

3 July 2023

To, Corporate Relations Department <b>BSE Limited</b> DCS - CRD Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 <b>Scrip Code: 500490</b>	To, Corporate Listing Department <b>National Stock Exchange of India Ltd.</b> Exchange plaza, C-1 Block G, Bandra - Kurla Complex, Bandra (East) Mumbai - 400 051 <b>Scrip Code: BAJAJHLDNG</b>
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Dear Sir/Madam,

**Sub: Annual Report for FY2023 and Notice of 78th Annual General Meeting**

This is further to our letter dated 27 April 2023, wherein the Company had informed that the Annual General Meeting ('AGM') of the Company is scheduled to be held on **Thursday, 27 July 2023**, through Video Conference / Other Audio-Visual Means, in accordance, with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India (SEBI).

Pursuant to Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed the following documents for FY2023, as circulated to the Members through electronic mode, today, i.e., on 3 July 2023:

- Notice of 78th AGM scheduled to be held on Thursday, 27 July 2023 at 4:15 p.m. IST through Video Conferencing/ Other Audio-Visual Means; and
- Annual Report for FY2023.

Aforesaid documents are also available on the website of the Company at <https://www.bhil.in/investors.html> and on the website of KFin Technologies Limited at <https://evoting.kfintech.com>.

You are requested to kindly take the above information on record.

Thanking you,  
Yours faithfully,

For **Bajaj Holdings & Investment Limited**

**Sriram Subbramaniam**  
Company Secretary

Encl.: As above

**BAJAJ HOLDINGS & INVESTMENT LIMITED**

[www.bhil.com](http://www.bhil.com)

**Corporate Office:** 6th Floor, Bajaj Finserv Corporate Office, Off Pune - Ahmednagar Road, Viman Nagar, Pune - 411 014, Maharashtra, India  
Tel: +91 20 7150 6066 | Fax: +91 20 7150 5792

**Registered Office:** Mumbai-Pune Road, Akurdi, Pune- 411 035, Maharashtra, India

**Corporate ID No.:** L65100PN1945PLC004656



## **BAJAJ HOLDINGS & INVESTMENT LIMITED**

CIN: L65100PN1945PLC004656  
Registered Office: Mumbai-Pune Road, Akurdi, Pune – 411 035  
Email ID: [investors@bhil.in](mailto:investors@bhil.in)  
Website: <https://www.bhil.in>  
Tel. No.: (020) 7157 6066; Fax No.: (020) 7157 6364

## **NOTICE OF 78TH ANNUAL GENERAL MEETING**

Notice is hereby given that the seventy-eighth Annual General Meeting of the members of Bajaj Holdings & Investment Ltd. ('BHIL' or the 'Company') will be held on **Thursday, 27 July 2023** at **4:15 p.m.** IST through Video Conferencing ('VC')/Other Audio-Visual Means ('OAVM') to transact the following:

### **ORDINARY BUSINESS**

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended 31 March 2023, together with the Directors' and Auditors' Reports thereon.
2. To declare a dividend of ₹ 13 per equity share of face value of ₹ 10, for the financial year ended 31 March 2023.
3. To appoint a director in place of Rajivnayan Rahulkumar Bajaj (DIN: 00018262), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shekhar Bajaj (DIN: 00089358), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

By order of the Board  
For Bajaj Holdings & Investment Ltd.

Sriram Subbramaniam  
Company Secretary  
Membership No.: A23333  
Pune: 27 April 2023

## NOTES

1. The Ministry of Corporate Affairs ('MCA') vide its various circulars issued from time to time have permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM till 30 September 2023. Accordingly, the seventy-eighth AGM is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.
2. In terms of section 136 of the Companies Act, 2013 (the 'Act') read with the rules made thereunder, regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and in terms of MCA circular dated 28 December 2022 and SEBI circular dated 5 January 2023, the listed companies may send the notice of AGM and the annual report, including financial statements, Board's report, etc. by electronic mode in case the meeting is conducted through VC/OAVM. Accordingly, Notice of the seventy-eighth e-AGM along with the Annual Report for FY2023, is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of the seventy-eighth e-AGM and Annual Report for FY2023 will also be available on the Company's website at <https://www.bhil.in/investors.html#url-general-meetings>, website of the stock exchanges i.e. BSE Ltd. ('BSE') at <https://www.bseindia.com/> and National Stock Exchange of India Ltd. ('NSE') at <https://www.nseindia.com/> and on the website of KFin Technologies Ltd. ('KFin') at <https://evoting.kfintech.com> In this Notice, the term member(s) or shareholder(s) are used interchangeably.
3. The deemed venue for the seventy-eighth e-AGM shall be the Registered Office of the Company at Mumbai-Pune Road, Akurdi, Pune - 411 035.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the e-AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional/Corporate shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend the e-AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutiniser by email through its registered email address to [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com) with a copy marked to [mohsin.mohd@kfintech.com](mailto:mohsin.mohd@kfintech.com)
6. Brief details of the directors, who are being re-appointed, is annexed hereto as per requirements of regulation 36(3) of the SEBI Listing Regulations and the provisions of Secretarial Standard-2 on General Meetings.
7. The facility of joining the e-AGM through VC/OAVM will be opened 30 minutes before and will remain open up to 30 minutes after the scheduled start time of the e-AGM, i.e. from 3:45 p.m. to 4:45 p.m. and will be available for 1,000 members on a first-come-first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shares, promoters, institutional investors, directors, key managerial personnel, auditors, etc.
8. Institutional investors, who are members of the Company are encouraged to attend and vote at the seventy-eighth e-AGM of the Company.
9. The Board of Directors, at its meeting held on 27 April 2023, has recommended a final dividend of ₹ 13 per equity share of the face value of ₹ 10 for FY2023, for the approval of members at the seventy-eighth e-AGM. This is in addition to the interim dividend at the rate of ₹ 110 per equity share declared by the Board at its meeting held on 13 September 2022, which has been paid to all eligible members as on 23 September 2022, being the record date for the purpose of interim dividend.
10. The Record date for determining the eligibility of shareholders who will be entitled to final dividend is Friday, 30 June 2023.  
Subject to the provisions of section 126 of the Act, dividend on equity shares, if declared, at the e-AGM, will be credited/dispatched on Monday, 31 July 2023 and/or Tuesday, 1 August 2023 to all those members holding shares in physical form as well as in electronic form as on Friday, 30 June 2023.
11. As per SEBI Listing Regulations and pursuant to SEBI circular dated 20 April 2018, a listed entity shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend is paid through electronic mode, intimation regarding

such remittance will be sent separately to the members. In case where the dividend could not be paid through electronic mode, payment will be made through physical instrument such as banker's cheque or demand draft incorporating bank account details of such members.

12. To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change in their address or particulars of their bank account, if any, to KFin or in case of demat holding to their respective depository participants ('DPs').
13. SEBI vide its circular dated 16 March 2023, namely 'Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination' has now made it mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank account details and Specimen signature for their corresponding folio numbers through Form ISR-1. The said form is available on the website of the Company at <https://www.bhil.in/investors.html?url=shareholders-guide-including-iepf-matters>. The shareholders are also requested to register their email address through the said Form ISR-1 to avail the online services.

The shareholders may please note that on or after 1 October 2023, where the aforementioned documents/information as stipulated in the circular are not available with the Registrar and Share Transfer Agent ('RTA'), such folio(s), pertaining to a security holder shall stand frozen. The security holder(s) whose folio(s) have been frozen shall be eligible:

- to lodge grievance or avail any service request from the RTA only after furnishing the complete documents / details as required in Form ISR-1;
- for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from 1 April 2024 and only after furnishing the complete documents / details as required in Form ISR-1.

Frozen folios shall be referred by the RTA / listed company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31 December 2025.

