT credit, the Management had determined MAT credit of ₹ 36.18 crore (previous year ₹ Nil) may be unlikely to be set off/adjusted in the future periods due to significant changes in the Income Tax Act, 1961. Hence the MAT credit of a similar amount was provided for in the Statement of Profit and Loss.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

12 Deferred tax liabilities - net (Contd.)

Movement in deferred tax liabilities/(assets)

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	MAT credit entitlement and others	Total
At 31 March 2020	1.33	11.84	(0.96)	(57.38)	(45.17)
(Charged)/credited					
to profit and loss	0.10	3.01	0.02	18.69	21.82
to other comprehensive income	-	318.88	0.21	-	319.09
At 31 March 2021	1.43	333.73	(0.73)	(38.69)	295.74
(Charged)/credited					
to profit and loss	(0.42)	8.72	0.08	38.22	46.60
to other comprehensive income	-	167.61	0.33	-	167.94
At 31 March 2022	1.01	510.06	(0.32)	(0.47)	510.28

13 Provisions

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Provision for employee benefits [See note 28]		
Provision for gratuity	0.06	0.30
Provision for compensated absences	0.76	0.78
Provision for long-term incentive plan	1.96	5.20
	2.78	6.28

14 Other non-financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Taxes and duties payable	4.17	4.23
Other payables	0.56	0.54
	4.73	4.77

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

15 Equity share capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Authorised		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	111,293,510	111.29	111,293,510	111.29
Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	19,923,077	17.90%	19,823,377	17.81%
Jaya Hind Industries Ltd.	5,905,401	5.31%	5,905,401	5.31%

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

15 Equity share capital (Contd.)

d. Details of promoter shareholding

Shares held by promoters at the end of the year	As at 31 March 2022			As at 31 March 2021		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Promoter name						
Sanjali Bajaj	1,000	-	-	1,000	-	-
Sunaina Kejriwal Nirvaan Trust	100	-	-	100	-	-
Rishabnayan Bajaj	1,000	-	-	1,000	-	-
Rajivnayan Bajaj	1,000	-	-	1,000	-	-
Niravnayan Bajaj	1,000	-	-	1,000	-	-
Minal Bajaj	1,000	-	-	1,000	-	-
Jamnalal Sons Pvt. Ltd.	19,923,077	17.90%	0.09%	19,823,377	17.81%	-
Suman Jain	523,504	0.47%	-	523,504	0.47%	-
Madhur Securities Pvt. Ltd.	73,810	0.07%	-	73,810	0.07%	-
The Hindustan Housing Company Ltd.	15,391	0.01%	-	15,391	0.01%	-
Siddhantnayan Bajaj	1,000	-	-	1,000	-	-
Sanjivnayan Bajaj Siddhant Trust	2,000	-	-	2,000	-	-
Bachhraj Factories Pvt. Ltd.	1,372,605	1.23%	0.06%	1,302,311	1.17%	-
Pooja Bajaj	333	-	-	333	-	-
Rahul Kumar Bajaj Sanjiv Trust	4,105,234	3.69%	-	4,105,234	3.69%	-
Niraj Bajaj	1,435	-	-	1,435	-	-
Sanjivnayan Bajaj	1,000	-	-	1,000	-	-
Kiran Bajaj	1,333	-	-	1,333	-	-
Rajivnayan Bajaj Rishab Trust	1,000	-	-	1,000	-	-
Sunaina Kejriwal	1,000	-	-	1,000	-	-
Kumud Bajaj	1,000	-	-	1,000	-	-
Rahul Securities Pvt. Ltd.	178,910	0.16%	-	178,910	0.16%	-
Sanraj Nayan Investments Pvt. Ltd.	2,860,318	2.57%	-	2,860,318	2.57%	-
Rahul Kumar Bajaj Rajiv Trust	4,055,137	3.64%	-	4,055,137	3.64%	-
Shekhar Holdings Pvt. Ltd.	63,460	0.06%	-	63,460	0.06%	-
Bajaj Auto Ltd.	3,500,000	3.14%	-	3,500,000	3.14%	-
Bachhraj and Company Pvt. Ltd.	4,196,813	3.78%	0.99%	3,103,828	2.79%	-
Baroda Industries Pvt. Ltd.	1,098,440	0.99%	-	1,098,440	0.99%	-
Kriti Bajaj	1,000	-	-	1,000	-	-
Geetika Bajaj	1,000	-	-	1,000	-	-
Bajaj Sevashram Pvt. Ltd.	3,652,619	3.28%	-	3,652,619	3.28%	-
Shefali Bajaj	1,000	-	-	1,000	-	-

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

15 Equity share capital (Contd.)

Shares held by promoters at the end of the year	As at 31 March 2022			As at 31 March 2021		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Deepa Bajaj	1,000	-	-	1,000	-	-
Neelima Bajaj Swamy	1,000	-	-	1,000	-	-
Hercules Hoists Ltd.	338,003	0.30%	-	338,003	0.30%	0.04%
Shekhar Bajaj Anant Bajaj Trust	5,153,708	4.63%	-	5,153,708	4.63%	-
Niraj Holdings Pvt. Ltd.	47,200	0.04%	-	47,200	0.04%	-
Madhur Bajaj	1,000	-	-	1,000	-	-
Niraj Bajaj Deepa Trust	1,000	-	-	1,000	-	-
Nimisha Jaipuria	1,000	-	-	1,000	-	-
Vanraj Bajaj	334	-	-	334	-	-
Rupa Equities Pvt. Ltd.	201,150	0.18%	-	201,150	0.18%	-
Niraj Bajaj Nirav Trust	5,378,257	4.83%	-	5,378,257	4.83%	-
Shri. Sanjivnayan Bajaj Sanjali Trust	1,000	-	-	1,000	-	-
Bajaj Finance Ltd.	75	-	-	75	-	-
Estate of Rahulkumar Bajaj	1,000	-	-	1,000	-	-
Kamalnayan Investment and Trading Pvt. Ltd.	91,600	0.08%	-	91,600	0.08%	-
Shekhar Bajaj	4,500	-	-	4,500	-	-
Total	56,859,346	51.09%	1.14%	55,596,367	49.95%	0.04%

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

16 Other equity

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
a Reserves and surplus		
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	2,147.06	2,107.34
Add: Transferred from surplus in Statement of Profit and Loss	326.10	39.72
Balance as at the end of the year	2,473.16	2,147.06
Securities premium account		
Balance as at the beginning and end of the year	444.42	444.42
General reserve		
Balance as at the beginning and end of the year	3,706.96	3,706.96
Retained earnings		
Balance as at the beginning of the year	3,647.69	3,198.67
Profit for the year	1,630.52	198.59
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	0.48	0.39
Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	131.22	289.76
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	326.10	39.72
Final dividend, declared and paid during the year	445.17	-
Interim dividend, declared and paid during the year	1,001.64	-
Total appropriations	1,772.91	39.72
Balance as at the end of the year	3,637.00	3,647.69
Other reserves		
Equity instruments through other comprehensive income		
Balance as at the beginning of the year	3,906.78	1,089.11
Add: Net gain/(loss) on equity instruments designated at FVTOCI for the year (net of tax impacts)	1,223.59	3,107.43
Less: Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	131.22	289.76
	4,999.15	3,906.78

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

16 Other equity (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Debt instruments through other comprehensive income		
Balance as at the beginning of the year	52.56	34.63
Add: Net gain on debt instruments designated at FVTOCI for the year (net of tax impacts)	(19.13)	57.63
Less: Reclassification of gain on sale of FVTOCI debt instruments	17.53	39.70
	15.90	52.56
Hedge instruments through other comprehensive income		
Balance as at the beginning of the year	0.01	0.07
Add: Net gain on hedge instruments designated at FVTOCI for the year (net of tax impacts)	(0.03)	(0.06)
Less: Reclassification of gain on settlement of FVTOCI hedge instruments	-	-
	(0.02)	0.01
	15,276.57	13,905.48

b Nature and purpose of reserve

Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance section 52 and other provisions of the Companies Act, 2013.

General reserve

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

FVTOCI equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

FVTOCI debt instruments

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVTOCI debt instruments reserve within equity. The Company transfers amounts from this reserve to the Statement of Profit and Loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

Hedge instruments through other comprehensive income

It represents the effective portion of the fair value of forward contracts designated as cashflow hedge.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

17 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Interest income on		
Investments (at amortised cost)	52.40	12.64
Investments (at FVTOCI)	183.95	225.68
Others	-	1.09
	236.35	239.41

18 Net gain on fair value changes

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Net gain/(loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss	16.84	9.10
Others		
Distribution received from other funds	17.21	12.93
Gain/(Loss) on sale of debt instrument at amortised cost	-	4.00
Gain/(Loss) on sale of debt instrument at FVTOCI	17.53	39.70
Total net gain on fair value changes	51.58	65.73
Fair value changes		
Realised	43.81	65.16
Unrealised	7.77	0.57
	51.58	65.73

19 Other investment income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Provision for diminution in value of investments written back	-	3.00
	-	3.00

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

20 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Business support service	54.67	58.07
Unrealised foreign exchange gain on revaluation	-	4.96
Provision no longer required	0.03	0.16
Miscellaneous receipts	2.00	0.48
	56.70	63.67

21 Employee benefits expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Salaries, wages and bonus to employees	33.21	33.34
Contribution to provident and other funds	2.74	2.79
Staff welfare expenses	0.10	0.04
	36.05	36.17

22 Depreciation, amortisation and impairment

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Depreciation on property, plant and equipment	0.41	0.35
Depreciation of right-of-use assets	27.99	27.99
Depreciation on investment properties	3.32	3.32
Amount written off against leasehold land	0.02	0.02
	31.74	31.68

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

23 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Repairs to buildings	1.46	1.55
Repairs to machinery and others	4.04	3.21
Rent	0.01	0.01
Rates and taxes	2.27	2.27
Insurance	1.27	1.20
Payment to auditor	0.15	0.15
Directors' fees and travelling expenses	1.28	0.81
Unrealised foreign exchange loss on revaluation	4.33	-
Commission to non-executive directors	1.84	1.54
Business support service expenses	0.85	0.90
Expenditure towards Corporate Social Responsibility (CSR) activities	8.70	10.40
Legal and professional charges	1.05	0.29
Aircraft operation expenses	26.47	21.88
Miscellaneous expenses	7.38	5.37
	61.10	49.58
Payment to auditor		
As auditor		
Audit fee	0.09	0.08
Tax audit fee	0.03	0.03
Limited review	0.03	0.03
Other services (certification fees and other matters)	-	0.01
Reimbursement of expenses [₹ Nil (Previous year ₹ 8,059)]	-	-
	0.15	0.15
Expenditure towards Corporate Social Responsibility (CSR) activities		
Gross amount required to be spent by the Company during the year	8.70	10.32
Amount spent in cash during the year on		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	6.32	10.40
Unspent amount	2.38	-
	8.70	10.40

The funding for ongoing projects was delayed/reduced as some of these projects were affected by the Covid-19 pandemic and lockdowns. Unspent amount pertaining to the commitments made by the Company towards multi-year ongoing projects in progress has been transferred to a separate Unspent CSR bank account of the Company. The amount transferred to the aforesaid Unspent CSR account will be spent for the said projects within the permissible time limit. Accordingly, the Company has duly complied with section 135 of the Act read with rules thereunder and the CSR policy of the Company.

The Company has incurred expenditure under its CSR activities towards rural healthcare upgradation, provision of low cost tabs to underprivileged children in schools and other projects through several implementation agencies.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

24 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
(a) Tax expense		
Current tax		
Current tax on profits for the year	52.66	101.25
Total current tax expense	52.66	101.25
Deferred tax		
Decrease/(increase) in deferred tax assets	(2.17)	8.40
(Decrease)/increase in deferred tax liabilities	8.79	1.67
Total deferred tax expenses/(benefit)	6.62	10.07
Tax credits pertaining to earlier years	(24.86)	-
Provision for possible non-utilisation of MAT credit	36.18	-
Tax expense	70.60	111.32
(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate		
Profit before tax	1,701.12	309.91
Tax at the statutory tax rate of 25.168% (Previous year - 34.944%)	428.14	108.29
Tax on expenditure not considered for tax provision	1.49	13.01
Deduction under section 80M	(365.99)	-
Tax on income not subject to tax	(4.36)	(9.98)
Provision for possible non-utilisation of MAT credit	36.18	-
Tax credits pertaining to earlier years	(24.86)	-
Tax expense	70.60	111.32

The Company has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 to compute income tax at the reduced rate (i.e. 25.17%). Deferred tax and provision for taxes have been re-assessed pursuant to the option exercised, total tax expense for the year ended 31 March 2022 is higher by ₹ 11.32 crore. Further, the effective tax rate for the year ended 31 March 2022 is lower pursuant to deduction under section 80M of the Income Tax Act, 1961 on dividend distributed by the Company.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

25 Earnings per share (EPS)

Particulars	For the year ended 31 March	
	2022	2021
Profit for the year (₹ In Crore)	1,630.52	198.59
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	146.5	17.8
Face value per share ₹	10.0	10.0

26 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Claims against the Company not acknowledged as debts	0.11	0.11
Income-tax matters under dispute		
Appeal by Company	4.00	4.00
Appeal by the Department	392.48	391.75
Service tax matters under dispute	25.94	25.29

In all the cases mentioned above, outflow is not probable and hence not provided by the Company. It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

27 Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Commitment towards partly paid investments and other funds	198.35	97.00

There are no capital and other commitments outstanding as on 31 March 2022 and 31 March 2021, except as disclosed above.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

28 Employee benefit plans

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder.

Funded schemes

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

(₹ In Crore)

As at 31 March

	2022	2021
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	7.41	7.50
Fair value of plan assets	7.35	7.20
Net funded obligation	0.06	0.30
Expense recognised in the Statement of Profit and Loss		
Current service cost	0.87	0.94
Interest on net defined benefit liability/(asset)	-	0.03
Total expense charged to Statement of Profit and Loss	0.87	0.97
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	1.32	1.92
Remeasurements during the period due to		
Changes in financial assumptions	(0.30)	-
Experience adjustments	(0.59)	(0.70)
Actual return on plan assets less interest on plan assets	0.08	0.10
Closing amount recognised in OCI outside Statement of Profit and Loss	0.51	1.32
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	0.30	0.81
Expense charged to Statement of Profit and Loss	0.87	0.97
Amount recognised outside Statement of Profit and Loss	(0.81)	(0.60)
Employer contributions	(0.30)	(0.88)
Closing net defined benefit liability/(asset)	0.06	0.30

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

28 Employee benefit plans (Contd.)**Funded schemes** (Contd.)

	(₹ In Crore)	
	As at 31 March	
	2022	2021
Movement in benefit obligation		
Opening of defined benefit obligation	7.50	7.71
Current service cost	0.87	0.94
Interest on defined benefit obligation	0.49	0.52
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	(0.29)	-
Actuarial loss/(gain) arising on account of experience changes	(0.59)	(0.70)
Benefits paid	(0.57)	-
Liabilities assumed/(settled) *	-	(0.97)
Closing of defined benefit obligation	7.41	7.50

* On account of business combination or inter group transfer

Movement in plan assets

Opening fair value of plan assets	7.20	6.91
Employer contributions	0.30	0.88
Interest on plan assets	0.49	0.49
Remeasurements due to		
Actual return on plan assets less interest on plan assets	(0.08)	(0.10)
Benefits paid	(0.56)	-
Assets acquired/(settled)*	-	(0.98)
Closing fair value of plan assets	7.35	7.20

* On account of business combination or inter group transfer

Disaggregation of assets**Category of assets**

Insurer managed funds	7.35	7.20
Others	-	-
Grand Total	7.35	7.20

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

28 Employee benefit plans (Contd.)

Funded schemes (Contd.)

Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	As at 31 March 2022		As at 31 March 2021	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	(3.64%)	3.71%	(4.49%)	4.60%
Impact of decrease in 50 bps on DBO	3.83%	(3.57%)	4.76%	(4.38%)
Junior staff				
Impact of increase in 50 bps on DBO	(8.67%)	9.36%	(8.62%)	9.24%
Impact of decrease in 50 bps on DBO	9.66%	(8.50%)	9.58%	(8.42%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to fund under the plan next year is ₹ 0.79 crore

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

28 Employee benefit plans (Contd.)

Funded schemes (Contd.)

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan

Particulars	Less than a year	Between 1 - 2 years	Between 2 -5 years	Over 5 years	Total
31 March 2022					
Senior staff	0.70	0.06	0.27	11.20	12.23
Junior staff	0.01	0.01	0.04	2.95	3.01
31 March 2021					
Senior staff	0.65	0.06	0.22	13.11	14.04
Junior Staff	0.01	0.01	0.02	1.76	1.80

Particulars	As at 31 March	
	2022	2021
Weighted average duration of defined benefit obligation (in years)		
Senior Staff	7.46	9.24
Junior Staff	18.29	18.16

Principal actuarial assumptions (expressed as weighted averages)

Particulars	As at 31 March	
	2022	2021
Discount rate (p.a.)	7.25%	6.80%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

28 Employee benefit plans (Contd.)

Unfunded Schemes

(₹ In Crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	0.76	1.96	0.78	5.20
Expense recognised in the Statement of Profit and Loss	0.98	(0.63)	0.86	2.45
Amount recorded as Other Comprehensive Income	-	-	-	-
Discount rate (p.a.)	7.25%	7.25%	6.80%	6.80%
Salary escalation rate (p.a.) - senior staff	10.00%	N.A	10.00%	N.A
Salary escalation rate (p.a.) - junior staff	10.00%	N.A	10.00%	N.A

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2022	2021
Defined contribution plans		
Provident fund paid to Government authorities	1.08	1.06
Superannuation paid to trust	0.76	0.72
Pension fund paid to Government authorities	0.02	0.02
Others	0.01	-
Defined benefit plans		
Gratuity	0.87	0.97
Others	-	0.02
Total	2.74	2.79

29 Segment information

The Company is essentially a holding and investment company focusing on earning income through dividends, interest and gains on investments held. Hence, the Company's business activity falls within a single business segment i.e. investments.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

30 Lease

As a lessor

The Company has given premises on operating leases. These lease arrangements range for a period between one to five 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.

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
i) Premises		
Gross carrying amount	218.48	218.48
Depreciation for the year	3.32	3.32
Accumulated depreciation	41.23	37.93
ii) The total future minimum lease rentals receivable at the balance sheet date is as under		
Receivable		
Within one year	18.45	20.35
After one year but not more than five years	8.80	27.72
More than five years	-	-
	27.25	48.07

As a lessee

The Company has taken an aircraft on operating lease. This lease arrangement is for a period of seven years and is a cancellable lease. This lease agreement is renewable for further period on mutually agreeable terms and also includes escalation clause.

Set out below are the carrying amounts of right-of-use asset recognised and the movement during the year

Particulars	(₹ In Crore)	
	Right-of-use asset	
As at 1 April 2020		167.94
Additions		-
Depreciation expense		27.99
As at 31 March 2021		139.95
Additions		-
Depreciation expense		27.99
As at 31 March 2022		111.96

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

30 Lease (Contd.)

Set out below are the carrying amounts of lease liability pertaining to aircraft on lease and the movements during the year

(₹ In Crore)

Particulars	Lease liability
As at 1 April 2020	167.77
Additions	-
Accretion of interest	3.80
Payments/Adjustment against advance	(30.43)
Unrealised foreign exchange loss	(4.96)
As at 31 March 2021	136.18
Additions	-
Accretion of interest	3.15
Payments/Adjustment against advance	(29.97)
Unrealised foreign exchange gain	4.33
As at 31 March 2022	113.69

The maturity analysis of lease liabilities are disclosed in note 35.

The following are the amounts recognised in Statement of Profit or Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2022	2021
Depreciation expense of right-of-use asset	27.99	27.99
Interest expense on lease liability	3.15	3.80
Total amount recognised in Statement of Profit and Loss	31.14	31.79

The Company had total cash outflow for leases of ₹ 29.97 crore for the year ended 31 March 2022 (Previous year ₹ 30.43 crore).

The Company expects to exercise the extension option for the lease term and cancellation clause shall not be invoked. Hence the disclosure requirement pertaining to undiscounted potential future rental payments on account of 'Extension options expected not to be exercised' and 'Termination options expected to be exercised' are not disclosed.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

31 Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Subsidiaries					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Contribution to equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
Maharashtra Scooters Ltd. (51 % shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (5,828,560 shares of ₹ 10 each)	-	239.49	-	239.49
	Dividend received	29.14	-	-	-
	Shares of BHIL held by MSL (3,387,036 shares of ₹ 10 each)	-	(3.39)	-	(3.39)
	Dividend paid	44.03	-	-	-
B Associates and investing parties					
Bajaj Auto Ltd. (An associate - 33.43% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity [96,727,050 shares of ₹ 10 each]	-	1,929.79	-	1,929.79
	Shares of BHIL held by BAL (3,500,000 shares of ₹ 10 each)	-	(3.50)	-	(3.50)
	Dividend received	1,354.18	-	-	-
	Dividend paid	45.50	-	-	-
	Business support services rendered	44.62	-	42.27	-
	Business support services received	1.12	-	0.03	-
	Revenue expenses reimbursement received	-	-	0.49	-
	Revenue expenses reimbursement paid	-	-	1.04	-
Bajaj Finserv Ltd. (An associate - 39.16% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity (62,314,214 shares of ₹ 5 each)	-	743.82	-	743.82
	Dividend received	18.69	-	-	-
	Business support services rendered	0.03	-	0.13	-
	Business support services received	0.35	-	0.51	-
	Revenue expenses reimbursement received	0.05	-	0.54	-
	Employee car transfer	0.06	-	-	-
C Key management personnel and their relatives					
Shekhar Bajaj (Chairman w.e.f from 1 May 2021)	Sitting fees	0.05	-	-	-
	Commission	0.10	(0.10)	-	-
Niraj Bajaj (Chairman till 30 April 2021 & Vice chairman w.e.f from 01 May 2021)	Sitting fees	0.09	-	0.07	-
	Commission	0.18	(0.18)	0.14	(0.14)
Sanjiv Bajaj (Managing Director & CEO) (Also Key management personnel)	Short-term employee benefits (including Commission)	21.10	(15.30)	19.48	(14.31)
	Post-employment benefits	1.80	-	1.69	-
Madhur Bajaj	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

31 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Rajiv Bajaj	Sitting fees	0.04	-	0.05	-
	Commission	0.08	(0.08)	0.10	(0.10)
D Other entities / persons					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premiums paid	1.27	0.11	0.99	0.10
	Revenue expenses reimbursement received	0.05	-	0.05	-
Bajaj Allianz Life Insurance Co. Ltd.	Revenue expenses reimbursement received	0.05	-	0.05	-
Bajaj Finance Ltd.	Shares of BHIL held by BFL (75 shares of ₹ 10 each - ₹ 750)	-	-	-	-
	Investment/(Redeemed) in non-convertible debentures/commercial paper	-	150.00	-	150.00
	Business support services rendered	9.90	-	15.67	-
	Business support services received	0.41	-	0.36	-
	Dividend paid - ₹ 9750 (Previous year - ₹ 3000)	-	-	-	-
	Interest received on non-convertible debentures	12.98	-	12.98	-
	Revenue expenses reimbursement received	0.05	0.05	0.05	-
	Interest accrued but not due	-	10.80	-	10.80
Bajaj Housing Finance Ltd.	Investment in non-convertible debentures/ commercial paper	-	-	-	150.00
	Redemption of non-convertible debenture	(150.00)	-	-	-
	Interest received on non-convertible debentures	10.41	-	10.41	-
	Interest accrued but not due	-	-	-	0.20
Bajaj Electricals Ltd.	Contribution to equity (18,793,840 shares of ₹ 2 each)	-	176.75	-	176.75
	Dividend received	-	-	-	-
	Purchase of electrical parts	-	-	0.03	-
Hindustan Housing Co. Ltd.	Shares of BHIL held by Hindustan Housing (15,391 shares of ₹ 10 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.20	-	-	-
	Maintenance charges paid	1.40	0.09	1.43	0.14
	Security deposit paid/(received back)	(0.03)	0.23	(0.13)	0.26
Hind Musafir Agency Ltd.	Services received	0.04	-	0.04	-
Bajaj Finserv Asset Management Ltd.	Business support services rendered	0.13	-	-	-
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each)	-	32.88	-	32.88
	0.01% 196,259 redeemable preference shares of ₹ 10 each	-	-	-	0.12
	Redemption of preference shares	0.12	-	0.04	-
	Dividend received on equity shares	0.81	-	-	-
	Dividend received on preference shares - ₹ 1165 (Previous Year - Nil)	-	-	-	-
	Security deposit (received)/refunded	-	(0.25)	-	(0.25)

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

31 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	-	0.10	-	0.10
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	1.41	-	1.13	-
	Shares of BHIL held by Hercules Hoists (338,003 shares of ₹ 10 each)	-	(0.34)	-	(0.34)
	Dividend paid	4.39	-	-	-
Kedaara Capital Advisors LLP	Contribution given for investments (at cost)	0.26	9.15	0.29	15.52
	Proceeds from redemption of units	26.97	-	0.29	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.77	-	0.72	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	0.09	-	0.15	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	0.21	-	0.75	-
D J Balaji Rao	Sitting fees	0.09	-	0.07	-
	Commission	0.18	(0.18)	0.14	(0.14)
Manish Kejriwal	Sitting fees	0.13	-	0.11	-
	Commission	0.26	(0.26)	0.22	(0.22)
Dr. Naushad Forbes	Sitting fees	0.15	-	0.11	-
	Commission	0.30	(0.30)	0.22	(0.22)
Dr. Gita Piramal	Sitting fees	0.13	-	0.13	-
	Commission	0.26	(0.26)	0.26	(0.26)
Anami Roy	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)
Pradip Shah	Sitting fees	0.12	-	0.13	-
	Commission	0.24	(0.24)	0.26	(0.26)

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.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

32 Fair value measurement

i) Financial instruments by category

(₹ In Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Government securities, bonds and debentures	-	2,632.84	-	-	2,807.81	-
Mutual funds	296.15	-	-	360.02	-	-
Certificate of deposits	-	-	297.53	-	-	97.84
Commercial paper	-	-	-	-	-	49.57
Preference shares	-	-	-	-	-	0.12
Open ended target maturity funds	-	-	907.82	-	-	552.46
Equity instruments	-	8,038.70	-	-	6,909.91	-
Other funds	-	406.07	-	-	328.92	-
Other financial assets	-	-	99.21	-	-	103.64
Cash and cash equivalents	-	-	21.47	-	-	21.75
Other bank balances	-	-	6.72	-	-	5.10
Total financial assets	296.15	11,077.61	1,332.75	360.02	10,046.64	830.48
Financial liabilities						
Trade payables	-	-	3.83	-	-	0.82
Lease liability	-	-	113.69	-	-	136.18
Other financial liabilities	-	-	36.78	-	-	33.68
Total financial liabilities	-	-	154.30	-	-	170.68

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value and
- 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.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

32 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Financial assets measured at fair value - recurring fair value measurements at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	5B	296.15	-	-	296.15
Financial investments at FVTOCI					
Equity instruments	5B	7,948.26	90.44	-	8,038.70
Debt securities	5B	2,632.84	-	-	2,632.84
Other funds	5B	189.33	216.74	-	406.07
Total financial assets		11,066.58	307.18	-	11,373.76

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Preference shares	5B	-	-	-	-
Certificate of deposits	5B	297.53	-	-	297.53
Commercial paper	5B	-	-	-	-
Open ended target maturity fund	5B	900.59	-	-	900.59
Total financial assets		1,198.12	-	-	1,198.12

Assets disclosed at fair value - at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment properties	7	-	287.46	-	287.46

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

32 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

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

(₹ In Crore)					
Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	5B	360.02	-	-	360.02
Financial investments at FVTOCI					
Debt securities	5B	2,807.81	-	-	2,807.81
Equity instruments	5B	6,794.04	115.87	-	6,909.91
Other funds		150.89	178.03	-	328.92
Total financial assets		10,112.76	293.90	-	10,406.66

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2021

(₹ In Crore)					
Particulars	Notes	Level 1	Level 2	Level 3	Total
Preference shares	5B	-	0.12	-	0.12
Certificate of deposits	5B	97.84	-	-	97.84
Commercial paper	5B	49.57	-	-	49.57
Open ended target maturity fund	5B	547.50	-	-	547.50
Total financial assets		694.91	0.12	-	695.03

Assets disclosed at fair value - at 31 March 2021

(₹ In Crore)					
Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment properties	7	-	273.63	-	273.63

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 below

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

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

32 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

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 government debt securities, values with references to prevailing yields to maturity matching tenure, quoted on sites of credible organisation such as FBIL (Financial Benchmark of India Limited).
- 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

(₹ In Crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	-	-	0.12	0.12
Certificate of deposits	297.53	297.53	97.84	97.84
Commercial paper	-	-	49.57	49.57
Open ended target maturity fund	907.82	900.59	552.46	547.50
Total financial assets	1,205.35	1,198.12	699.99	695.03

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

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

33 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.

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. The Company's risk management is carried out by its Risk Management Committee as per the policies approved by the Board of Directors. Accordingly, Company's Risk Management Committee identifies, evaluates and manages financial risks

A. Credit risk

The Company being an investment company, credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash equivalents, financial assets measured at amortised cost, FVTOCI and FVTPL.