Members holding shares in physical form are again requested to register/update their KYC details including email address by submitting duly filled and signed Form ISR-1 at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with other documents as stipulated in the said circular. To encourage the shareholders holding shares in physical mode, towards updating their e-KYC details and in line with the SEBI circulars issued from time to time in this aspect, the facility of allowing the shareholders to temporarily register their email address and contact details for casting their votes through remote e-voting, has been dispensed with.

Members, holding shares in physical mode, who wish to receive the Annual Reports and Notice of e-AGM for FY2023 in hard copy are requested to complete their e-KYC by updating their details in Form ISR-1. For members holding securities in demat mode, they are kindly requested to register/update their address, contact details, email address, etc., with their respective DPs for us to dispatch the same at their registered address.

14. To receive communications through electronic means, including Annual Reports and Notices, members, who hold shares in demat mode, are requested to kindly register/update their email address with their respective DPs.
15. SEBI vide its circular dated 25 January 2022, has mandated that the listed companies shall henceforth issue the securities in dematerialised form only, while processing service requests such as issue of duplicate share certificates, transmission, transposition, etc. Accordingly, members who still hold shares in physical form are advised to dematerialise their holdings.
16. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
17. **Inspection of documents:** In accordance with the MCA Circulars, the below-mentioned registers will be made accessible for inspection through electronic mode and shall remain open and be accessible to any member during the continuance of the meeting:
  - a) Register of contracts or arrangements in which directors are interested under section 189 of the Act; and
  - b) Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

18. For ease of conduct, members who would like to ask questions/express their views on the items of the business to be transacted at the e-AGM can send in their questions/comments in advance by visiting <https://emeetings.kfintech.com/> and clicking on the tab 'Post your Queries' during the period starting from 20 July 2023 (9:00 a.m.) up to 24 July 2023 (5:00 p.m.) mentioning their name, DP ID Client ID/Folio no., email address, mobile number, etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the e-AGM.
19. Pursuant to section 72 of the Act and SEBI circular dated 3 November 2021 read with clarification circular dated 14 December 2021, superseded by SEBI circular dated 16 March 2023, members holding shares in physical form are advised to update their nomination details in the prescribed Form SH-13 or Form ISR-3 (Declaration to Opt-out). The forms can be downloaded from the website of the Company at <https://www.bhil.in/investors.html#url-shareholders-guide-including-iepf-matters> and KFin at <https://ris.kfintech.com/clientservices/isc> in respect of shares held in electronic/demat form, the members may contact their respective DP.
20. In terms of section 124(5) of the Act, dividend amount for final dividend for FY2016 remaining unclaimed for a period of 7 years shall become due for transfer in August 2023, to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account. Members who have not claimed dividends from FY2016 onwards are requested to approach the Company/KFin for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF's demat account.
21. For more details on shareholders' matters, please refer to the chapter on 'General Shareholder Information', included in the Annual Report for FY2023.
22. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.
23. In case a person becomes a member of the Company after dispatch of the Notice of e-AGM and is a member as on the cut-off date for e-voting, i.e. Thursday, 20 July 2023, such person may obtain the User ID and Password from KFin by email request on [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).
24. General instructions for remote e-voting and joining e-AGM are as follows:
  - A. Voting through electronic means:**
    - i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular dated 9 December 2020 in relation to e-voting facility provided by Listed Entities, the members are provided with the remote e-voting facility to exercise votes on the items of business given in the Notice, through the e-voting services provided by KFin or to vote at the e-AGM.
    - ii. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Thursday, 20 July 2023 (end of day), being the cut-off date fixed for determining voting rights of members who are entitled to participate in the e-voting process. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
    - iii. Members can cast their vote online from 24 July 2023 (9:00 a.m.) till 26 July 2023 (5:00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall be blocked.
    - iv. Alternatively, members holding securities in physical mode may reach out on toll free number 1800 309 4001 for obtaining User ID and password or may write email from the registered email address to [evoting@kfintech.com](mailto:evoting@kfintech.com).
    - v. The details of the process and manner for remote e-voting are explained herein below:

**I) Login method for remote e-voting for Individual shareholders holding securities in demat mode**

Pursuant to SEBI circular dated 9 December 2020 on ‘e-voting facility provided by Listed Companies’, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/ website of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (‘ESP’) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and email address with their DP in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholder	Login Method
Individual shareholders holding securities in demat mode with NSDL	<p><b>A. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>2. Click on the <b>“Beneficial Owner”</b> icon under <b>“IDeAS”</b> section.</li> <li>3. On the new page, enter User ID and Password. Post successful authentication, click on <b>“Access to e-voting”</b>.</li> <li>4. Click on the Company’s Name or e-voting service provider - <b>KFintech</b> and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period.</li> </ol> <p><b>B. User not registered for IDeAS e-Services:</b></p> <ol style="list-style-type: none"> <li>1. To register, open <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile.</li> <li>2. Select <b>“Register Online for IDeAS”</b> Portal or click on <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>3. Proceed with completing the required fields.</li> </ol> <p><b>C. By visiting the e-voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>1. Open <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Click on the icon <b>“Login”</b> which is available under <b>“Shareholder/ Member”</b> section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number with NSDL), Password/OTP and a verification code as shown on the screen.</li> <li>4. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page.</li> <li>5. Click on the Company’s name or e-voting service provider’s name - <b>KFintech</b> and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li> <li>6. Shareholders can also download NSDL Mobile App <b>“NSDL Speede”</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on

 App Store  Google Play



Type of Shareholder	Login Method
Individual shareholders holding securities in demat mode with CDSL	<p><b>A. Existing user who have opted for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>1. Open web browser and type: <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon and select New System Myeasi.</li> <li>2. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication.</li> <li>3. After successful login on Easi/Easiest, the user will also be able to see the e-voting Menu. The menu will have links of ESPs. Click on <b>KFintech</b> to cast your vote.</li> </ol> <p><b>B. User not registered for Easi/Easiest</b></p> <p>Option to register for Easi/Easiest is available at <a href="http://www.cdslindia.com">www.cdslindia.com</a>. Proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p><b>C. By visiting the e-Voting website of CDSL:</b></p> <ol style="list-style-type: none"> <li>1. The user can directly access e-voting page by providing demat account Number and PAN from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; email address as recorded in the demat account.</li> <li>2. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-voting Service Provider, i.e., <b>KFintech</b>.</li> </ol>
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> <li>1. Shareholders can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. Once login, you will be able to see e-voting option.</li> <li>2. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature.</li> <li>3. Click on Company Name or e-voting service provider name - <b>KFintech</b> and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period.</li> </ol>

**Important Note:** Members who are unable to retrieve User ID/Password are advised to use Forget User ID or Forget Password option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e. NSDL and CDSL:**

**Members facing any technical issue - NSDL**

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 022-4886-7000 and 022-2499-7000

**Members facing any technical issue - CDSL**

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800-22-55-33.

**II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode and having updated their KYC**

- Initial password is provided in the body of the email.
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.
- After entering the correct details, click on LOGIN.

## BAJAJ HOLDINGS & INVESTMENT LIMITED

- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. On successful login, the system will prompt you to select the EVENT i.e. Bajaj Holdings & Investment Ltd.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution.
- xi. Corporate/institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through email at [cssdlimaye@gmail.com](mailto:cssdlimaye@gmail.com) and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BHIL\_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free). Members may also reach out to Mohd. Mohsinuddin, Senior Manager, KFin at [mohsin.mohd@kfintech.com](mailto:mohsin.mohd@kfintech.com)/ [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or to the Company at [msltraine@bajajfinserv.in](mailto:msltraine@bajajfinserv.in)

### B. Voting at e-AGM

- i. Only those members, who will be present in the e-AGM and who have not cast their vote through remote e-voting and are otherwise not barred from doing so are eligible to vote.
- ii. Members who have voted through remote e-voting will still be eligible to attend the e-AGM.
- iii. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.
- iv. Voting at e-AGM will be available at the end of the e-AGM and shall be kept open for 15 minutes. Members viewing the e-AGM, shall click on the 'e-voting' sign placed on the left-hand bottom corner of the video screen. Members will be required to use the credentials, to login on the e-Meeting webpage, and click on the 'Thumbs-up' icon against the unit to vote.

### C. Instructions for members for attending the e-AGM

- i. Members will be able to attend the e-AGM through VC/OAVM or view the live webcast of e-AGM provided by KFin at <https://emeetings.kfintech.com> by using their remote e-voting login credentials and by clicking on the tab "video conference". The link for e-AGM will be available in members login, where the EVENT and the name of the Company can be selected.
- ii. Members are encouraged to join the meeting through devices (Laptops, Desktops, Mobile) with Google Chrome for seamless experience.
- iii. Further, members registered as speakers will be required to allow camera during e-AGM and hence, are requested to use internet with a good speed to avoid any disturbance during the meeting.
- iv. Members may join the meeting using headphones for better sound clarity.



- v. While all efforts would be made to make the meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- vi. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting <https://emeetings.kfintech.com/> and clicking on the tab 'Speaker Registration' during the period starting from 20 July 2023 (9:00 a.m.) up to 24 July 2023 (5:00 p.m.). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Only questions of the members holding shares as on the cut-off date will be considered.
- vii. Members who need technical assistance before or during the e-AGM can contact KFin at [emeetings@kfintech.com](mailto:emeetings@kfintech.com) or Helpline: 1800 309 4001.

#### **D. General Instructions**

- i. The Board of Directors have appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587 CP No. 572) as the Scrutiniser to the e-voting process and voting at the e-AGM in a fair and transparent manner.
- ii. The Scrutiniser shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinisers' report of the total votes cast in favour or against, if any, within prescribed timelines and provide the same to the Chairman of the Company, who shall countersign the same and declare the result thereof.
- iii. The results declared along with the scrutiniser's report shall be placed on the Company's website <https://www.bhil.in/investors.html#url-stock-exchange-intimations> and on the website of KFin <https://evoting.kfintech.com/> and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the e-AGM of the Company.

#### **25. Dividend related information:**

Shareholders may note that as per Income Tax Act, 1961, (the 'IT Act'), dividends paid or distributed by a company shall be taxable in the hands of shareholders. Accordingly, the Company would be required to deduct applicable Tax at Source ('TDS') in respect of payment of dividend to its shareholders (resident as well as non-resident).

##### **Resident Shareholders:**

Tax shall be deducted at source under section 194 of the IT Act at the rate of 10% on the amount of dividend declared and paid by the Company during the financial year 2023-24. However, in the following cases, TDS at the rate of 20% would be applicable as per the IT Act:

- Section 206AA of the IT Act- In case where, PAN is not available/submitted, or PAN submitted is invalid or PAN is not linked with Aadhar; or
- Section 206AB of the IT Act - Non-filing of return of income tax of previous year (i.e. FY2021-22) and aggregate of TDS and TCS in said previous year is ₹ 50,000 or more

No tax shall be deducted at source on the dividend payable to a resident individual if the total dividend to be received by the said resident individual from the Company during a financial year does not exceed ₹ 5,000; or if an eligible resident shareholder provides a valid declaration in Form 15G/Form 15H or other documents as may be applicable to different categories of shareholders.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company (TAN – PNEB05805C), tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

### Non-resident Shareholders:

Tax is required to be deducted at source in the case of non-resident shareholders in accordance with the provisions of Section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders.

For Foreign Institutional Investors ('FIIs')/Foreign Portfolio Investors ('FPIs') shareholders, TDS will be deducted under Section 196D read with Section 206AB of the IT Act.

However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with applicable Multilateral Instrument ('MLI') provisions, if it is more beneficial to them.

A list of documents/ declarations required to be provided by the resident shareholders and list of documents/ declarations required to claim the benefit of DTAA by the non-resident shareholders are being made available on the Company's website at <https://www.bhil.in/investors.html#url-stock-exchange-intimations> Kindly note that the documents should be uploaded with KFin at <https://ris.kfintech.com/form15> or emailed to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

No communication on the tax determination/deduction shall be entertained after 11 July 2023.

The documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the required details/documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to email the soft copy of the TDS certificate, if applicable, to shareholders at the email address registered with KFin within the prescribed time as per the IT Act. The amount of TDS can also be viewed in Form 26AS on the website of the Income Tax department of India <https://www.incometax.gov.in/iec/foportal/>

In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

For further details and formats of declaration, please refer FAQs on TDS on dividend which are being made available on the Company's website at <https://www.bhil.in/investors.html#url-stock-exchange-intimations>

## ANNEXURE TO THE NOTICE

### INFORMATION PURSUANT TO THE PROVISIONS OF SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD - 2

#### Item No. 3 relating to re-appointment of Rajiv Bajaj (DIN: 00018262), who retires by rotation.

##### Brief Profile:

Rajiv Bajaj is Non-executive Director of the Company. He graduated in first class, with distinction, in Mechanical Engineering from the University of Pune in 1988, and then completed his masters in manufacturing systems engineering, with distinction, from the University of Warwick in 1991.

He has since worked at Bajaj Auto Ltd. (Bajaj Auto) in the areas of Manufacturing and Supply Chain (1990-95), R&D and Engineering (1995-2000) and Marketing and Sales (2000-2005) and has been its Managing Director since April 2005.

His current priority is the application of the scientific principles of Homeopathy to the task of building a brand centered strategy at Bajaj Auto with the objective of achieving its vision of being one of the world's leading motorcycle manufacturers.

##### Other Information:

Particulars	Details
Age	56 years
Qualifications	Rajiv Bajaj graduated from University of Pune and completed Master of Science in Manufacturing Systems Engineering from University of Warwick
Experience	Covered in brief profile
Terms and Condition of appointment	Non-executive Director, liable to retire by rotation
Remuneration last drawn (FY2023)	The details of remuneration paid to him for FY2023 is provided in the annual return. The same can be accessed at <a href="https://www.bhil.in/investors.html#url-annual-reports">https://www.bhil.in/investors.html#url-annual-reports</a>
Remuneration proposed to be paid	Sitting fees @ ₹ 1 Lakh and Commission @ ₹ 3 Lakh per meeting of the Board and Committee, if any
Date of first appointment on the Board	5 March 2002
Shareholding in the Company	1,000 shares
Disclosure of relationship between director inter se	Brother of Sanjiv Bajaj, Managing Director & CEO of the Company
Number of meetings of the Board attended during FY2023	Six (6) meetings of the Board were held and he has attended all the Board meetings
Directorships of other Boards (excluding Section 8 companies as per the Act)	<ul style="list-style-type: none"> <li>a) Bajaj Auto Ltd.</li> <li>b) Bajaj Electricals Ltd.</li> <li>c) Bajaj Finance Ltd.</li> <li>d) Bajaj Finserv Ltd.</li> <li>e) Bajaj Auto Consumer Finance Ltd.</li> <li>f) Chetak Technology Ltd.</li> <li>g) Kamalnayan Investment &amp; Trading Pvt. Ltd.</li> <li>h) Rahul Securities Pvt. Ltd.</li> <li>i) Bajaj Sevashram Pvt. Ltd.</li> <li>j) Rupa Equities Pvt. Ltd.</li> </ul>
Membership/Chairmanship of Committees of other Boards	Bajaj Auto Ltd. 1. Member, Corporate Social Responsibility Committee 2. Member, Duplicate Share Certificate Issuance Committee Bajaj Finserv Ltd. 1. Member, Duplicate Share Certificate Issuance Committee
Resignation during past 3 years from listed companies	Nil
Nature of expertise in specific functional areas	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.