Credit risk management

For other financial assets and investments, the Company has an investment policy which allows the Company to invest only with counterparties having a credit rating equal to or above AA- and P1+. The substantial portion of its surplus funds of the Company are invested with counterparties having a credit rating equal to or above AA+.

The Company reviews the creditworthiness of these counterparties on an on-going basis. Counter party limits maybe updated as and when required subject to approval of Board of Directors.

B. Liquidity risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period. The Company has no borrowings. Additionally, the Company has invested its surplus funds in fixed income securities or instruments of similar profile thereby ensuring safety of capital and availability of liquidity as and when required. Hence, the Company carries a negligible liquidity risk.

C. Interest rate risk

Interest rate risk is the fair value of future cash flows of a financial instrument which fluctuates because of changes in the market interest rates. In order to optimise the Company's position with regards to interest income, treasury team manages the interest rate risk by diversifying its portfolio across tenures.

D. Price risk

The Company's exposure to equity securities risk arises from investments held by the Company and classified in the Balance Sheet as FVTOCI (see note 32).

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio across capitalisation sectors with large cap bias and active monitoring of the portfolio constituents and news flow using relevant application tools. Diversification of the portfolio is in accordance with investment policy of the Company.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

33 Financial risk management (Contd.)

Majority of Company's equity investments are publicly traded and are included in the NSE Nifty 200 index.

As regards investments in unlisted privately held companies, the fair valuations are largely dependent on the investee company's ability to achieve desired outcomes which measure the performance of the Company and bear on the valuation. Hence the key price risk emanates from performance shortfall due to industry risks, policy changes and liquidity risk given the lower exit probability.

E. Other risk (Market risk)

The Company has deployed its surplus funds in equity, debt, money market and other instruments (including through funds). The Company is exposed to price and volatility risk on such investments. The Company has strategic asset allocation benchmarks and risk limits, including financial VaR and interest rate and equity sensitivity limits. These limits are monitored and reported to the decision making bodies.

The Company has invested 27% of its net assets in debt securities, liquid fixed income securities such as liquid mutual funds to ensure adequate liquidity is available. Hence temporary market shocks are not considered to have material impacts on these Investments. Nevertheless, the Company has invested its surplus funds primarily in debt instruments with CRISIL AAA & STABLE A1+ rating and thus the Company does not have significant risk exposure here.

34 Capital management

a) Objectives, policies and processes of capital management

The Company is cash surplus and has only equity capital. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution - Investment and Credit Company (NBFC-ICC) with Reserve Bank of India (RBI).

The cash surpluses are currently invested in equity, debt, money market and other instruments (including through funds) depending on economic conditions in line with 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.

	(₹ In Crore)	
	As at 31 March	
	2022	2021
Equity	15,387.86	14,016.77
Add: Deferred tax liabilities (net)	510.28	295.74
Less: Tangible and other assets	183.26	191.36
Working capital	222.42	101.15
Investments in subsidiaries and associates	2,913.35	2,913.35
Investment in equity, debt and similar investments	12,579.11	11,106.65

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

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

34 Capital management (Contd.)

b) Dividends distributed and proposed

(₹ In Crore)

Particular	For the year ended 31 March	
	2022	2021
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2021 of ₹ 40.00 (31 March 2020 is ₹ Nil) per equity share, declared and paid	445.17	-
Interim dividend for the year ended 31 March 2022 of ₹ 90.00 (31 March 2021 - ₹ Nil) per equity share, declared and paid	1,001.64	-
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 25 per equity share for the year ended 31 March 2022 (31 March 2021 - ₹ 40.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	278.23	445.17

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

35 Maturity analysis of assets and liabilities

(₹ In Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	21.47	-	21.47	21.75	-	21.75
Bank balances other than cash and cash equivalents	0.65	6.07	6.72	0.54	4.56	5.10
Investment in subsidiaries and associates	-	2,913.35	2,913.35	-	2,913.35	2,913.35
Other investments	902.65	11,676.46	12,579.11	566.78	10,539.87	11,106.65
Other financial assets	84.74	14.47	99.21	89.39	14.25	103.64
Non-financial assets						
Current tax assets (net)	-	150.84	150.84	-	23.90	23.90
Investment properties	-	177.25	177.25	-	180.55	180.55
Right-of-use asset	-	111.96	111.96	-	139.95	139.95
Property, plant and equipment	-	7.74	7.74	-	7.04	7.04
Other non-financial assets	1.26	-	1.26	1.27	-	1.27
Total	1,010.77	15,058.14	16,068.91	679.73	13,823.47	14,503.20
Liabilities						
Financial liabilities						
Trade payables	3.83	-	3.83	0.82	-	0.82
Lease liability	30.71	82.98	113.69	29.63	106.55	136.18
Other financial liabilities	19.99	16.79	36.78	18.50	15.18	33.68
Non-financial liabilities						
Current tax liabilities (net)	-	8.96	8.96	-	8.96	8.96
Deferred tax liabilities (net)	-	510.28	510.28	-	295.74	295.74
Provisions	1.10	1.68	2.78	2.69	3.59	6.28
Other non-financial liabilities	4.73	-	4.73	4.77	-	4.77
Total	60.36	620.69	681.05	56.41	430.02	486.43
Net	950.41	14,437.45	15,387.86	623.32	13,393.45	14,016.77

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022

Balance Sheet of a Non Deposit taking Non-Banking Financial Company

(As required in terms of Annex IV and Annex XVI of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016) updated as on 22 April 2022)

Particulars	(₹ In Lakh)	
	Amount outstanding	Amount overdue
Liabilities side		
1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid		
(a) Debentures		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposit*)	-	-
(b) Deferred credits	-	-
(c) Term loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial paper	-	-
(f) Public deposits	-	-
(g) Other loans (specify nature)	-	-
2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)		
(a) In the form of Unsecured debentures	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-
(c) Other public deposits	-	-

* Please see Note 1 below

Particulars	(₹ In Lakh)	
	Amount Outstanding	
Asset side		
3. Break-up of loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured		-
(b) Unsecured (Comprises advance income-tax paid and other miscellaneous receivables)		25,131

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)**Asset side** (Contd.)

(₹ In Lakh)

Particulars	Amount Outstanding
4. Break-up of leased assets and stock on hire and other assets counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors	
(a) Financial lease	-
(b) Operating lease	-
(ii) Stock on hire including hire charges under sundry debtors	
(a) Assets on hire	-
(b) Repossessed assets	-
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-
5. Break-up of investments*	
Current investments	
1. Quoted	
(i) Shares - (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	11,709
(iv) Government securities	-
(v) Others - (a) Certificate of deposit	29,753
(b) Commercial paper	-
2. Unquoted	
(i) Shares - (a) Equity	-
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	-
(iv) Government securities	-
(v) Others - (a) Certificate of deposit	-
(b) Commercial paper	-
	41,462

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)

Asset side (Contd.)

Particulars	Amount Outstanding
(₹ In Lakh)	
Long-term investments	
1. Quoted	
(i) Shares - (a) Equity	1,016,503
(b) Preference	-
(ii) Debentures and bonds	187,991
(iii) Units of mutual funds	17,906
(iv) Government securities	75,293
(v) Others (Bond ETF)	90,782
2. Unquoted	
(i) Shares - (a) Equity	97,635
(b) Preference	-
(ii) Debentures and bonds	-
(iii) Units of mutual funds	21,674
(iv) Government securities	-
(v) Others (please specify): Investment properties	17,725
	1,525,509
Total	1,566,971

*Pursuant to Regulation 10 of Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, the investments of the Company are required to be classified into long-term and current investments. All the investments other than temporary surplus funds held/intended by the Company are long-term.

6. Borrower group-wise classifications of assets financed as in (3) and (4) above: (Please note (2) below)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	49	49
2. Other than related parties	-	25,082	25,082
Total	-	25,131	25,131

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)

Asset side (Contd.)

7. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)

Category	Market value/break up or fair value or NAV	Book value [^] (Net of provisions)
(₹ In Lakh)		
1. Related parties **		
(a) Subsidiaries (quoted and unquoted hence disclosed at break up value)	219,399	23,974
(b) Companies in the same group (disclosed at market value)	14,164,524	267,361
(c) Other related parties		
- Unquoted (disclosed at face value)	3,220	914
- Quoted	222,129	22,207
2. Other than related parties		
- Unquoted @	116,064	42,735
- Quoted (disclosed at market value)	915,774	640,906
Total	15,641,110	998,097

** As per Ind AS (Please see note 3)

@ Investment in preference shares are disclosed at face value. Investments in equity shares are disclosed at break up value and investments in mutual funds are disclosed at fund value.

[^]Book value here represents cost/amortised cost.

The break up values are computed based on latest available consolidated financial statements/reports.

The investments in non-performing investments are disclosed at book value net of provisions.

8. Other information

Particulars	Amount
(₹ In Lakh)	
(i) Gross non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(ii) Net non-performing assets	
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes :

1. As defined in point six of paragraph 3 of Chapter -2 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

2. Provisioning norms shall be applicable as prescribed in Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

3. All Ind AS and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long-term or current in (5) above.

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)

Asset side (Contd.)

9. Investments

Particulars	(₹ In Lakh)	
	As at 31 March	
	2022	2021
(1) Value of investments		
(i) Gross value of investments		
(a) In India	1,566,971	1,420,055
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	1,566,971	1,420,055
(b) Outside India	-	-
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off/write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

10. Provisions and contingencies

Particulars	(₹ In Lakh)	
	As at 31 March	
	2022	2021
Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account		
(i) Provisions for depreciation on investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax	7,060	11,132
(iv) Other provision and contingencies	-	-
(v) Provision for standard assets	-	-

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)**Asset side** (Contd.)**11. CRAR**

Items	(₹ In Lakh)	
	As at 31 March	
	2022	2021
(i) CRAR %	111%	110%
(ii) CRAR - Tier I capital (%)	111%	110%
(iii) CRAR - Tier II capital (%)	0%	0%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

Liquidity coverage ratio (LCR)

Items	(₹ In Lakh)	
	As at 31 March	
	2022	2021
(i) Current assets	101,077	67,973
(ii) Current liabilities	6,036	5,641
(iii) Liquidity ratio	16.75	12.05

12. Exposures**A. Exposures to real estate sector**

Category	(₹ In Lakh)	
	As at 31 March	
	2022	2021
(a) Direct exposure	-	-
(i) Residential mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented: (Individual housing loans upto ₹ 15 lakh may be shown separately)	-	-
(ii) Commercial real estate		
Lending secured by mortgages on commercial real estate (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multitenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.) Exposure would also include non-fund based (NFB) limits	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
(a) Residential	-	-
(b) Commercial real estate	-	-
(b) Indirect exposure	27,250	56,537
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	27,250	56,537

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)

Asset side (Contd.)

B. Exposure to capital market

(₹ In Lakh)

As at 31 March

Particulars	As at 31 March	
	2022	2021
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	584,769	590,431
(ii) Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds	Nil	Nil
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security	Nil	Nil
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances	Nil	Nil
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	Nil	Nil
(vi) Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	Nil	Nil
(vii) Bridge loans to companies against expected equity flows/issues	Nil	Nil
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
Total exposure to capital market	584,769	590,431

Exposure here represent cost/ amortised cost

13. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(₹ In Lakh)

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to one year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
Assets	11,709	12,465	27,475	7,508	31,108	52,744	142,668	1,281,294	1,566,971
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	11,709	12,465	27,475	7,508	31,108	52,744	142,668	1,281,294	1,566,971
Foreign currency assets	-	-	-	-	-	-	-	-	-

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

36 Schedule to Balance Sheet as on 31 March 2022 (Contd.)

Asset side (Contd.)

14. Miscellaneous disclosures

a) Registration obtained from other financial sector regulators

Apart from RBI, Company is also governed by SEBI and MCA.

b) Disclosure of penalties imposed by RBI and other regulators

During previous year, no penalty was imposed by RBI or other regulators.

c) Related party transactions

Please refer note 31 for details of related party transactions.

d) Ratings assigned by credit rating agencies and migration of ratings during the year

Not applicable

Note

Company is a non-deposit taking/accepting NBFC. It does not carry out lending/securitisation activity. Hence, there are 'Nil' values in respect of following disclosures -

1. Derivatives
 - Forward rate agreement/interest rate swap
 - Exchange traded interest rate (IR) derivatives
 - Qualitative disclosures on risk exposure in derivatives
 - Quantitative disclosures on risk exposure in derivatives
2. Securitisation
 - Disclosures relating to securitised assets etc.
 - Details of financial assets sold to securitisation/reconstruction company for asset reconstruction
 - Details of assignment transactions undertaken by NBFCs
 - Details of non-performing financial assets purchased/sold
3. Details of financing of parent company products
4. Details of Single Borrower Limit (SBL) / Group Borrower Limite (GBL) exceeded by the NBFC
5. Unsecured advances
6. Concentration of deposits, advances, exposures and NPAs
 - Concentration of deposits (for deposit taking NBFCs)
 - Concentration of advances
 - Concentration of exposures
 - Concentration of NPAs
 - Sector-wise NPAs
 - Movement of NPAs
7. Overseas assets (for those with joint ventures and subsidiaries abroad)
8. Off-balance sheet SPVs sponsored
9. Disclosure of customer complaints

Notes to standalone financial statements for the year ended 31 March 2022 (Contd.)

37 Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2022 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 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 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.

38 Events after reporting date

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

39 Miscellaneous

Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

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 Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subramaniam
Company Secretary

Madhur Bajaj
Director

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditors' Report on the Consolidated Financial Statements

To the Members of **Bajaj Holdings & Investment Ltd.**

Opinion

We have audited the accompanying consolidated financial statements of Bajaj Holdings & Investment Ltd. (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') and its associates, which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of respective independent auditors on separate financial statements of such subsidiaries and associates, as were audited by respective independent auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2022, of the consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by Institute of Chartered Accountant of India ('ICAI') together with the ethical requirements that are relevant to our audit of consolidated financial statement under the provision of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with the requirements and the ICAI's code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

Emphasis of matter

We draw attention to Note 2D to the consolidated financial statements, relating to consolidated financial statements of Bajaj Finance Ltd., a subsidiary of associate, which describes the continuing uncertainties arising from the Covid-19 pandemic. Our Opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Key audit matters from component auditors report

How our audit addressed the key audit matter

a) Allowances for expected credit losses ("ECL") of Bajaj Finserv Ltd. Group ('BFS Group')

The joint auditors of Bajaj Finance Ltd. ('BFL'), a subsidiary of Bajaj Finserv Ltd. (Associate entity), have reported that 'As at 31 March 2022, the carrying value of loan assets measured at amortised cost, aggregated ₹ 191,423.25 crore (net of allowance of expected credit loss ₹ 4,404.79 crore) constituting approximately 90% of the BFL Group's total assets. Significant judgment is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of management judgment.