Further, he is not disqualified from being appointed as a director in terms of Section 164 of the Act.

### Item No. 4 relating to re-appointment of Shekhar Bajaj (DIN: 00089358), who retires by rotation.

#### Brief Profile:

Shekhar Bajaj, Chairman, is also the Chairman of Bajaj Electricals Limited (BEL). He has been the past President of ASSOCHAM, IMC, ELCOMA (Electric Lamp & Components Manufacturers Association), IFMA (Indian Fans Manufacturers Association) and CFBP (Council of fair business practice). He is on the board of a number of companies and was recently conferred with an Honorary Doctorate for his long and outstanding service to the industry. Born into a family whose brand image bespeaks trust and transparency, brought up in the Gandhian ideals of his grandfather Shri Jamnalal Bajaj, he is a unique embodiment of time-tested traditions, visionary zeal and humane concern. A B.Sc. (Hons) degree in Mathematics from Pune University (1968), followed by an MBA degree from New York University (1974), equipped him with the formal training required to complement his homespun talents.

Starting in Bajaj Sevashram after graduation, he learned the nitty-gritty of business by working his way up, gaining invaluable insights into the real market, and joining BEL in 1980. Thereafter in 1984, he took over as Managing Director of BEL and became the Chairman & Managing Director in 1990. He built on the company's inherent strengths and radically turned around its fortunes. Under his watchful eyes, the company restructured its overall operations, consolidating its formidable retail network to provide the country's burgeoning middle class with a better quality.

Over the years, BEL came to be associated with world-class products that offer value for money. His growth-oriented vision and policies were always rooted in sound, traditional pragmatism. Shunning complacency, BEL focused on continuous up-gradation of technology and strategic tie-ups that enabled it to remain a resilient player in an intensely competitive market environment. It battled threats from the unorganized sector and recorded a steady rise in assets, sales and profits, inspiring trust among investors. Following a phase of consolidation measures, BEL began to focus on rapid growth.

Anticipating future trends, He initiated the company's entry into the High Mast and then Transmission Line Tower business, a remarkably successful move; and so have been the tie-up with international companies like Morphy Richards of UK for Appliances, Disney and Midea for Fans and the recent acquisition of Nirlep Appliances Pvt. Ltd.

Shekhar Bajaj continues to nurture, develop and encourage small-scale industries to market their products under Brand Bajaj. BEL consistently provides financial support and technical know-how to them. Competence and commitment have always been the keynotes of his credo. Add to this the rare qualities of compassion and concern, and you begin to understand why he is the other face of corporate India. He has successfully bridged the gap between principles and profitability, philanthropy, and professionalism in his unpretentious and unassuming manner. Significantly, he has always believed that people are the ultimate source of strength in any organization. He upholds meritocracy, looking upon his employees as an extension of his family and winning in the process the unswerving loyalty of his team.

Shekhar Bajaj has personally lead various Corporate Social Responsibility (CSR) initiatives taken by the organization. He strongly believes, Corporate Social Responsibility encompasses not only what we do with our profits, but also how we make them. It goes beyond philanthropy and compliance and addresses how we manage our economic, social, and environmental impacts, as well as our relationships with diverse stakeholders. He has rolled out many such initiatives for internal as well as external stakeholders, most significant being the Anti-Tobacco drive. He believes that we all stand committed to encouraging all our stakeholders to lead a healthy and addiction-free life, focusing on spreading the message on tobacco cessation and awareness amongst all. He has personally led the initiative in having a contact programme with Employees to give up the habit of consuming tobacco in any form and have achieved major success.

#### Other Information:

Particulars	Details
Age	75 years
Qualifications	B.Sc. (Hons) degree in Mathematics from Pune University (1968) and an MBA degree from New York University (1974)
Experience	Covered in brief profile
Terms and Condition of appointment	Non-executive Director, liable to retire by rotation
Remuneration last drawn (FY2023)	The details of remuneration paid to him for FY2023 is provided in the annual return. The same can be accessed at <a href="https://www.bhil.in/investors.html#url-annual-reports">https://www.bhil.in/investors.html#url-annual-reports</a>

Particulars	Details
Remuneration proposed to be paid	Sitting fees @₹ 1 Lakh and Commission @₹ 3 Lakh per meeting of the Board and Committee, if any
Date of first appointment on the Board	1 May 2021
Shareholding in the Company	4,500 shares
Disclosure of relationship between director inter se	Brother of Niraj Bajaj, Vice Chairman and Madhur Bajaj, Non-executive Director of the Company
Number of meetings of the Board attended during FY2023	Six meetings of the Board were held, and he has attended all the Board meetings
Directorships of other Boards (excluding Section 8 companies as per the Act)	<ul style="list-style-type: none"> <li>a) Bajaj Electricals Ltd.</li> <li>b) Hercules Hoists Ltd.</li> <li>c) Hind Lamps Ltd.</li> <li>d) Bajel Projects Ltd.</li> <li>e) Indef Manufacturing Ltd.</li> <li>f) Hind Musafir Agency Ltd.</li> <li>g) Bajaj Sevashram Pvt. Ltd.</li> <li>h) Bajaj International Pvt. Ltd.</li> <li>i) Bachhraj Factories Pvt. Ltd.</li> <li>j) Shekhar Holdings Pvt. Ltd.</li> </ul>
Membership/Chairmanship of Committees of other Boards	<p>Hercules Hoists Ltd.</p> <ol style="list-style-type: none"> <li>1. Chairman, Stakeholders Relationship Committee</li> <li>2. Chairman, Corporate Social Responsibility Committee</li> </ol> <p>Hinds Lamps Ltd.</p> <ol style="list-style-type: none"> <li>1. Member, Audit Committee</li> <li>2. Member, Nomination and Remuneration Committee</li> </ol> <p>Bajaj Electricals Ltd.</p> <ol style="list-style-type: none"> <li>1. Chairman, Risk Management Committee</li> <li>2. Chairman, Corporate Social Responsibility Committee</li> <li>3. Chairman, Finance Committee</li> <li>4. Member, Nomination and Remuneration Committee</li> <li>5. Member, Stakeholders Relationship Committee</li> </ol>
Resignation during past 3 years from listed companies	Bajaj Auto Ltd.
Nature of expertise in specific functional areas	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.

Pursuant to regulation 17(1A) of the SEBI Listing Regulations, as amended on 9 May 2018, with effect from 1 April 2019, consent of the shareholders by way of Special Resolution is required for appointment of person as a Non-executive director of the Company who has attained the age of 75 years. The Members at their 76th Annual General meeting held on 22 July 2021 then, had by way of a Special Resolution also approved the continuation of Shekhar Bajaj beyond 8 June 2023 as a Non-executive Director of the Company on account of his attaining the age of 75 years on the said date. Considering the same, approval of the shareholders by way of a Special Resolution is not being sought again. Considering his experience and expertise of over 4 decades, the Board believes that it will immensely benefit by his mature advice on the business of the Company in the long run and hence his re-appointment is being recommended for the approval of Members.

Further, he is not disqualified from being appointed as a director in terms of Section 164 of the Act.

By order of the Board  
For Bajaj Holdings & Investment Ltd.

Sriram Subbramaniam  
Company Secretary  
Membership No.: A23333  
Pune: 27 April 2023

**BAJAJ**

**HOLDINGS &  
INVESTMENT**

**78<sup>th</sup>  
ANNUAL  
REPORT  
2022-2023**



**BAJAJ HOLDINGS & INVESTMENT LIMITED**



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# CORPORATE INFORMATION

## Board of Directors

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**Shekhar Bajaj**  
Chairman

**Niraj Bajaj**  
Vice Chairman

**D J Balaji Rao**

**Dr. Naushad Forbes**

**Anami N Roy**

**Pradip Shah**

**Dr. Arindam Bhattacharya**

**Dr. Vidya Yeravdekar**

**Sanjiv Bajaj**  
Managing Director & CEO

**Rajiv Bajaj**

**Madhur Bajaj**

**Manish Kejriwal**

## IT Strategy Committee

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**Dr. Naushad Forbes**  
Chairman

**Sanjiv Bajaj**

**Anurag Chottani**

**Anish Amin**

**Vivek Likhite**

**Anant Marathe**

## Audit Committee

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**Pradip Shah**  
Chairman

**Dr. Naushad Forbes**

**Dr. Arindam Bhattacharya**

**Dr. Vidya Yeravdekar**

## Nomination and Remuneration Committee

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**D J Balaji Rao**  
Chairman

**Dr. Arindam Bhattacharya**

**Niraj Bajaj**

## Risk Management Committee

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**Pradip Shah**  
Chairman

**Dr. Arindam Bhattacharya**

**Sanjiv Bajaj**

**Anish Amin**

## Stakeholders' Relationship Committee

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**Manish Kejriwal**  
Chairman

**Dr. Naushad Forbes**

**Dr. Vidya Yeravdekar**

## **Corporate Social Responsibility Committee**

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**Dr. Naushad Forbes**  
Chairman

**Anami N Roy**

**Sanjiv Bajaj**

## **Chief Financial Officer**

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**Anant Marathe**

## **Company Secretary**

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**Sriram Subbramaniam**

## **Joint Statutory Auditors**

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**Kalyaniwalla & Mistry LLP**

**NBS & Co.**

## **Secretarial Auditor**

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**Shyamprasad D Limaye**

## **Bankers**

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Deutsche Bank  
Citibank N A  
HDFC Bank

## **Registered Office**

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

## **Share Transfer Agent**

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### **KFin Technologies Ltd.**

Unit: Bajaj Holdings & Investment Ltd.  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally, Hyderabad,  
Telangana- 500 032  
Toll free No.: 1800 309 4001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**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-eighth Annual Report along with the audited standalone and consolidated financial statements for FY2023.

## Company overview

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) vide RBI registration number N-13.01952 dated 29 October 2009. BHIL is essentially a holding and investment company and does not have any other operations of its own. BHIL earns revenue primarily by way of dividend income from investments held in group companies. More details about the Company and its investments are available in the [Management Discussion and Analysis](#).

## Financial results

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

The highlights of the [standalone financial results](#) are as under:

	(₹ In Crore)	
	FY2023	FY2022
Total income	1,937.01	1,833.16
Total expenses	158.16	132.04
Profit before tax	1,778.85	1,701.12
Tax expense	67.27	70.60
<b>Profit for the year</b>	<b>1,711.58</b>	<b>1,630.52</b>
Earnings per share (in ₹)	153.8	146.5

## Closing balances in reserve/other equity:

	(₹ In Crore)	
	FY2023	FY2022
Reserve fund in terms of section 45-IC(1) of Reserve Bank of India Act, 1934	2,815.48	2,473.16
Securities premium	444.42	444.42
General reserve	3,706.96	3,706.96
Retained earnings	3,723.84	3,637.00
Other reserves - Equity instruments through other comprehensive income	4,899.63	4,999.15
Other reserves - Debt instruments through other comprehensive income	(36.35)	15.90
Other reserves - Hedge instruments through other comprehensive income	-	(0.02)
<b>Total</b>	<b>15,553.98</b>	<b>15,276.57</b>

**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:

	(₹ In Crore)	
	FY2023	FY2022
Total Income	527.35	486.51
Share of profit of associates	4,667.01	3,893.67
Profit before tax	5,011.51	4,225.90
<b>Profit for the year</b>	<b>4,850.52</b>	<b>4,055.68</b>
Earnings per share (₹)	435.8	364.4

## 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, the Company has till date transferred a sum of ₹ 2,815.48 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](#).

## 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 the profit earned. The Dividend Distribution Policy of the Company endeavour to maintain a minimum dividend pay-out of 50% of distributable profit on standalone basis each year. The said Policy is available on the website of the Company at <https://www.bhil.in/pdf/Dividend%20Distribution%20Policy.pdf>

## 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 Annual General Meeting ('AGM'), payment of final dividend of ₹ 13 per equity share (130%) of face value of ₹ 10 for the financial year ended 31 March 2023.

### Interim dividend

The Board of Directors, at its meeting held on 13 September 2022, declared an interim dividend of ₹ 110 per equity share (1100%) of face value of ₹ 10 for the financial year ended 31 March 2023. The record date fixed for the purpose of declaration of dividend was 23 September 2022. The total dividend pay-out on account of interim dividend was ₹ 1,224.23 crore.

The total dividend pay-out (including interim dividend) for FY2023 would be ₹ 1,368.91 crore.

The dividend declared/ 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.

## Subsidiaries and Associates

Following are the subsidiaries/associates of the Company:

Name of the company	% shareholding of BHIL and its subsidiaries	Status
Bajaj Auto Ltd.	36.64%	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 FY2023, is covered in the [Management Discussion and Analysis](#).

During FY2023, no new subsidiary was incorporated/acquired. Neither the Company has entered into a joint venture with any company.

The Company does not have any 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 and can be accessed 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 during FY2023

#### i. Appointment

##### Dr. Vidya Yeravdekar (DIN: 02183179)

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board at its meeting held on 28 July 2022, has appointed Dr. Vidya Yeravdekar, as an Independent Director, for a period of five years effective from 1 August 2022. Further, the shareholders have approved her appointment through a postal ballot on 21 September 2022, by an overwhelming majority.

The Board is of the opinion that Dr. Yeravdekar is a person of integrity, expertise and has relevant experience to serve the Company as an Independent Director that can strengthen the overall composition of the Board.

Dr. Yeravdekar is exempted from requirements of clearing the online proficiency test pursuant to rule 6(4) of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

#### ii. Resignation

##### Dr. Gita Piramal (DIN: 01080602)

Due to health reasons, Dr. Gita Piramal had decided to reduce her professional commitments in FY2023. Accordingly, she had tendered her resignation as an Independent Director of the Company effective from close of business hours on 30 June 2022. The Board noted the resignation of Dr. Piramal effective from the aforementioned date and recorded its appreciation for the valuable services and guidance provided by her during her long tenure as a Director of the Company.

### B. Directors liable to retire by rotation

Rajiv Bajaj (DIN: 00018262) and Shekhar Bajaj (DIN: 00089358) retires by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Brief details of Rajiv Bajaj and Shekhar Bajaj, 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 FY2023.

## Declaration 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 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 NRC, has framed a Remuneration Policy. The policy, inter alia, provides:

- a) the criteria for determining qualifications, positive attributes and independence of directors; and
- b) a policy on remuneration of 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 placed on the Company's website and can be accessed at <https://www.bhil.in/pdf/Remuneration%20Policy%20.pdf>

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 FY2023.

A declaration to this effect signed by the Managing Director & CEO is included in this 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 and will also be placed on the Company's website and can be accessed at <https://www.bhil.in/investors.html#url-annual-reports>

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

Six (6) meetings of the Board were held during FY2023. Details of the meetings and attendance thereat form a part of the [Corporate Governance Report](#).

### **Directors' responsibility statement**

In accordance with the provision of 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;
- 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 FY2023 and of the profit of the Company for the said 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**

Manish Kejriwal, stepped down as member of the Audit Committee, with effect from close of business hours on 31 March 2023 and Dr. Vidya Yeravdekar was inducted effective 1 April 2023.