As part of risk assessment, determined that ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements. The elements of estimating ECL which involved increased level of audit focus are the following

- Qualitative and quantitative factors used in staging the loan assets measured at amortised cost;
- Basis used for estimating Probabilities of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') product level with past trends;
- Judgments used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and
- Adjustments to model driven ECL results to address emerging trends.

Auditors have examined the policies approved by the Boards of Directors of the Company and of the subsidiary that articulate the objectives of managing each portfolio and their business models. Also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost. Additionally, have confirmed that adjustments to the output of the ECL Model is consistent with the documented rationale and basis for such adjustments and that the amount of adjustment been approved by the Audit Committee of the Board of Directors.

Our audit procedures related to the allowance for ECL included the following, among others

Testing the design and operating effectiveness of the following

- completeness and accuracy of the Exposure at Default ('EAD') and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied.
- completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio;
- accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model; and
- validity of changes made to the Structured Query Language ('SQL') queries used for the ECL calculations including approval thereof by the designated officials.

Testing details on a sample basis in respect of the following

- accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;
- The mathematical accuracy of the ECL computation by using the same input data as used by the Group.
- use of appropriate SQL queries for calibration of ECL rates and its application to the corresponding loan asset portfolio of the Group or part thereof
- completeness and accuracy of the staging of the loans and the underlying data based on which ECL estimates have been computed.
- evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committees of companies included in the Group.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Key audit matters from component auditors report

How our audit addressed the key audit matter

b) Information technology system for the financial reporting and Consolidation process of Bajaj Finserv Ltd. Group ('BFS Group')

The joint auditors of Bajaj Finance Ltd., a subsidiary of the Bajaj Finserv Ltd. (Associate entity), have reported that

The Group is dependent on its Information Technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.

On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.

With the assistance of IT specialists, the Auditors obtained an understanding of the Group's IT applications, databases and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of our focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular

- Tested the design, implementation and operating effectiveness of the Group's general IT controls over the IT systems relevant to financial reporting. This included evaluation of Group's controls over segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit.
- Tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to the financial statements. Tests including testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

c) Accounting for income from government grants of Bajaj Auto Ltd. ('BAL')

BAL is entitled to an industrial promotion subsidy, an incentive, amounting to ₹ 533.50 crore under a package scheme of Incentives of the Government of Maharashtra based on the eligible capital investment made from 1 April 2012 to 31 March 2017. Validity period to claim incentive under the scheme is from 1 April 2015 to 31 March 2024.

BAL has recognised the incentive ('Grant Income') amounting to ₹ 30.50 crore for the year 2021-22 in the other operating income and ₹ 315.28 crore for the year 2015-16 to 2020-21 as exceptional Item in the statement of profit and loss.

This transaction had a significant effect on the consolidated financial statement for the year and hence is considered as key audit matter.

Audit procedures included the following

- Obtained and read the eligibility certificate received by BAL from the Directorate of Industries, the Government of Maharashtra.
- Read the terms and conditions of the scheme issued by the Government of Maharashtra and the compliance to those conditions.
- Obtained and tested the computation of grant income prepared by the Management.
- Assessed and tested the compliance in relation to recognition of income in accordance with Ind AS.
- Assessed the disclosures in the consolidated financial statement for compliance with relevant standards.
- Obtained management representation in regard to the recognition and disclosures in respect of the grant income.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Key audit matters from component auditors report

How our audit addressed the key audit matter

d) Gain on investments in associate of a subsidiary due to restructuring of Bajaj Auto Ltd. ('BAL')

Bajaj Auto International Holding BV (BAIH BV), a 100% subsidiary of BAL, held 47.99% stake in KTM AG. During the current year, BAIH BV swapped 46.50% stake in KTM AG for 49.90% stake in Pierer Bajaj AG. The resultant gain in fair value of ₹ 501.23 crore was recorded as an exceptional item in the consolidated financial statements.

Pursuant to the buyback offer by KTM AG on 5 November 2021, BAIH BV tendered remaining 1.49% shares in KTM AG for a consideration of ₹ 249.33 crore and resultant gain of ₹ 74.90 crore was recognised as other income in the consolidated financial statements.

This transaction had a significant effect on the consolidated financial statements for the year and hence is considered as key audit matter.

Audit procedures included the following

- Read the relevant agreements to understand the terms of the transaction.
- Verified the accounting treatment to be in compliance with Ind AS.
- Assessed the disclosures in the consolidated financial statements for compliance with relevant standards.
- Obtained management representation in regard to accounting and disclosure relating to the transactions.

Information other than the financial statements and auditors' report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report and Corporate Governance but does not include the consolidated financial statements and our Auditors' report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit report of respective independent auditors, 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 consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) rules 2015 as amended.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies and associate companies which are companies incorporated in India have adequate internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

- a) The joint auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a subsidiary of associate, have reported that the actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March 2022 is the responsibility of the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with Ind AS 104, 'Insurance Contracts', Ind AS 109, 'Financial Instruments', guidelines and norms, issued by Insurance Regulatory and Development Authority of India ('IRDAI') and Institute of Actuaries of India in concurrence with the IRDAI. BALIC's auditors' have relied upon the BALIC's Appointed Actuary's certificate in this regard for the purpose of their report.
- b) The joint auditors of Bajaj Allianz General Insurance Company Ltd. ('BAGIC'), a subsidiary of an associate, have reported that the actuarial valuation of liabilities in respect of Incurred But Not Reported ('IBNR') and Incurred But Not Enough Reported ('IBNER') claims is the responsibility of the BAGIC's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2022 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with guidelines and norms, issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. BAGIC's auditor's have relied upon BAGIC's Appointed Actuary's certificate in this regard for the purpose of their report.

Our opinion is not modified in respect of matters specified in paragraph (a) and (b) above.

- c) We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 24,749.66 crore as at 31 March 2022, total revenues of ₹ 18.14 crore, total net profit after tax of

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

₹ 143.48 crore, total comprehensive income of ₹ 6,667.29 crore and net cash flows of ₹ (0.35) crore for the year ended 31 March 2022, which have been audited by their respective independent auditors and are before consolidation adjustments. The independent auditors' reports on the financial statement of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report.

- d) The Statement includes the Group's share of net profit after tax of ₹ 3,912.61 crore and Group's share of total comprehensive income of ₹ 3,870.97 crore for the year ended 31 March 2022, as considered in the Statement before consolidation adjustments, in respect of 2 associates and their subsidiaries included therein, whose financial statement have not been audited by us. These financial statements have been audited by respective independent auditors whose audit reports have been furnished to us by the Management and our conclusion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and their subsidiaries, is based solely on the audit reports of such auditors and procedures performed by us as described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report.

Our opinion on the consolidated financial statements in respect of matters stated in paragraphs (c) and (d) above and our report on other legal and regulatory requirements below, is not modified with respect to our reliance on the work done and the reports of the respective independent auditors.

- e) The comparative financial information of the Group for the year ended 31 March 2021 included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statements audited by the predecessor auditor whose report for the year ended 31 March 2021 dated 29 April 2021 expressed an unmodified opinion on those financial statements and we have relied upon that opinion without verification.

Report on other legal and regulatory requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the respective independent auditors on separate financial statements of such subsidiaries and associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2022, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

in India, none of the Directors of the Group companies, its associate companies incorporated in India are disqualified as on 31 March 2022, from being appointed as a Director in terms of section 164 (2) of the Act.

- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and its associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure 'A'.
- g) In our opinion and according to the information and explanations given to us and based on audit reports of the respective independent auditors on separate financial statements of such subsidiaries and associates, the remuneration paid during the current year by the Holding Company, subsidiaries and associates incorporated in India to its directors is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the respective independent auditors on separate financial statements of such subsidiaries and associates, as noted in the 'Other Matters' paragraph
 - i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group – Refer Note 30, Note 31 and Note 32 to the consolidated financial statements.
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 31 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.
 - iv) (i) The respective Managements of the Holding Company and its subsidiary companies and associate companies which are companies incorporated in India, have represented that, to the best of their knowledge and belief, 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 Holding Company or any such subsidiary companies or associate companies 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any such subsidiary companies or associate companies ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - (ii) The respective Managements of the Holding Company and its subsidiary companies and associate companies which are companies incorporated in India, have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in aggregate) have been received by the Holding company or any such subsidiary companies or associate companies from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies or associate companies

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

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; and

- (iii) Based on reasonable audit procedures adopted by us and those performed by the auditors of the subsidiaries and associates incorporated in India, nothing has come to our notice or other auditors notice that has caused us to believe that the representations under sub-clause (i) and (ii) of the Rule 11(e) as provided under (iv)(i) and (iv)(ii) above, contain any material mis-statement.
- v) In our opinion and according to the information and explanation given to us, the dividend declared or paid during the year by the Holding Company, is in compliance with section 123 of the Act.
- i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 (the 'CARO') issued by the Central Government in terms of section 143(11) of the Act, to be included in the Auditors' report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and based on our consideration of CARO reports issued by the respective independent auditors of the Company's such subsidiaries and associates, we report that there are no qualifications or adverse remarks in these CARO reports.

For Kalyaniwalla & Mistry LLP
Chartered Accountants
ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni
Partner
ICAI Membership Number: 047576
UDIN: 22047576AIALIE4692
Pune: 28 April 2022

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1(f) under the heading 'Report on other legal and regulatory requirements' of our report of even date

Report on Internal Financial Controls with reference to the aforesaid Consolidated Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (the 'Act')

Opinion

In conjunction with our audit of the consolidated financial statements of Bajaj Holdings & Investment Ltd. (hereinafter referred to as the 'Holding Company') as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates, which are companies incorporated in India, as of that date.

In our opinion, the Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2022, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls 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').

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to subsidiaries and associate companies forming part of the Group, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associates incorporated in India.

Management's responsibility for internal financial controls

The respective Board of Directors of the companies included in the Group and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness.

Annexure A to the Independent Auditors' Report (Contd.)

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the respective independent auditors in terms of their reports referred to in the Other matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated financial statements.

Meaning of internal financial controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 control with reference to consolidated financial statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that 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 consolidated financial statements

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

For Kalyaniwalla & Mistry LLP
Chartered Accountants
ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni
Partner
ICAI Membership Number: 047576
UDIN: 22047576AIALIE4692
Pune: 28 April 2022

Consolidated Balance Sheet

Particulars	Note No.	(₹ In Crore)	
		As at 31 March	
		2022	2021
ASSETS			
Financial assets			
Cash and cash equivalents	3	21.88	22.51
Bank balances other than cash and cash equivalents	4	11.01	60.75
Trade receivables	5	10.03	6.83
Investment in associates	6A	26,308.06	23,801.81
Other investments	6B	26,656.33	21,111.84
Other financial assets	7	110.08	112.91
		53,117.39	45,116.65
Non-financial assets			
Current tax assets (net)		152.64	25.70
Investment properties	9	177.25	180.55
Property, plant and equipment	10A	20.30	21.37
Right-of-use asset	10B	111.96	139.95
Inventories	11	6.46	3.60
Other non-financial assets	12	1.63	1.77
		470.24	372.94
Total		53,587.63	45,489.59

Consolidated Balance Sheet (Contd.)

(₹ In Crore)

As at 31 March

Particulars	Note No.	As at 31 March	
		2022	2021
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	0.11
Total outstanding dues of creditors other than micro enterprises and small enterprises		4.34	3.13
Lease liability		113.69	136.18
Other financial liabilities	14	42.43	41.73
		160.46	181.15
Non-financial liabilities			
Current tax liabilities (net)		11.86	9.41
Deferred tax liabilities (net)	8	1,825.20	1,169.24
Provisions	15	3.71	7.10
Other non-financial liabilities	16	5.90	5.06
		1,846.67	1,190.81
EQUITY			
Equity share capital	17	111.29	111.29
Other equity	18	42,730.96	37,055.67
Non-controlling interest		8,738.25	6,950.67
		51,580.50	44,117.63
Total		53,587.63	45,489.59

Summary of significant accounting policies followed by the Group

2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial OfficerSanjiv Bajaj
Managing Director & CEOSriram Subbramaniam
Company SecretaryMadhur Bajaj
Director

Consolidated Statement of Profit and Loss

Particulars	Note No.	(₹ In Crore)	
		For the year ended 31 March	
		2022	2021
Revenue from operations			
Interest income	19	253.73	253.27
Dividend income		85.46	40.23
Rental income		20.05	19.12
Net gain on fair value changes	20	53.26	68.21
Other investment income	21	-	3.00
Revenue from contracts with customers - sale of goods	22	17.19	15.28
Total revenue from operations		429.69	399.11
Other income	23	56.82	63.96
Total income		486.51	463.07
Expenses			
Employee benefits expenses	24	44.46	44.16
Finance costs - interest on operating lease liability		3.15	3.80
Cost of raw materials consumed		9.48	8.40
Changes in inventories of work-in-progress	25	(1.96)	(0.28)
Depreciation, amortisation and impairment	26	33.71	33.61
Other expenses	27	65.44	53.23
Total expenses		154.28	142.92
Share of profits of associates		3,893.67	3,445.59
Profit before tax		4,225.90	3,765.74
Tax expense			
Current tax		82.33	101.92
Tax credits pertaining to earlier years		(24.86)	-
Deferred tax		6.64	9.04
Provision for possible non-utilisation of MAT credit		36.18	0.63
Total tax expense	28	100.29	111.59
Profit after tax		4,125.61	3,654.15
Profit attributable to non-controlling interests		69.93	4.32
Profit for the year		4,055.68	3,649.83

Consolidated Statement of Profit and Loss (Contd.)