The present composition of the Committee as approved by the Board at its meeting held on 15 March 2023 is, Pradip Shah (DIN: 00066242) as Chairman, Dr. Naushad Forbes (DIN: 00630825), Dr. Arindam Bhattacharya (DIN: 01570746) and Dr. Vidya Yeravdekar (DIN: 02183179) as members.

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations and RBI Regulations, of having a minimum of two-thirds of independent directors, including the Chairman. All members of the Committee are independent directors possessing financial literacy and expertise in accounting or financial management related matters.

During FY2023, all recommendations of the Audit Committee were accepted by the Board.

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 as its ordinary course of business, is exempt from complying with the provisions of section 186 of the Act with respect to investments. Accordingly, the disclosures of the investments as required under the aforesaid section have not been made in this Report. During the year under review, the Company did not give loans or guarantee to any person including its Directors.

## Share capital

As on 31 March 2023, the paid-up share capital of the Company stood at ₹ 111.29 crore consisting of 111,293,510 equity shares of ₹ 10 each. There was no public issue, rights issue, bonus issue or preferential issue, etc., during FY2023. The Company has not issued shares with differential voting rights or sweat equity shares, nor has any scheme for grant of stock option.

## Scale based regulations – revised regulatory framework for NBFC's

The Reserve Bank of India (RBI) vide its circular dated 22 October 2021 has introduced Scaled Based Regulation (SBR) – a revised Regulatory Framework for NBFC. As per the revised regulatory framework, regulatory structure for NBFCs shall comprise of four layers based on their size, activity, and perceived riskiness. NBFCs in the lowest layer shall be known as NBFC – Base Layer (NBFC-BL). NBFCs in middle layer and upper layer shall be known as NBFC – Middle Layer (NBFC-ML) and NBFC – Upper Layer (NBFC-UL), respectively. RBI may, based on the size of an NBFC, classify some of them as NBFC- Top Layer.

In accordance with the circular, NBFCs without public funds and customer interface are classified as a Base Layer of the regulatory structure. Considering, the nature of business, the Company is classified under the Base Layer.

## Related party transactions

All contracts/arrangements/transactions entered by the Company during FY2023 with the related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee was obtained for all related party transactions which were foreseen and repetitive in nature as well as for transactions which were not foreseen and details of which were not available, up to the limits as specified in the SEBI Listing Regulations. Pursuant to the said omnibus approval, details of related party transactions entered into were also reviewed by the Audit Committee on a quarterly basis.

All related party transactions entered during FY2023 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 FY2023 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 is placed on the Company's website at <https://www.bhil.in/pdf/Policy%20on%20Materiality%20of%20&%20Dealing%20with%20Related%20Party%20Transactions.pdf> 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 operations of the Company are not energy intensive. However, the Company has taken, inter alia, following measures to reduce energy consumption:

- Switched from conventional lighting systems to LED lights at Mumbai location; and
- Designed the office in a manner which 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

No foreign exchange was earned by the Company during the year under review as well as during the previous year.

The total foreign exchange outflow during the year under review was ₹ 45.61 crore (as against ₹ 39.62 crore during the previous year).

## Corporate Social Responsibility (CSR)

The CSR committee comprises of three directors viz., Dr. Naushad Forbes (DIN: 00630825) as Chairman, Anami N Roy (DIN: 01361110) and Sanjiv Bajaj (DIN: 00014615) as members.

Detailed information on CSR Policy, its salient features and details pertaining to spent and unspent amount forms part of 'Annual Report on CSR activities'.

The CSR policy has been hosted on the website of the Company and can be accessed at <https://www.bhil.in/pdf/CSR-Policy.pdf>

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 FY2023.

## Formal annual evaluation of the performance of the Board, its Committees and Directors

Pursuant to section 178 of the Act, the 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.

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 2022 to 31 December 2022 is given below:

- 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, which is on the basis of the Board approved criteria for evaluation of the Board, its Committees, 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 2022 to 31 December 2022 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 15 March 2023.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 15 March 2023.
- For FY2023, the criteria and process followed by the Company was reviewed by the NRC and the Board, which opined to be compliant with the applicable provisions and found satisfactory. The criteria for evaluation of the Board, its Committees, Chairperson and individual directors is placed on the website of the Company and can be accessed at <https://www.bhil.in/pdf/Board%20Evaluation%20Criteria.pdf>

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

The NRC and Board after reviewing the criteria, advised enhancement to the feedback mechanism by introducing few qualitative aspects to the criteria.

## Significant and material orders passed by the regulators or courts

During FY2023, 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

The internal audit function provides an independent view to the Board of Directors, the Audit Committee and the Senior Management on the quality and effectiveness of the internal controls, risk management and governance related systems and processes. In line with the RBI's guidelines on Risk Based Internal Audit, the Company has adopted a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee.

The Audit Committee quarterly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

The Committee also has an independent meeting with the internal auditor without the presence of Management.

## 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.

## Risk Management

Managing risk is fundamental to any business in general and in particular to financial services industry. Considering the nature of business of BHIL, i.e., investments in securities for a long-term horizon, the risk perceived is low as far as the standalone business of BHIL is concerned. However, risks arising out of businesses of the group companies are the key risks of the Company. BHIL has a risk governance framework in place which provides an integrated approach for identifying, monitoring and mitigating risks associated with its business and that of its group companies.

Key risks exposure of BHIL includes market risk, credit risk, governance risk, reputation risk and compliance risk. The Risk Management Committee of the Board, assists the Board in monitoring various risks, review and analysis of risk exposures and mitigation plans related to the Company and its group companies.

A Risk Management Policy has been adopted by the Board of Directors which, inter alia, sets out risk strategy, approach and mitigation plans, liquidity risk management and asset liability management.

The group companies have their own risk management frameworks in line with their strategic business operations as appropriate to the industry in which they operate. Business operations of each of the group companies, the risks faced by them and the risk mitigation tools followed by them are reviewed periodically by the Risk Management Committees and the Boards of the respective group companies.

The details of meetings of Risk Management Committee of the Company and the members who attended the same are mentioned in the [Corporate Governance Report](#).

## Whistle Blower Policy / Vigil Mechanism

The Company has a Whistle Blower Policy encompassing vigil mechanism pursuant to 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 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/pdf/Whistle%20Blower%20Policy.pdf>

## 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 2023. In line with the RBI guidelines for Asset Liability Management (ALM) system for NBFCs, the Company has an Asset Liability Management Committee, which review its ALM risks and opportunities.

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

## Other statutory disclosures

- The financial results of the Company are placed on the website of the Company at <https://www.bhil.in/investors.html#url-financial-results-press-release> and the audited financial statements of 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 Companies Act, 2013, 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, will be made available to any member by way of email upon request, as per provisions of section 136(1) of the said Act.
- The Managing Director & CEO will be entitled to remuneration by way of a sitting fee, in his capacity as a Non-executive director of Maharashtra Scooters Ltd., a subsidiary of the Company during FY2024.
- 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 gender neutral 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 has been no change in the nature of business of the Company during FY2023.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company. Further, the Company had not made any one-time settlement with banks or financial institutions during FY2023.
- The Company has not accepted any fixed deposits under Chapter V of the Companies Act, 2013 and as such no amount of principal and interest were outstanding as on 31 March 2023.
- During FY2023, the Company had not borrowed any funds from any banks or Financial Institutions.

## 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 Chief Financial Officer, have certified to the Board with regard to the financial statements and other matters as specified under the SEBI Listing Regulations.

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

## Business Responsibility & Sustainability Report

Pursuant to amendment in SEBI Listing Regulations, top 1000 listed entities based on market capitalisation are required to submit a Business Responsibility & Sustainability Report ('BRSR') with effect from the FY2023. Accordingly, the Company, being one of the top 1000 listed entity, has adopted a Policy on BRSR.