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2022	2021
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		1.17	(0.55)
Tax impacts on above		(0.41)	0.57
Net gain/(loss) on equity instruments designated at FVTOCI		5,428.22	9,037.83
Tax impacts on above		(632.10)	(994.10)
Items that will be reclassified to profit or loss			
Valuation gain/(loss) on derivative hedging instruments		(1.03)	85.72
Tax impacts on above		(0.37)	(21.54)
Other adjustments		6.89	(20.75)
Change in foreign currency translation reserve of subsidiary of associate		(37.18)	30.32
Net gain on debt instruments designated at FVTOCI		(281.97)	(25.07)
Tax impacts on above		51.04	0.82
Other comprehensive income for the year (net of tax)		4,534.26	8,093.25
Total comprehensive income for the year		8,659.87	11,747.40
Profit attributable to			
Owners of the company		4,055.68	3,649.83
Non-controlling interests		69.93	4.32
Total comprehensive income attributable to			
Owners of the company		6,844.30	9,332.81
Non-controlling interests		1,815.57	2,414.59
Basic and diluted Earnings per share (in ₹)	29	364.4	327.9
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Group	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our report of even date

On behalf of the Board of Directors

For Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial OfficerSanjiv Bajaj
Managing Director & CEOSriram Subbramaniam
Company SecretaryMadhur Bajaj
Director

Consolidated Statement of Changes in Equity

A Equity Share Capital

(₹ In Crore)

For the year ended 31 March

Particulars	Note No.	2022	2021
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
At the end of the year	17	111.29	111.29

B Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus				Other reserves				Total non-controlling interest	Total	
		Securities premium	General reserve	Capital reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings	Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income	Share of associates			Total attributable to equity holders of the parent
Balance as at 1 April 2020	18	444.42	12,325.90	4,232.40	2,107.34	8,472.18	(117.58)	34.70	152.89	27,652.25	4,536.08	32,188.33
Profit for the year		-	-	-	-	3,649.83	-	-	-	3,649.83	4.32	3,654.15
Other comprehensive income (net of tax)		-	-	-	-	(0.05)	5,616.01	17.87	49.15	5,682.98	2,410.27	8,093.25
Total comprehensive income for the year ended 31 March 2021		-	-	-	-	3,649.78	5,616.01	17.87	49.15	9,332.81	2,414.59	11,747.40
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	39.72	(39.72)	-	-	-	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	-	289.76	(289.76)	-	-	-	-	-
Share of accumulated reserves of associate		-	70.61	-	-	-	-	-	-	70.61	-	70.61
Balance as at 31 March 2021	18	444.42	12,396.51	4,232.40	2,147.06	12,372.00	5,208.67	52.57	202.04	37,055.67	6,950.67	44,006.34

Consolidated Statement of Changes in Equity (Contd.)

B Other equity (Contd.)

(₹ In Crore)

Particulars	Note No.	Reserves and surplus				Other reserves				Total non-controlling interest	Total	
		Securities premium	General reserve	Capital reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings	Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income	Share of associates			Total attributable to equity holders of the parent
Profit for the year		-	-	-	-	4,055.68	-	-	-	4,055.68	69.93	4,125.61
Other comprehensive income (net of tax)		-	-	-	-	0.73	3,040.44	(36.69)	(215.86)	2,788.62	1,745.64	4,534.26
Total comprehensive income for the year ended 31 March 2022		-	-	-	-	4,056.41	3,040.44	(36.69)	(215.86)	6,844.30	1,815.57	8,659.87
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	326.10	(326.10)	-	-	-	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	-	131.42	(131.42)	-	-	-	-	-
Share of accumulated reserves of associate		-	306.95	-	-	-	-	-	-	306.95	-	306.95
Final dividend, declared and paid during the year		-	-	-	-	(474.31)	-	-	-	(474.31)	(27.99)	(502.30)
Interim dividend, declared and paid during the year		-	-	-	-	(1,001.64)	-	-	-	(1,001.64)	-	(1,001.64)
Balance as at 31 March 2022	18	444.42	12,703.46	4,232.40	2,473.16	14,757.78	8,117.69	15.88	(13.82)	42,730.96	8,738.25	51,469.21

Summary of significant accounting policies followed by the Group

2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial OfficerSanjiv Bajaj
Managing Director & CEOSriram Subramaniam
Company SecretaryMadhur Bajaj
Director

Consolidated Statement of Cash Flows

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
I. Operating activities		
Profit before tax	4,225.90	3,765.74
Less: Share of profits of associates	3,893.67	3,445.59
Add: Dividend from associates	1,468.89	-
	1,801.12	320.15
Adjustments to reconcile profit before tax to net cash flows		
Add:		
i) Depreciation, amortisation and impairment	33.71	33.61
ii) Finance costs - interest on operating lease liability	3.15	3.80
iii) Unrealised foreign exchange loss on revaluation	4.33	-
	41.19	37.41
Less:		
i) Provision for diminution in value of investments written back	-	3.00
ii) Profit on sale of investments, net	36.97	58.33
iii) Income from units of mutual fund	17.38	12.77
iv) Unrealised foreign exchange gain on revaluation	-	4.96
v) Amortisation of premium/discount on acquisition of debt securities	42.51	2.27
vi) Surplus on sale of property, plant and equipment	0.01	0.07
	96.87	81.40
	1,745.44	276.16
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	3.36	16.66
ii) Increase in trade receivables	(3.19)	(2.13)
iii) Increase in inventories	(2.86)	(0.25)
iv) (Increase)/decrease in other bank balances	(1.47)	4.90
v) (Increase)/decrease in liabilities and provisions	(1.31)	(2.90)
	(5.47)	16.28
(Purchase)/sale of money market mutual funds, etc., net *	64.09	86.07
Net cash flow from operating activities before income-tax	1,804.06	378.51
Income-tax refund for earlier years (net)	3.07	-
Income-tax paid	(197.48)	(106.85)
Net cash flow from operating activities	1,609.65	271.66
Carried forward	1,609.65	271.66

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2022	2021
Brought forward	1,609.65	271.66
II. Investing activities		
i) Purchase of property, plant and equipment	(1.33)	(1.13)
ii) Acquisition of a subsidiary, net of cash acquired	-	-
iii) Sale of investments*	1,642.19	2,420.02
iv) Purchase of investments*	(1,791.61)	(2,726.95)
v) Sale proceeds of property, plant and equipment	0.01	0.15
Net cash flow used in investing activities	(150.74)	(307.91)
III. Financing activities		
i) Dividend paid	(1,429.57)	(6.21)
ii) Cash payment for principal portion of operating lease liability	(26.82)	(26.63)
iii) Cash payment for interest portion of operating lease liability	(3.15)	(3.80)
Net cash flow used in financing activities	(1,459.54)	(36.64)
Net change in cash and cash equivalents	(0.63)	(72.89)
Cash and cash equivalents as at the beginning of the year	22.51	95.40
Cash and cash equivalents as at the end of the year	21.88	22.51

* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities or subsequent reassessment of intention and transfers made inter se between long-term and current investments, in accordance with the prudential norms specified by RBI.

Summary of significant accounting policies followed by the Group

2

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date

On behalf of the Board of Directors

For Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Notes to consolidated financial statements for the year ended 31 March 2022

1 Background

Bajaj Holdings & Investment Ltd. (the 'Company/Holding Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1913. The Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution – Investment and Credit Company ('NBFC-ICC') with the Reserve Bank of India (RBI) vide registration number N-13.01952. The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

The consolidated financial statements comprise financial statements of Bajaj Holdings & Investment Ltd. (the 'Company'), its subsidiaries, associates and joint venture (collectively, the 'Group') for the year ended 31 March 2022.

The consolidated financial statements include financial statements of the subsidiaries, associates and joint venture of Bajaj Holdings & Investment Ltd. ('the Company'), consolidated in accordance with Indian Accounting Standard 110 'Consolidated Financial Statements' and Indian Accounting Standard 28 'Investments in Associates and Joint Ventures'.

Name of the company	Country of incorporation	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiaries as at 31 March 2022	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiaries as at 31 March 2021	Consolidated as
Bajaj Auto Ltd.* (BAL)	India	35.83%	35.77%	Associate [^]
Bajaj Finserv Ltd.** (BFS)	India	41.63%	41.63%	Associate
Bajaj Auto Holdings Ltd.	India	100.00%	100.00%	Subsidiary
Maharashtra Scooters Ltd. (subsidiary w.e.f. 17 June 2019)	India	51.00%	51.00%	Subsidiary

[^]Equity pickup of Bajaj Holdings & Investment Ltd. share in BAL's profit is net of elimination of cross-holding of BAL in Bajaj Holdings & Investment Ltd. of 3.14%

* The consolidated financial results of Bajaj Auto Ltd. include results of following companies :

Name of the company	Country of incorporation	% Shareholding of Bajaj Auto Ltd. as at 31 March 2022	% Shareholding of Bajaj Auto Ltd. as at 31 March 2021	Consolidated as
PT. Bajaj Auto Indonesia	Indonesia	99.25%	99.25%	Subsidiary
Bajaj Auto International Holdings BV	Netherlands	100.00%	100.00%	Subsidiary
Bajaj Auto Thailand Ltd.	Thailand	100.00%	100.00%	Subsidiary
Chetak Technology Ltd.	India	100.00%	Not applicable	Subsidiary
Bajaj Auto Consumer Finance Ltd.	India	100.00%	Not applicable	Subsidiary
Bajaj Auto Spain S.L.	Barcelona	100.00%	Not applicable	Subsidiary

The consolidated financial statements of Bajaj Auto International Holdings BV include 49.90% interest in Pierer Bajaj AG as an associate.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

1 Background (Contd.)

** The consolidated financial results of Bajaj Finserv Ltd. include results of following companies :

Name of the company	Country of incorporation	% Shareholding of Bajaj Finserv Ltd. as at 31 March 2022	% Shareholding of Bajaj Finserv Ltd. as at 31 March 2021	Consolidated as
Bajaj Allianz General Insurance Company Ltd.	India	74.00%	74.00%	Subsidiary
Bajaj Allianz Life Insurance Company Ltd.	India	74.00%	74.00%	Subsidiary
Bajaj Finance Ltd.@	India	52.49%	52.74%	Subsidiary
Bajaj Finserv Direct Ltd.	India	80.10%	100.00%	Subsidiary
Bajaj Finserv Health Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Finserv Ventures Ltd.	India	100.00%	Not applicable	Subsidiary
Bajaj Finserv Mutual Fund Trustee Ltd.	India	100.00%	Not applicable	Subsidiary
Bajaj Finserv Asset Management Ltd.	India	100.00%	Not applicable	Subsidiary
Bajaj Allianz Financial Distributors Ltd.^	India	50.00%	50.00%	Joint Venture

@ The consolidated financial results of Bajaj Finance Ltd. include 100% interest in both, Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd. as a subsidiary.

^ The consolidated financial results of Bajaj Allianz Financial Distributors Ltd. include 100% interest in Bajaj Allianz Staffing Solutions Ltd.

2 Summary of significant accounting policies followed by the Group

2A Basis of preparation

The consolidated financial statements of the Group 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 Group's functional currency and all values are rounded to the nearest crore (INR 0,000,000), except when otherwise indicated.

2B Summary of significant accounting policies followed by the Group

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and its subsidiaries being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

2B Summary of significant accounting policies followed by the Group (Contd.)

entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiary to align the accounting policies in line with accounting policies of the Group. For non-wholly owned subsidiary, a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated Statement of Profit and Loss and consolidated Balance sheet. For acquisitions of additional interests in subsidiary, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The financial statements of subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated unless costs cannot be recovered.

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2) Investment in associates and joint venture

Investments in associates and joint venture are accounted for using the equity method.

An associate is an entity over which the Group is in a position to exercise significant influence over operating and financial policies. The considerations made in determining whether significant influence is being exercised are similar to those necessary to determine control over the subsidiaries. Goodwill arising on the acquisition of associates is included in the carrying value of investments in associate.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decision about the relevant activities require unanimous consent of the parties sharing control.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

2B Summary of significant accounting policies followed by the Group (Contd.)

The Group's investments in its associates and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of an associate or a joint venture since the acquisition date. Goodwill relating to an associate or a joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Statement of Profit and Loss reflects the Group's share of the results of operations of an associate or a joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of an associate or a joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and an associate or a joint venture are eliminated to the extent of the interest in an associate or a joint venture.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in an associate or a joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in an associate or a joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or a joint venture. If an associate or a joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of the associates and joint venture is shown on the face of the Statement of Profit and Loss.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in an associate or a joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in an associate or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of an associate or a joint venture and its carrying value, and then recognises the loss in the Statement of Profit and Loss.

Upon loss of significant influence over an associate or a joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of an associate or a joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the Statement of Profit and Loss.

3) Other significant accounting policies

Other significant accounting policies followed by the Group are exactly similar to the significant accounting policies of the parent, Bajaj Holdings & Investment Ltd.; and hence have not been reproduced here. Refer note 2B of standalone financial statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2022 for details in regard to other significant accounting policies.

Maharashtra Scooters Ltd. (MSL)

i. Revenue from contract with customer

Sale of goods

Revenue is measured at the fair value of the consideration received or receivable from customers. Amounts disclosed as revenue are inclusive of excise duty and net of value added taxes, goods & services taxes (GST), returns, discounts, rebates and incentives. MSL recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to MSL.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

2B Summary of significant accounting policies followed by the Group (Contd.)

Sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer. The nature of contracts of the MSL are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.

ii. Inventories

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

- (a). Finished stocks and stocks of work-in-progress are valued at cost of manufacturing or net realisable value whichever is lower. Cost is calculated on a weighted average basis.
- (b). Stores, packing material and tools are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower.
- (c). Raw materials and components are valued at cost arrived at on weighted average basis or net realisable value, whichever is lower, as circumstances demand.

Others

i. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

2B Summary of significant accounting policies followed by the Group (Contd.)

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2C Other notes

Notes to these consolidated financial statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Group. Recognising this purpose, the Group has disclosed only such notes from the standalone financial statements, which fairly present the needed disclosures.

2D Covid-19 Impact

The Covid-19 pandemic has affected several countries across the world, including India. The pandemic and consequent lockdown imposed by the governmental authorities has considerably impacted the business operations of our associate company, including their subsidiaries, which impact these consolidated financial results.

Bajaj Finance Ltd. (BFL), a subsidiary of Bajaj Finserv Ltd. an associate company, has continued to make certain estimates and associated assumptions especially for determining the impairment allowance of its financial assets (Loans) on a consolidated basis. As a matter of prudence, BFL has written off principal outstanding of ₹ 776 crore for the year ended 31 March 2022, and corresponding interest outstanding (including interest capitalised) of ₹ 169 crore, by utilising the available expected credit loss provision including management overlay.

BFL holds a management overlay of ₹ 1,060 crore as at 31 March 2022.

Given the dynamic and evolving nature of the pandemic, these estimates are subject to uncertainty and may be affected by the severity, duration of the pandemic and other variables.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

3 Cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Balances with banks	21.88	22.51
	21.88	22.51

4 Bank balances other than cash and cash equivalents

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Unclaimed dividend accounts	10.96	9.75
Deposits with original maturity for less than or equal to twelve months	0.05	51.00
	11.01	60.75

5 Trade receivables

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Trade receivables	10.03	6.83
	10.03	6.83

Trade receivables ageing schedule

Particulars	(₹ In Crore)						
	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 year	Total
31 March 2022							
Undisputed Trade receivables – considered good	1.20	8.65	0.14	0.02	-	0.02	10.03
31 March 2021							
Undisputed Trade receivables – considered good	1.55	5.13	0.11	0.02	-	0.02	6.83

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

6A Investment in associates

Particulars	(₹ In Crore)
	At cost
As at 31 March 2022	
Equity instruments	
associates	26,308.06
Total	26,308.06
As at 31 March 2021	
Equity instruments	
associates	23,801.81
Total	23,801.81

6B Other investments

Particulars	At fair value			Total
	At amortised cost	through other comprehensive income	through profit and loss	
As at 31 March 2022				
Government debt securities	-	752.93	-	752.93
Debt securities	260.06	1,879.91	-	2,139.97
Certificate of deposit	297.53	-	-	297.53
Commercial paper	-	-	-	-
Open ended target maturity funds	907.82	-	-	907.82
Mutual funds	-	-	339.71	339.71
Preference share	-	-	-	-
Equity instruments	-	21,812.30	-	21,812.30
Other funds	-	406.07	-	406.07
Total	1,465.41	24,851.21	339.71	26,656.33

Particulars	At fair value			Total
	At amortised cost	through other comprehensive income	through profit and loss	
As at 31 March 2021				
Government debt securities	-	844.21	-	844.21
Debt securities	185.33	1,963.60	-	2,148.93
Certificate of deposit	122.67	-	-	122.67
Commercial paper	49.57	-	-	49.57
Open ended target maturity funds	552.46	-	-	552.46
Mutual funds	-	-	385.29	385.29
Preference share	0.12	-	-	0.12
Equity instruments	-	16,679.67	-	16,679.67
Other funds	-	328.92	-	328.92
Total	910.15	19,816.40	385.29	21,111.84

All investments in 6A and 6B above are within India

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

7 Other financial assets

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Interest receivable on investments, considered good	94.97	97.15
Interest receivable on investments, doubtful	1.18	1.18
Less: Impairment loss allowance	1.18	1.18
Dividend receivable	0.11	-
Security deposits	14.58	14.36
Derivative asset	-	0.02
Others	0.42	1.38
	110.08	112.91

8 Deferred tax liabilities - net

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	2.04	2.56
Other employee benefit plan provisions - OCI	0.04	0.02
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	11.92	4.52
Movement in fair value of financial assets designated at FVTPL	3.53	1.59
Movement in fair value of financial assets designated at FVTOCI	1,810.91	1,201.84
Lease assets	-	1.32
Gross deferred tax liabilities	1,828.44	1,211.85
Deferred tax assets		
On account of timing difference in retiral and other employee benefits		
Provision for compensated absences	0.19	0.27
Other employee benefit plan provisions - P&L	0.39	0.76
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	1.89	1.17
Impairment allowance for financial asset	0.30	0.40
Lease assets	0.44	-
Other temporary differences	0.03	0.03
MAT credit entitlement	36.18	39.98
Less: Provision for possible non-utilisation of MAT credit	36.18	-
Gross deferred tax assets	3.24	42.61
Deferred tax liabilities (net)	1,825.20	1,169.24

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

8 Deferred tax liabilities - net (Contd.)

Movement in deferred tax liabilities

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	MAT credit entitlement and others	Total
At 31 March 2020	1.51	224.87	(0.38)	(0.63)	225.37
(Charged)/credited					
to profit and loss	1.05	2.88	(0.65)	(38.06)	(34.78)
to other comprehensive income	-	978.63	0.02	-	978.65
At 31 March 2021	2.56	1,206.38	(1.01)	(38.69)	1,169.24
(Charged)/credited					
to profit and loss	(0.96)	8.72	0.45	38.66	46.87
to other comprehensive income	-	609.07	0.02	-	609.09
At 31 March 2022	1.60	1,824.17	(0.54)	(0.03)	1,825.20

9 Investment properties

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Gross carrying amount		
Opening balance	218.48	218.48
Additions	0.02	-
Deletions	0.02	-
Closing balance	218.48	218.48
Accumulated depreciation		
Opening balance	37.93	34.61
Depreciation charge	3.32	3.32
Deletions	0.02	-
Closing balance	41.23	37.93
Net carrying amount	177.25	180.55

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

9 Investment properties (Contd.)

i) Amounts recognised in profit or loss for investment properties

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Rental income	20.03	19.10
Direct operating expenses from property that generated rental income	(2.52)	(2.46)
Profit from investment properties before depreciation	17.51	16.64
Depreciation	(3.32)	(3.32)
Profit from investment property	14.19	13.32

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment properties.

iii) Leasing arrangements

Certain investment properties are leased out to tenants under operating leases.

iv) Fair value

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Investment properties	287.46	273.63

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Group are cancellable leases, the market rate for sale/purchase of such premises are representative of fair values. Group's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

10A Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	Deductions / adjustments	For the year	As at 31 March 2022	As at 31 March 2022
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04
Land leasehold	1.13	-	0.02	1.11	-	-	-	-	1.11
Buildings	13.98	-	-	13.98	8.82	-	0.16	8.98	5.00
Computers	0.37	0.02	-	0.39	0.14	-	0.11	0.25	0.14
Electric installations	0.06	-	-	0.06	0.01	-	0.01	0.02	0.04
Furniture and fixtures	1.17	0.02	-	1.19	0.33	-	0.10	0.43	0.76
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-
Vehicles	0.27	1.11	0.02	1.36	0.05	0.02	0.07	0.10	1.26
Plant & machinery	27.98	0.18	-	28.16	14.28	-	1.93	16.21	11.95
Total	45.04	1.33	0.04	46.33	23.67	0.02	2.38	26.03	20.30

Previous year

(₹ In Crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Deductions / adjustments	For the year	As at 31 March 2021	As at 31 March 2021
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04
Land leasehold	1.15	-	0.02	1.13	-	-	-	-	1.13
Buildings	13.98	-	-	13.98	8.67	-	0.15	8.82	5.16
Computers	0.33	0.04	-	0.37	0.03	-	0.11	0.14	0.23
Electric installations	0.06	-	-	0.06	-	-	0.01	0.01	0.05
Furniture and fixtures	1.14	0.03	-	1.17	0.23	-	0.10	0.33	0.84
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-
Vehicles	0.23	0.22	0.18	0.27	0.14	0.11	0.02	0.05	0.22
Plant & machinery	27.46	0.84	0.32	27.98	12.69	0.30	1.89	14.28	13.70
Total	44.43	1.13	0.52	45.04	21.80	0.41	2.28	23.67	21.37

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

10B Right-of-use asset

Current year

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	Deductions / adjustments	For the year	As at 31 March 2022	As at 31 March 2022
	Aircraft - operating lease	195.93	-	-	195.93	55.98	-	27.99	83.97

(₹ In Crore)

Previous year

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Deductions / adjustments	For the year	As at 31 March 2021	As at 31 March 2021
	Aircraft - operating lease	195.93	-	-	195.93	27.99	-	27.99	55.98

(₹ In Crore)

11 Inventories

Particulars	As at 31 March	
	2022	2021
	Raw materials and components	1.43
Work-in-progress	4.98	3.02
Stores	0.03	0.04
Loose tools	0.02	0.01
	6.46	3.60

(₹ In Crore)

12 Other non-financial assets

Particulars	As at 31 March	
	2022	2021
	Pre-paid expenses	1.04
Others	0.59	0.75
	1.63	1.77

(₹ In Crore)

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

13 Trade payables

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Total outstanding dues of micro enterprises and small enterprises	-	0.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	4.34	3.13
	4.34	3.24

Trade payables ageing schedule

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2022						
MSME	-	-	-	-	-	-
Others	4.16	0.17	-	0.01	-	4.34
31 March 2021						
MSME	0.11	-	-	-	-	0.11
Others	2.19	0.86	0.05	0.03	-	3.13

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

14 Other financial liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Unclaimed dividend	10.96	9.75
Directors' remuneration and commission payable	17.14	15.85
Employee benefits payable	3.27	3.28
Security deposits	10.73	10.64
Derivative liabilities	0.01	-
Others	0.32	2.21
	42.43	41.73

15 Provisions

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Provision for employee benefits (see note 39)		
Provision for gratuity	0.06	0.30
Provision for compensated absences	1.69	1.60
Provision for long-term incentive plan	1.96	5.20
	3.71	7.10

16 Other non-financial liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Taxes and duties payable	4.12	4.18
Other payables	1.78	0.88
	5.90	5.06

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

17 Equity share capital

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Authorised		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
Issued, subscribed and fully paid-up shares		
111,293,510 equity shares of ₹ 10 each	111.29	111.29
	111.29	111.29

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	111,293,510	111.29	111,293,510	111.29
Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	111,293,510	111.29	111,293,510	111.29

b. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding 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 Holding Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid				
Jamnalal Sons Pvt. Ltd.	19,923,077	17.90%	19,823,377	17.81%
Jaya Hind Industries Ltd.	5,905,401	5.31%	5,905,401	5.31%

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

18 Other equity

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
a Reserves and surplus		
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	2,147.06	2,107.34
Add: Transferred from surplus in Statement of Profit and Loss	326.10	39.72
Balance as at the end of the year	2,473.16	2,147.06
Securities premium account	444.42	444.42
General reserve		
Balance as at the beginning of the year	12,396.51	12,325.90
Add: Share of accumulated reserves of associates	306.95	70.61
Balance as at the end of the year	12,703.46	12,396.51
Capital reserve	4,232.40	4,232.40
Retained earnings		
Balance as at the beginning of the year	12,372.00	8,472.18
Profit for the year	4,055.68	3,649.83
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	0.73	(0.05)
Reclassification of gain on sale of FVTOCI equity instruments	131.42	289.76
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	326.10	39.72
Final dividend, declared and paid during the year	474.31	-
Interim dividend, declared and paid during the year	1,001.64	-
Total appropriations	1,802.05	39.72
Balance as at the end of the year	14,757.78	12,372.00

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

18 Other equity (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Other reserves		
Equity instruments through other comprehensive income		
Balance as at the beginning of the year	5,208.67	(117.58)
Add: Net gain on equity instruments designated at FVTOCI for the year (net of tax impacts)	3,040.44	5,616.01
Less: Reclassification of gain on sale of FVTOCI equity instruments	131.42	289.76
	8,117.69	5,208.67
Debt instruments through other comprehensive income		
Balance as at the beginning of the year	52.56	34.63
Add: Net gain on debt instruments designated at FVTOCI for the year (net of tax impacts)	(19.13)	57.63
Less: Reclassification of gain on sale of FVTOCI debt instruments	17.53	39.70
	15.90	52.56
Hedge instruments through other comprehensive income		
Balance as at the beginning of the year	0.01	0.07
Add: Net gain on hedge instruments designated at FVTOCI for the year (net of tax impacts)	(0.03)	(0.06)
	(0.02)	0.01
Share of associates		
Valuation gains/losses on derivative hedging instruments	(29.48)	(28.10)
Valuation gains/losses on equity instruments at FVTOCI	15.52	5.46
Valuation gains/losses on debt instruments at FVTOCI	(109.83)	84.43
Change in foreign currency translation reserve of associates	122.65	159.83
Others	(12.69)	(19.58)
	42,730.96	37,055.67

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

18 Other equity (Contd.)

b. Nature and purpose of reserve

Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

General reserve

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

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with section 52 and other provisions of the Companies Act, 2013.

FVTOCI equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

FVTOCI debt instruments

The Group recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVTOCI debt instruments reserve within equity. The Group transfers amounts from this reserve to the Statement of Profit and Loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.

Hedge instruments through other comprehensive income

It represents the effective portion of the fair value of forward contracts, designated as cashflow hedge.

19 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Interest income on		
Investments (at amortised cost)	69.53	26.49
Investments (at FVTOCI)	183.95	225.68
Others	0.25	1.10
	253.73	253.27

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

20 Net gain on fair value changes

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Net gain/(loss) on financial instruments at fair value through profit or loss		
On financial instruments at fair value through profit or loss	18.52	11.58
Others		
Distribution received from other funds	17.21	12.93
Gain/(Loss) on sale of debt instrument at amortised cost	-	4.00
Gain/(Loss) on sale of debt instrument at FVTOCI	17.53	39.70
Total net gain on fair value changes	53.26	68.21
Fair value changes		
Realised	44.62	66.45
Unrealised	8.64	1.76
	53.26	68.21

21 Other investment income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Provision for diminution in value of investments written back	-	3.00
	-	3.00

22 Revenue from contracts with customers - sale of goods

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Sale of products	16.92	15.15
Scrap sale	0.27	0.13
	17.19	15.28

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

23 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Business support service	54.67	58.07
Unrealised foreign exchange gain on revaluation	-	4.96
Provision no longer required	0.08	0.21
Miscellaneous receipts	2.07	0.72
	56.82	63.96

24 Employee benefits expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Salaries, wages and bonus to employees	40.72	40.44
Contribution to provident and other funds	3.53	3.56
Staff welfare expenses	0.21	0.16
	44.46	44.16

25 Changes in inventories of work-in-progress

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Inventories at the end of the year		
Work-in-progress	4.98	3.02
Inventories at the beginning of the year		
Work-in-progress	3.02	2.74
	(1.96)	(0.28)

26 Depreciation, amortisation and impairment

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Depreciation on property, plant and equipment	2.38	2.28
Depreciation of right-of-use assets	27.99	27.99
Depreciation on investment properties	3.32	3.32
Amount written off against leasehold land	0.02	0.02
	33.71	33.61

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

27 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Repairs to buildings	1.49	1.57
Repairs to machinery and others	4.52	3.58
Rent	0.01	0.01
Rates and taxes	2.33	2.31
Insurance	1.35	1.26
Payment to auditor	0.26	0.26
Directors' fees and travelling expenses	1.61	1.06
Unrealised foreign exchange loss on revaluation	4.33	-
Commission to non-executive directors	1.84	1.54
Business support service expenses	0.85	0.90
Expenditure towards Corporate Social Responsibility (CSR) activities	8.92	10.60
Legal and professional charges	1.37	0.57
Aircraft operation expenses	26.47	21.88
Miscellaneous expenses	10.09	7.69
	65.44	53.23

28 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
(a) Tax expense		
Current tax		
Current tax on profits for the year	82.33	101.92
Less: MAT credit entitlement	-	-
Total current tax expense	82.33	101.92
Deferred tax		
Decrease/(increase) in deferred tax assets	(2.17)	8.40
(Decrease)/increase in deferred tax liabilities	8.81	0.64
Total deferred tax expenses/(benefit)	6.64	9.04
Tax credits pertaining to earlier years	(24.86)	-
Provision for possible non-utilisation of MAT credit	36.18	0.63
Tax expense	100.29	111.59

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

28 Tax expense (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
(b) Reconciliation of tax expense and the accounting profit multiplied by Statutory tax rate		
Profit before tax	4,225.90	3,765.74
Less: Share of profits of associates already after tax	3,893.67	3,445.59
Add: Dividend received eliminated in consolidation, but subject to tax	1,542.07	-
Profit before tax and share of profits of associates	1,874.30	320.15
Tax at the statutory tax rate of 25.168% (Previous year - 34.944%)	471.72	111.87
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	1.48	12.57
Deduction under section 80M	(380.37)	-
Tax effect of amounts which are deductible (non taxable) in calculating taxable income	(3.86)	(13.48)
Tax credits pertaining to earlier years	(24.86)	-
Provision for possible non-utilisation of MAT credit	36.18	0.63
Tax expense	100.29	111.59

BHIL has exercised the option permitted under section 115BAA of the Income Tax Act, 1961 to compute income tax at the reduced rate (i.e. 25.17%). Deferred tax and provision for taxes have been re-assessed pursuant to the option exercised, total tax expense for the year ended 31 March 2022 is higher by ₹ 11.32 crore. Further, the effective tax rate for the year ended 31 March 2022 is lower pursuant to deduction under section 80M of the Income Tax Act, 1961 on dividend distributed by the Company.