A detailed BRSR in the format prescribed by SEBI describing various initiatives, actions and process of the Company towards the ESG endeavor, forms a part of this Annual Report and has also been hosted on the Company's website at <https://www.bhil.in/investors.html#url-annual-reports>

## 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.

## Auditors and Auditors' Report

### Statutory Auditors

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, 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 was required to be conducted under joint audit of a minimum of two audit firms.

By virtue of the aforesaid Guidelines and related FAQs, the 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 / W100166) as Statutory Auditors effective from 17 November 2021, i.e., the last date of Postal Ballot till conclusion of 77th AGM. Further, the members at 77th AGM held on 28 July 2022, had approved their continuation/re-appointment as Statutory Auditor for remaining term of two years, 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.

The members at their 77th AGM held on 28 July 2022, based on the recommendation of Audit Committee and Board, had also approved the appointment of NBS & Co. (Firm Registration No. 110100W) as Joint Statutory Auditors 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 ending 31 March 2023, 31 March 2024 and 31 March 2025.

The audit report given by Kalyaniwalla & Mistry LLP and NBS & Co., Joint Statutory Auditors for FY2023 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

### 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 2023 and the same will be submitted with the stock exchanges within the given timeframe. There are no observations, reservations or qualifications in the said report. The report will be available on the website of the Company at <https://www.bhil.in/investors.html#url=stock-exchange-intimations>.

Since, the auditors i.e. joint statutory auditors and secretarial auditor 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.

### Acknowledgement

The Board of Directors place its gratitude and appreciation for the support and cooperation from its members, the RBI, other regulators and banks.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company, its subsidiaries and associates and thank them for yet another excellent year of performance.

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

Pune: 27 April 2023

## Annual report on CSR activities for the financial year ended 31 March 2023

### 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 India's next generation, mainly, in the areas of skilling, health and education. Additionally the Group supports creation of healthcare and other infrastructure and relief efforts in response to natural calamities and pandemics. 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 work towards '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.

#### 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 was approved and adopted by the Board of Directors in its meeting held on 29 April 2021. The Policy, inter alia, covers the following:

- Philosophy, Approach and Direction;
- Guiding Principles for selection, implementation and monitoring of activities; and
- Guiding Principles for formulation of Annual Action Plan.

**2. Composition of CSR Committee:**

Sr. 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, Independent Director	3	3
2.	Anami N Roy	Member, Independent Director	3	3
3.	Sanjiv Bajaj	Member, Managing Director & CEO	3	3

**3. Web-link 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/pdf/CSR-Policy.pdf>
**CSR projects approved by the Board**
<https://www.bhil.in/investors.html#url-corporate-social-responsibility-information>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : NA
5. (a) Average net profit of the Company as per sub-section (5) of section 135 : ₹ 433.90 crore
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135 : ₹ 8.68 crore
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (d) Amount required to be set-off for the financial year, if any : Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 8.68 crore
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 9.83 crore
- (b) Amount spent in Administrative Overheads : Nil
- (c) Amount spent on Impact Assessment, if applicable : NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 9.83 crore
- (e) CSR amount spent or unspent for the financial year

Total Amount Spent for the financial year	Amount Unspent				
	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 sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 9.83 crore			Nil		

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	(₹ In Crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 8.68
(ii)	Total amount spent for the Financial Year	₹ 9.83
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 1.15
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	₹ 1.10

\* Set-off considered less than excess amount spent.

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135	Balance Amount in Unspent CSR Account under subsection (6) of section 135	Amount Spent in The Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
		(₹ In Crore)	(₹ In Crore)		(₹ In Crore)	Date of Transfer		
1	FY 2019-20	-	-	-	-	-	-	-
2	FY 2020-21	-	-	-	-	-	-	-
3	FY 2021-22	2.40	-	2.40	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: NA

Sanjiv Bajaj  
Managing Director & CEO  
(DIN: 00014615)

Dr. Naushad Forbes  
Chairman of CSR Committee  
(DIN: 00630825)

Pune: 27 April 2023

**Remuneration Details under rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended), for the financial year ended 31 March 2023**

Name of Director/KMP	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration for FY2023 <sup>2</sup>
<b>(A) Managing Director</b>		
Sanjiv Bajaj - Managing Director & CEO	46.96	14.73
<b>(B) Non-Executive directors<sup>1</sup></b>		
Shekhar Bajaj	0.21	20.00
Niraj Bajaj	0.29	(11.11)
D J Balaji Rao	0.32	-
Dr. Naushad Forbes	0.50	(6.67)
Anami N Roy	0.21	-
Pradip Shah	0.46	8.33
Dr. Arindam Bhattacharya <sup>3</sup>	0.21	Not comparable
Dr. Vidya Yeravdekar <sup>4</sup>	0.18	Not comparable
Rajiv Bajaj	0.21	50.00
Madhur Bajaj	0.18	(16.67)
Manish Kejriwal	0.43	(7.69)
<b>(C) Key Managerial Personnel</b>		
Sanjiv Bajaj, Managing Director & CEO	-	14.73
Anant Marathe, CFO		31.85
Sriram Subbramaniam, CS		19.56
<b>(D) Percentage increase in the median remuneration of employees (other than whole-time directors)</b>		
		17.74
<b>(E) Permanent employees of the Company as on 31 March 2023<sup>5</sup></b>		
		18
<b>(F) Average increase in salary of employees other than Managing director</b>		
		26.64

- 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 director/member during the year. The amount of commission payable to non-executive directors for FY2023 is fixed at ₹ 200,000/- per meeting.
  - 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 for FY2023' for non-executive directors is either due to the tenure of directorship, attendance from meeting(s), etc.
- 3) Dr. Arindam Bhattacharya had voluntarily waived his sitting fee and commission which he was entitled to receive for attending the Board and Committee meeting(s) till 31 December 2022. Hence, the % increase in remuneration is not applicable. The ratio of his remuneration to median remuneration of employees is calculated on the basis of the commission payable to him (entitled to receive after 31 December 2022), for attending meeting of Board and Committees where he is a member, after 31 December 2022.
- 4) Dr. Vidya Yeravdekar was appointed as an Independent Director of the Company with effect from 1 August 2022.
- 5) The term 'Permanent employees' does not include trainees, probationers and contract employees.
- 6) 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 FY2023.

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'). 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 2023, 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 FY2023, 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 and 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 and 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 Ltd. (BSE) and National Stock Exchange of India Ltd. (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, wherever applicable.

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 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: F001587E000204451

Pune: 27 April 2023

## **Annexure to secretarial audit report**

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

My Secretarial Audit Report for Financial Year ended 31 March 2023 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  
UDIN: F001587E000204451

Pune: 27 April 2023

## Independent auditors' certificate on corporate governance

To The Members

Bajaj Holdings & Investment Ltd.

1. This Certificate has been issued in accordance with the terms of our engagement letter dated 7 September 2022.
2. We have examined the compliance of conditions of Corporate Governance by Bajaj Holdings & Investment Ltd., ("the Company"), for FY2023, as stipulated in Regulation 17 to 27 and 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) Regulation, 2015, as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the management including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations referred to in paragraph 2 above for the year ended 31 March 2023.
5. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
6. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
7. We have carried out an examination of the relevant records of the Company 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.
8. 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

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Regulations as applicable during the year ended 31 March 2023.
10. 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.

## Restrictions on use:

11. This Certificate is addressed and provided to the members of the Company solely for the purpose of enabling the Company to comply with the requirement of 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.