29 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2022	2021
Profit for the year (₹ In Crore)	4,055.68	3,649.83
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	364.4	327.9
Face value per share ₹	10.0	10.0

30 Other notes to account

Other notes to account to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Bajaj Holdings & Investment Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below

Particulars	Note Reference of standalone financial statements
Dues to micro, small and medium enterprises	Note 10
Details of promoter shareholding	Note 15 [d]
Contingent liabilities	Note 26
Capital and other commitments	Note 27
Lease disclosures	Note 30
Financial risk management	Note 33
Other notes	Note 37

The amounts of contingent liabilities and capital commitments of the associates and group's share in those amounts are separately disclosed in note 31.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

31 Investment in associates

The Group has a 35.83% (31 March 2021 : 35.77%) interest in Bajaj Auto Ltd. and a 41.63% (31 March 2021: 41.63%) interest in Bajaj Finserv Ltd.

The following table illustrates the summarised financial information of the Group's investment in these companies

Bajaj Auto Ltd.

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Non-current assets	24,745.60	19,414.05
Current assets	10,365.61	14,187.66
Non-current liabilities	(563.05)	(684.73)
Current liabilities	(4,688.50)	(5,643.54)
Non-controlling interest	(0.01)	(0.01)
Equity	29,859.65	27,273.43
Proportion of the Group's ownership	32.69%	32.62%
Group's share of equity	9,741.20	8,897.49
Inter company eliminations	(185.60)	(11.88)
Carrying amount of the investment	9,555.60	8,885.61
Contingent liabilities	1,583.38	1,564.28
Capital commitments	589.55	102.93
Group's share of contingent liabilities	516.55	510.32
Group's share of capital commitments	192.33	33.58
Revenue from operations	33,144.71	27,741.08
Other income	1,284.14	1,276.46
Cost of raw materials and components consumed	(22,169.88)	(18,308.09)
Purchase of traded goods	(1,971.98)	(1,521.04)
Changes in inventories of finished goods, work-in-progress and traded goods	(187.96)	219.48
Employee benefits expense	(1,362.79)	(1,288.10)
Finance costs	(8.66)	(6.66)
Depreciation and amortisation expense	(269.76)	(259.37)
Other expenses	(2,215.49)	(1,930.92)
Expenses, included in above items, capitalised	13.31	12.27
Total expenses	(28,173.21)	(23,082.43)
Share of profits of associate	579.53	306.32
Exceptional items	816.51	-
Profit before tax	7,651.68	6,241.43
Tax expense	(1,485.81)	(1,384.41)
Profit attributable to non-controlling interest	-	-
Profit for the year	6,165.87	4,857.02
Other comprehensive income (net of tax)	430.36	752.95
Total comprehensive income for the year	6,596.23	5,609.97
Group's share of profit	2,011.51	1,584.52
Inter company eliminations	(14.84)	-
Group's share of profit for the year	1,996.67	1,584.52

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

31 Investment in associates (Contd.)**Bajaj Finserv Ltd.**

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Financial assets	321,358.14	269,460.60
Non-financial assets	12,360.82	10,703.72
Financial liabilities	(263,631.09)	(218,327.25)
Non-financial liabilities	(3,767.95)	(3,543.09)
Non-controlling interest	(26,073.12)	(22,463.98)
Equity	40,246.80	35,830.00
Proportion of the Group's ownership	41.63%	41.63%
Group's share of equity	16,754.89	14,916.16
Inter company eliminations	(2.43)	(0.04)
Carrying amount of the investment	16,752.46	14,916.20
Contingent liabilities	3,018.46	2,293.34
Capital commitments	6,406.41	5,613.33
Group's share of contingent liabilities	1,256.60	954.73
Group's share of capital commitments	2,667.01	2,336.85
Revenue from operations	68,406.08	60,591.20
Other income	32.90	0.37
Employee benefits expenses	(6,559.58)	(4,698.34)
Finance costs	(9,498.26)	(9,141.28)
Fees and commission expense	(3,442.04)	(2,614.37)
Impairment on financial instruments	(4,889.85)	(5,978.85)
Claims incurred pertaining to insurance business	(16,384.73)	(11,864.43)
Reinsurance ceded	(5,969.74)	(4,854.81)
Net change in insurance/investment contract liabilities	(5,754.19)	(7,976.05)
Depreciation, amortisation and impairment	(562.73)	(498.46)
Other expenses	(4,106.92)	(3,102.46)
Total expenses	(57,168.04)	(50,729.05)
Share of profits of joint venture	(0.36)	(0.18)
Profit before tax	11,270.58	9,862.34
Tax expense	(2,957.05)	(2,494.96)
Profit attributable to non-controlling interest	(3,756.76)	(2,896.92)
Profit for the year	4,556.77	4,470.46
Other comprehensive income (net of tax)	(581.25)	(166.53)
Total comprehensive income for the year	7,732.28	7,200.85
Group's share of profit for the year	1,897.00	1,861.07

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

32 Partly owned subsidiary

Financial information of subsidiary that has non-controlling interests is provided below

Particulars	Country of incorporation and operation	As at 31 March	
		2022	2021
Maharashtra Scooters Ltd.	India	51%	51%

Information regarding non-controlling interest

Particulars	As at 31 March	
	2022	2021
(₹ In Crore)		
As at 31 March		
Accumulated balances of material non-controlling interest		
Maharashtra Scooters Ltd.	8,738.25	6,950.67
Profit/(loss) allocated to material non-controlling interest		
Maharashtra Scooters Ltd.	69.93	4.32

The summarised financial information of this subsidiary are provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss

Particulars	For the year ended 31 March	
	2022	2021
(₹ In Crore)		
Revenue from operations	17.19	15.28
Other income	177.27	15.43
Total income	194.46	30.71
Cost of raw material and components consumed	(9.48)	(8.40)
Changes in inventories of work-in-progress	1.96	0.28
Employee benefits expenses	(8.41)	(8.00)
Depreciation, amortisation and impairment	(1.97)	(1.93)
Other expenses	(4.32)	(3.62)
Total expenses	(22.22)	(21.67)
Profit before tax	172.24	9.04
Tax expense	(29.53)	(0.23)
Profit for the year	142.71	8.81
Total comprehensive income	6,666.53	8,032.79
Attributable to non-controlling interests	1,815.57	2,414.59
Dividends paid to non-controlling interests	27.99	-

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

32 Partly owned subsidiary (Contd.)

Summarised balance sheet

Particulars	(₹ In Crore)	
	As at 31 March	
	2022	2021
Non-current assets	24,561.06	17,175.82
Current assets	137.47	104.08
Non-current liabilities	(1,837.61)	(1,025.15)
Current liabilities	(7.97)	(11.18)
Equity	22,852.95	16,243.57
Attributable to		
Equity holders of the parent	9,083.40	10,870.98
Non-controlling interest	8,738.25	6,950.67
Contingent liabilities	4.92	4.84
Capital commitments	-	-

Summarised cash flow information

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Operating	(38.17)	(5.68)
Investing	95.35	(67.72)
Financing	(57.55)	(1.16)
Net increase/(decrease) in cash and cash equivalents	(0.37)	(74.56)

33 Segment information

The Company is essentially a holding and investment company focusing on earning income through dividends, interest and gains on investments held. Hence, the Company's business activity falls within a single business segment i.e. investments.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

34 Fair value measurement

i) Financial instruments by category

(₹ In Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Government securities, bonds and debentures	-	2,632.84	260.06	-	2,807.81	185.33
Mutual funds	339.71	-	-	385.29	-	-
Certificate of deposit	-	-	297.53	-	-	122.67
Commercial paper	-	-	-	-	-	49.57
Preference shares	-	-	-	-	-	0.12
Open ended target maturity funds	-	-	907.82	-	-	552.46
Equity shares	-	21,812.30	-	-	16,679.67	-
Other funds	-	406.07	-	-	328.92	-
Other financial assets	-	-	110.08	-	-	112.91
Cash and cash equivalents	-	-	21.88	-	-	22.51
Other bank balances	-	-	11.01	-	-	60.75
Trade receivables	-	-	10.03	-	-	6.83
Total financial assets	339.71	24,851.21	1,618.41	385.29	19,816.40	1,113.15
Financial liabilities						
Trade payables	-	-	4.34	-	-	3.24
Lease liability	-	-	113.69	-	-	136.18
Other financial liabilities	-	-	42.43	-	-	41.73
Total financial liabilities	-	-	160.46	-	-	181.15

ii) Fair value hierarchy

This section explains the 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 consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

34 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

Financial assets measured at fair value - recurring fair value measurements at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Mutual funds	6B	339.71	-	-	339.71
Financial investments at FVTOCI					
Debt securities	6B	2,632.84	-	-	2,632.84
Equity instruments	6B	21,721.86	90.44	-	21,812.30
Other funds	6B	189.33	216.74	-	406.07
Total financial assets		24,883.74	307.18	-	25,190.92

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Government securities, bonds and debentures	6B	260.58	-	-	260.58
Preference shares	6B	-	-	-	-
Certificate of deposit	6B	297.53	-	-	297.53
Commercial paper	6B	-	-	-	-
Open ended target maturity fund	6B	900.59	-	-	900.59
Total financial assets		1,458.70	-	-	1,458.70

Assets disclosed at fair value - at 31 March 2022

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment property	9	-	287.46	-	287.46

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

34 Fair value measurement (Contd.)

ii) Fair value hierarchy (Contd.)

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

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	6B	385.29	-	-	385.29
Financial investments at FVTOCI					
Debt securities	6B	2,807.81	-	-	2,807.81
Equity shares	6B	16,563.80	115.87	-	16,679.67
Other funds	6B	150.89	178.03	-	328.92
Total financial assets		19,907.79	293.90	-	20,201.69

Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2021

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Government securities, bonds and debentures	6B	190.85	-	-	190.85
Certificate of deposit	6B	122.67	-	-	122.67
Preference shares	6B	-	0.12	-	0.12
Commercial paper	6B	49.57	-	-	49.57
Open ended target maturity funds	6B	547.50	-	-	547.50
Total financial assets		910.59	0.12	-	910.71

Assets disclosed at fair value - at 31 March 2021

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment property	9	-	273.63	-	273.63

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

34 Fair value measurement (Contd.)

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 below

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 includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

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 government debt securities, values with references to prevailing yields to maturity matching tenure, quoted on sites of credible organisation such as FBIL (Financial Benchmark of India Ltd.).
- 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.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

34 Fair value measurement (Contd.)

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

(₹ In Crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Government securities, bonds and debentures	260.06	260.58	185.33	190.85
Preference shares	-	-	0.12	0.12
Certificate of deposit	297.53	297.53	122.67	122.67
Commercial paper	-	-	49.57	49.57
Open ended target maturity fund	907.82	900.59	552.46	547.50
Total financial assets	1,465.41	1,458.70	910.15	910.71

The carrying amounts of commercial papers, certificate of deposits, 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.

35 Capital management

a) Objectives, policies and processes of capital management

The Holding Company is cash surplus and has only equity capital. The Holding Company operates as an Investment Company and consequently is registered as a Non-Banking Financial Institution - Investment and Credit Company (NBFC-ICC) with Reserve Bank of India (RBI).

The cash surpluses are currently invested in equity, debt, money market and other instruments (including through funds) depending on economic conditions in line with 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 Holding Company and its subsidiaries does not have any borrowings.

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Equity	51,580.50	44,117.63
Add: Deferred tax liabilities (net)	1,825.20	1,169.24
Less: Tangible and other assets	195.82	205.69
Working capital	245.49	167.53
Investments in associates	26,308.06	23,801.81
Investment in equity, debt and similar investments	26,656.33	21,111.84

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

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

35 Capital management (Contd.)

b) Dividends distributed and proposed

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2022	2021
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2021 of ₹ 40.00 (31 March 2020 is ₹ Nil) per equity share, declared and paid	445.17	-
Interim dividend for the year ended 31 March 2022 of ₹ 90.00 (31 March 2021 - ₹ Nil) per equity share, declared and paid	1,001.64	-
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 25.00 per equity share for the year ended 31 March 2022 (31 March 2021 - ₹ 40.00). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	278.23	445.17

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

36 Maturity analysis of assets and liabilities

(₹ In Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	21.88	-	21.88	22.51	-	22.51
Bank balance other than cash and cash equivalents	4.94	6.07	11.01	56.19	4.56	60.75
Investment in associates	-	26,308.06	26,308.06	-	23,801.81	23,801.81
Other investments	2,024.87	24,631.46	26,656.33	594.81	20,517.03	21,111.84
Trade receivables	10.03	-	10.03	6.83	-	6.83
Other financial assets	95.61	14.47	110.08	98.66	14.25	112.91
Non-financial assets						
Current tax assets (net)	-	152.64	152.64	-	25.70	25.70
Investment properties	-	177.25	177.25	-	180.55	180.55
Right-of-use asset	-	111.96	111.96	-	139.95	139.95
Property, plant and equipment	-	20.30	20.30	-	21.37	21.37
Inventories	6.46	-	6.46	3.60	-	3.60
Other non-financial assets	1.63	-	1.63	1.77	-	1.77
Total	2,165.42	51,422.21	53,587.63	784.37	44,705.22	45,489.59
Liabilities						
Financial liabilities						
Trade payables	4.34	-	4.34	3.24	-	3.24
Lease liability	30.71	82.98	113.69	29.63	106.55	136.18
Other financial liabilities	25.51	16.92	42.43	26.44	15.29	41.73
Non-financial liabilities						
Current tax liabilities (net)	-	11.86	11.86	-	9.41	9.41
Deferred tax liabilities (net)	-	1,825.20	1,825.20	-	1,169.24	1,169.24
Provisions	1.92	1.79	3.71	3.51	3.59	7.10
Other non-financial liabilities	4.73	1.17	5.90	4.54	0.52	5.06
Total	67.21	1,939.92	2,007.13	67.36	1,304.60	1,371.96
Net	2,098.21	49,482.29	51,580.50	717.01	43,400.62	44,117.63

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

37 Disclosure in terms of Schedule III of the Companies Act, 2013

(₹ In Crore)

	Net assets (i.e. Total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
1 Parent								
Bajaj Holdings & Investment Ltd.	35.92%	15,387.86	40.20%	1,630.52	42.58%	1,187.38	41.17%	2,817.90
2 Subsidiaries (Indian)								
Bajaj Auto Holdings Ltd.	0.12%	49.90	0.02%	0.77	-	-	0.01%	0.77
Maharashtra Scooters Ltd.	53.34%	22,852.95	3.52%	142.71	233.93%	6,523.82	97.41%	6,666.53
(Less) : Minority interests in subsidiary	(20.40%)	(8,738.25)	(1.72%)	(69.93)	(62.60%)	(1,745.64)	(26.53%)	(1,815.57)
(Less) : Inter-company eliminations	(12.39%)	(5,308.12)	(1.80%)	(73.17)	(106.18%)	(2,961.30)	(44.33%)	(3,034.47)
3 Associates (Investment as per equity method) (Indian)								
Bajaj Auto Ltd.	22.31%	9,555.60	49.23%	1,996.67	(1.19%)	(33.32)	28.68%	1,963.35
Bajaj Finserv Ltd.	39.10%	16,752.46	46.77%	1,897.00	(6.54%)	(182.32)	25.05%	1,714.68
(Less) : Inter-company eliminations	(18.00%)	(7,710.15)	(36.22%)	(1,468.89)	-	-	(21.46%)	(1,468.89)
Total	100.00%	42,842.25	100.00%	4,055.68	100.00%	2,788.62	100.00%	6,844.30

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

38 Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Since consolidated financial information presents information about the holding and its subsidiaries as a single reporting enterprise, it is unnecessary to disclose intra-group transactions.					
B Associates and investing parties:					
Bajaj Auto Ltd. (An associate - 35.83% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity by BHIL [96,727,050 shares of ₹ 10 each]	-	1,929.79	-	1,929.79
	Contribution to equity by MSL [6,964,277 (Previous year 6,774,072 shares) of ₹ 10 each]	-	81.59	-	18.25
	Purchase of shares of BHIL by BAL [3,500,000 shares of ₹ 10 each]	-	(3.50)	-	(3.50)
	Dividend received	1,449.02	-	-	-
	Dividend paid	45.50	-	-	-
	Business support services rendered	44.62	-	42.27	-
	Business support services received	1.12	-	0.03	-
	Sale of goods	5.92	5.71	3.06	1.42
	Purchases of material and other services	0.01	0.01	0.05	-
	Revenue expenses reimbursement received	-	-	0.49	-
Revenue expenses reimbursed paid	0.10	(0.06)	1.27	(0.04)	
Bajaj Finserv Ltd. (An associate - 41.63% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity by BHIL (62,314,214 shares of ₹ 5 each)	-	743.82	-	743.82
	Contribution to equity by MSL (3,725,740 shares of ₹ 5 each)	-	39.69	-	39.69
	Contribution to equity by BAHL (209,005 shares of ₹ 5 each)	-	26.15	-	26.15
	Dividend received	19.87	-	-	-
	Business support services rendered	0.03	-	0.13	-
	Business support services received	0.35	-	0.51	-
	Revenue expenses reimbursement received	0.05	-	0.54	-
	Employee car transfer	0.06	-	-	-
C Key management personnel and their relatives:					
Shekhar Bajaj (Chairman w.e.f from 1 May 2021)	Sitting fees	0.05	-	-	-
	Commission	0.10	(0.10)	-	-
Niraj Bajaj (Chairman till 30 April 2021 & Vice chairman w.e.f from 01 May 2021)	Sitting fees	0.09	-	0.07	-
	Commission	0.18	(0.18)	0.14	(0.14)
Madhur Bajaj	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)
Rajiv Bajaj	Sitting fees	0.04	-	0.05	-
	Commission	0.08	(0.08)	0.10	(0.10)
Sanjiv Bajaj (Managing Director & CEO) (Also Key management personnel)	Short-term employee benefits (including Commission)	21.10	(15.30)	19.48	(14.31)
	Post-employment benefits	1.80	-	1.69	-
	Sitting fees	0.03	-	0.03	-

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

38 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
D Other entities / persons:					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid	1.35	-	1.05	-
	Revenue expenses reimbursement received	0.05	-	0.05	-
	Unallocated premium	-	0.20	-	0.19
Bajaj Allianz Life Insurance Company Ltd.	Revenue expenses reimbursement received	0.05	-	0.05	-
Bajaj Finance Ltd.	Contribution to equity by MSL [18,974,660 shares of ₹ 2 each]	-	50.07	-	50.07
	Business support services rendered	9.90	-	15.67	-
	Business support services received	0.41	-	0.36	-
	Dividend received	18.97	-	-	-
	Revenue expenses reimbursement received	0.05	0.05	0.05	-
	Revenue expenses reimbursement paid	0.14	-	0.16	-
	Investment in non-convertible debentures	-	360.00	-	310.00
	Redemption received for non-convertible debentures	-	-	5.00	-
	Interest received on non-convertible debentures	24.40	-	20.49	-
	Interest accrued but not due	-	20.14	-	17.64
Bajaj Housing Finance Ltd.	Investment / (Redeemed) in non-convertible debentures / Commercial Paper	(150.00)	50.00	-	175.00
	Interest received on non-convertible debentures	11.91	-	10.41	-
	Interest accrued but not due	-	1.14	-	0.26
Bajaj Electricals Ltd.	Contribution to equity by BHIL (18,793,840 shares of ₹ 2 each)	-	176.75	-	176.75
	Dividend received	-	-	-	-
	Purchase of electrical parts	-	-	0.03	-
Hindustan Housing Co. Ltd.	Shares of BHIL held by Hindustan Housing (15,391 shares of ₹ 10 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.20	-	-	-
	Maintenance charges paid	1.40	0.09	1.43	0.14
	Security deposit paid	(0.03)	-	(0.13)	0.26
Hind Musafir Agency Ltd.	Services received	0.04	-	0.04	-
Bajaj Finserv Asset Management Ltd.	Business support services rendered	0.13	-	-	-
Mukand Ltd.	Contribution to equity (8,113,204 shares of ₹ 10 each)	-	32.88	-	32.88
	0.01% 196,169 redeemable preference shares of ₹ 10 each	-	-	-	0.12
	Redemption of preference shares	0.12	-	0.04	-
	Dividend received on equity Shares	0.81	-	-	-
	Security deposit received/(refunded)	-	(0.25)	-	(0.25)
Mukand Engineers Ltd.	Contribution to equity (54,000 shares of ₹ 10 each)	-	0.10	-	0.10
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	1.41	-	1.13	-
	Shares of BHIL held by Hercules Hoists (338,003 shares of ₹ 10 each)	-	(0.34)	-	(0.34)
	Dividend paid	4.39	-	-	-
Kedaara Capital Advisors LLP	Contribution given for investments	0.26	9.15	0.29	15.52
	Proceeds from redemption of units	26.97	-	0.29	-

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

38 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2021-22		2020-21	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Shrinivas Pathak - (CEO - MSL)	Remuneration	0.43	-	0.36	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.77	-	0.72	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	0.09	-	0.15	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	0.21	-	0.75	-
D J Balaji Rao	Sitting fees	0.09	-	0.07	-
	Commission	0.18	(0.18)	0.14	(0.14)
Manish Kejriwal	Sitting fees	0.13	-	0.11	-
	Commission	0.26	(0.26)	0.22	(0.22)
Dr. Naushad Forbes	Sitting fees	0.15	-	0.11	-
	Commission	0.30	(0.30)	0.22	(0.22)
Dr. Gita Piramal	Sitting fees	0.13	-	0.13	-
	Commission	0.26	(0.26)	0.26	(0.26)
Anami Roy	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)
Pradip Shah	Sitting fees	0.12	-	0.13	-
	Commission	0.24	(0.24)	0.26	(0.26)
Nareshkumar Patni	Sitting fees	0.06	-	0.05	-
Yogesh J Shah	Sitting Fee	0.08	-	0.06	-
Anish P Amin	Sitting Fee	0.05	-	0.03	-
V Rajagopalan	Sitting Fee	0.03	-	0.03	-
Lila Poonawalla	Sitting Fee	0.07	-	0.06	-

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 Group.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

39 Employee benefit plans

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Indian Accounting Standard 19 the details of which are as hereunder.

Funded schemes

The Group provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Group makes contributions to approved gratuity fund.

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	11.12	11.18
Fair value of plan assets	11.33	11.14
Net assets in case of MSL	0.27	0.26
Net funded obligation of BHIL	0.06	0.30
Expense recognised in the Statement of Profit and Loss		
Current service cost	1.03	1.10
Interest on net defined benefit liability/(asset)	(0.02)	0.02
Total expense charged to Statement of Profit and Loss	1.01	1.12
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	1.89	2.66
Remeasurements during the period due to		
Changes in financial assumptions	(0.34)	(0.03)
Experience adjustments	(0.64)	(0.86)
Actual return on plan assets less interest on plan assets	0.08	0.12
Closing amount recognised in OCI outside Statement of Profit and Loss	0.99	1.89
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	0.04	0.62
Expense charged to Statement of Profit and Loss	1.01	1.12
Amount recognised outside Statement of Profit and Loss	(0.90)	(0.77)
Employer contributions	(0.37)	(0.93)
Closing net defined benefit liability/(asset)	(0.22)	0.04

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

39 Employee benefit plans (Contd.)

Funded schemes (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2022	2021
Movement in benefit obligation		
Opening of defined benefit obligation	11.18	11.83
Current service cost	1.02	1.10
Interest on defined benefit obligation	0.73	0.76
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	(0.33)	(0.03)
Actuarial loss/(gain) arising on account of experience changes	(0.63)	(0.86)
Benefits paid	(0.85)	(0.65)
Liabilities assumed/(settled)*	-	(0.97)
Closing of defined benefit obligation	11.12	11.18
* on account of business combination or inter group transfer		
Movement in plan assets		
Opening fair value of plan assets	11.14	11.20
Employer contributions	0.37	0.93
Interest on plan assets	0.74	0.75
Remeasurements due to		
Actual return on plan assets less interest on plan assets	(0.08)	(0.12)
Benefits paid	(0.84)	(0.65)
Assets acquired/(settled)*	-	(0.97)
Closing fair value of plan assets	11.33	11.14
* on account of business combination or inter group transfer		
Disaggregation of assets		
Category of assets		
Insurer managed funds	11.33	11.14
Others	-	-
Grand total	11.33	11.14

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

39 Employee benefit plans (Contd.)

Funded schemes (Contd.)

Funding arrangement and policy

The money contributed by the Group to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Group to fully pre fund the liability of the plan. The Group's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

The expected contribution payable to the plan next year is ₹ 0.92 crore

Principal actuarial assumptions (expressed as weighted averages)

Particular	As at 31 March	
	2022	2021
Discount rate (p.a.)		
Bajaj Holdings & Investment Ltd.	7.25%	6.80%
Maharashtra Scooters Ltd.	6.90%	6.60%
Salary escalation rate (p.a.)		
Bajaj Holdings & Investment Ltd.	10.00%	10.00%
Maharashtra Scooters Ltd.	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Notes to consolidated financial statements for the year ended 31 March 2022 (Contd.)

39 Employee benefit plans (Contd.)

Unfunded Schemes

(₹ In Crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	1.69	1.96	1.60	5.20
Expense recognised in the Statement of Profit and Loss	1.23	(0.63)	1.02	2.45
Amount recorded as Other Comprehensive Income	-	-	-	-
Discount rate (p.a.)	6.90% ~ 7.25%	7.25%	6.60% ~ 6.80%	6.80%
Salary escalation rate (p.a.)	6% ~ 10%	10.00%	6% ~ 10%	10.00%

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particular	For the year ended 31 March	
	2022	2021
Defined contribution plans		
Provident fund paid to Government authorities	1.73	1.68
Superannuation paid to trust	0.76	0.72
Pension fund paid to Government authorities	0.02	0.02
Others	0.01	-
Defined benefit plans		
Gratuity	1.01	1.12
Others	-	0.02
Total	3.53	3.56

40 Miscellaneous

Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

As per our report of even date

On behalf of the Board of Directors

For Kalyaniwalla & Mistry LLP

Chartered Accountants

ICAI Firm Registration Number: 104607W/W100166

Anil A Kulkarni

Partner

ICAI Membership Number: 47576

Pune: 28 April 2022

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Salient features of the financial statements of subsidiaries for the year ended 31 March 2022

Form AOC-1

In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries is given below

Part A : Subsidiaries

Particulars	(₹ In Crore)	
	Bajaj Auto Holdings Ltd.	Maharashtra Scooters Ltd.
a The date since when subsidiary was acquired	26 February 1979	17 June 2019
b Reporting period for the subsidiary	1 April 2021 to 31 March 2022	1 April 2021 to 31 March 2022
c Paid-up share capital	0.25	11.43
d Reserves and surplus	49.65	22,841.52
e Total assets	51.12	24,698.53
f Total liabilities	51.12	24,698.53
g Investments	49.09	24,653.79
h Turnover	0.95	194.46
i Profit before tax	0.93	172.24
j Provision for tax	0.16	29.53
k Profit after tax	0.77	142.71
l Proposed dividend	0%	800%
m % of shareholding	100.00%	51.00%

Part B : Associates and Joint Venture

Particulars	(₹ In Crore)	
	Bajaj Auto Ltd. (Associate)	Bajaj Finserv Ltd. (Associate)
a Date on which the associate or joint venture was associated or acquired	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)
b Latest audited balance sheet date	31 March 2022	31 March 2022
c Shares of associate/joint venture held by the company and its subsidiary on the year end		
- Number	103,691,327	66,248,959
- Amount of investment in associate/joint venture	2,011.38	809.66
- Extent of holding %*	32.69%	41.63%
d Description of how there is significant influence	By way of shareholding	By way of shareholding
e Reason why associate/joint venture is not consolidated	N.A.	N.A.
f Networth attributable to shareholding as per latest audited balance sheet*	9,555.60	16,752.46
g Profit/(loss) for the year		
- Considered in consolidation*	6,165.87	4,556.77
- Not considered in consolidation	-	-

*after inter-company eliminations

On behalf of the Board of Directors

Anant Marathe
Chief Financial Officer

Sanjiv Bajaj
Managing Director & CEO

Sriram Subbramaniam
Company Secretary

Madhur Bajaj
Director

Pune: 28 April 2022



“It is important that all of us work honestly,
ethically and make all our choices consciously”.

- Rahul Bajaj