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

Anil A. Kulkarni  
Partner  
M. No.: 047576  
UDIN: 23047576BGUVDJ9728

Certificate No: WBH008  
Pune: 27 April 2023

## 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,

I certify that the following persons are Directors of the Company (during 1 April 2022 to 31 March 2023) 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, Non-Executive Director
2	Nirajkumar Ramkrishnaji Bajaj	00028261	Vice-Chairman, Non-Executive Director
3	Sanjivnayan Rahulkumar Bajaj	00014615	Managing Director & CEO
4	Madhur Ramkrishnaji Bajaj	00014593	Non-Executive Director
5	Rajivnayan Rahulkumar Bajaj	00018262	Non-Executive Director
6	Manish Santoshkumar Kejriwal	00040055	Non-Executive Director
7	Balaji Rao Jagannathrao Doveton	00025254	Independent Director
8	Dr. Naushad Darius Forbes	00630825	Independent Director
9	Anami Narayan Prema Roy	01361110	Independent Director
10	Pradip Panalal Shah	00066242	Independent Director
11	Dr. Arindam Kumar Bhattacharya	01570746	Independent Director
12	Dr. Vidya Yeravdekar	02183179	Independent Director

Note: Dr. Gita Piramal resigned with effect from the close of business hours on 30 June 2022 and ceased to be a director of the Company w.e.f. the same date.

Shyamprasad D Limaye  
FCS: 1587 C.P. No 572  
UDIN: F001587E000204614

Pune: 27 April 2023

# 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). As per RBI's 'Scale Based Regulations' (SBR), the Company is classified as NBFC – Base Layer (NBFC-BL).

BHIL is a part of BSE 100 and Nifty 100 index of top 100 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 2023, BHIL and its subsidiaries, held strategic stakes of

- 36.64% 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 2023, the Company held investments in equity and debt securities and investment in properties to the tune of ₹ 10,830 crore at market value.

The market value of the investment portfolio comprising of strategic and financial investments of BHIL stood at ₹ 132,034 crore as compared to cost of ₹ 10,542 crore as on 31 March 2023.

BAL which manufactures and sells motorcycles and commercial vehicles, is 'The World's Favourite Indian'. It participates in the electric vehicle market through its 100% subsidiary Chetak Technology Ltd. Through its 49.90% holding in Pierer Bajaj AG, it has tie-up with premium European motorcycle brands KTM and Husqvarna. Further, it has partnership with the largest British motorcycle brand Triumph.

BFS is the holding company for various financial services businesses under the Bajaj group. Its vision is to be a diversified financial services group with a pan-India presence and, thus, offer life-cycle financial solutions for its various customers. It participates in the consumer finance and lending 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 other subsidiaries – an asset management company, a digital marketplace 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 large associate companies of BHIL continue to grow resulting in a market capitalisation of ₹ 109,896 crore and ₹ 201,706 crore of BAL and BFS respectively as on 31 March 2023. The annualised return of BAL and BFS since initial listing 15 years ago stood at 18.4% and 24.6% respectively as compared to 8.9% of Sensex for the corresponding period – a commendable long-term growth.

Over the last two years, BHIL has further increased the distribution of dividend to its shareholders. The strong financial position after considering various factors including investments (other than strategic investments) available with BHIL, requirements of funds for strategic purposes and performance of associates has allowed the Company to grow the dividend payouts.

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

## Economy and markets

Financial Year 2022-23 (FY2023) began on a mixed note. On the positive side, after two years, the impact of the Covid-19 pandemic on lives and livelihoods started receding – thanks to a successful mass immunisation programme and the advent of a less virulent variant called Omicron. However, the impact of inflationary trends, supply chain disruptions emanating from China, and the Russia-Ukraine conflict have been impacting commodity prices.

In FY2023, the Indian economy faced multiple challenges. The country's retail inflation indicator, Consumer Price Inflation (CPI) went above the RBI's tolerance range of 6% in January 2022. It remained above this range for almost ten months, right up to October 2022. Rising international crude prices coupled with inimical domestic weather conditions kept food prices high, fuelling retail inflation. The government cut excise and customs duties and restricted exports to cool off inflation. Like other central banks, the RBI raised the monetary policy rates and reduced excess systemic liquidity. Major areas of concern were elevated commodity prices, higher retail inflation, depreciation of the Indian rupee and a rising current account deficit (CAD).

However, despite these challenges, India emerged as the fastest growing major economy in the world. The second advance estimate of national income released by the Central Statistics Office (CSO) on 28 February 2023 expects real GDP growth in FY2023 to be 7.0%. Private consumption has showed some signs of slowdown. However, the Central Government led capital expenditure has continued to be an important driver of the economy with gross fixed capital formation (GFCF) expected to contribute to 34% of the GDP in FY2023 versus 32.7% of the GDP in FY2022.

The RBI increased the policy repo rates by 250 basis points (bps) during FY2023.

The Government of India budget for the FY2024 tried to strike balance between fiscal consolidation and growth by continuing its focus on capital expenditure. It has set a target of reducing the Central Government's fiscal deficit to 5.9% of the GDP in FY2024 from 6.4% (revised estimate or RE) in FY2023. It has budgeted for ₹ 10 lakh crore towards capital expenditure for FY2024, an increase of 33% year-on-year.

On balance, we believe that the Indian economy has weathered the external shocks reasonably well. The proof of it is that the country has emerged as the fastest growing major economy in the world. The general expectation is that India's GDP for FY2024 would record a growth in excess of 6%. There are some potential headwinds. First, the world saw yet another set of banking turmoil in the USA and Switzerland, and the global financial sector remains jittery. Second, much depends on monsoons in FY2024. The risk of monsoon falling below normal levels (after four consecutive years of normal rainfall) remains a wildcard and could hit agricultural production and impact food prices.

The Indian bond markets witnessed sharp reduction in duration spreads due to sharp rate hikes by the RBI in less than a year. The shorter end yields moved higher compared to longer end.

In the equity markets, Nifty 50 Index ended FY2023 almost flat compared to 18% increase in FY2022. This was driven by sale of USD 5.3 billion by Foreign Institutional Investors (FIIs). Domestic Institutional Investors (DIIs) invested USD 32.3 billion, providing support to the markets.

## Performance Highlights

Particulars	₹ In Crore)	
	FY2023	FY2022
<b>Standalone</b>		
Total income	1,937.01	1,833.16
Profit for the year	1,711.58	1,630.52
<b>Investments, at cost</b>		
Investments, at market value	132,034	156,649
Equity	15,665	15,388
<b>Consolidated</b>		
Total income *	527.35	486.51
Profit for the year	4,850.52	4,055.68

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



As at 31 March 2023, assets under management (AUM) of BHIL crossed ₹ 130,000 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 ₹ 4,850.52 crore in FY2023 v/s ₹ 4,055.68 crore in FY2022, on the back of a strong performance 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**

Particulars	(₹ In Crore)	
	FY2023	FY2022
<b>[a] Statement of Profit and Loss</b>		
Interest on debt securities	254.77	236.35
Dividend		
From associates and subsidiaries	1,484.02	1,402.01
From others	85.00	66.49
Profit on sale of debt securities (net)	30.08	51.58
Rent from investment property	18.37	20.03
Others	64.77	56.70
<b>Total income</b>	<b>1,937.01</b>	<b>1,833.16</b>
Total expenses	158.16	132.04
<b>Profit before tax</b>	<b>1,778.85</b>	<b>1,701.12</b>
Tax expense	67.27	70.60
<b>Profit for the year</b>	<b>1,711.58</b>	<b>1,630.52</b>
<b>[b] Other comprehensive income</b>		
Fair value change on equity instruments	135.89	1,412.18
<b>Other comprehensive income, net of tax</b>	<b>68.29</b>	<b>1,187.38</b>
<b>[c] Total comprehensive income (a+b)</b>	<b>1,779.87</b>	<b>2,817.90</b>

As required by Ind AS, considering the Company's business model, mark to market gain/loss on equity (other than in associates and subsidiaries carried at cost) and a significant part of debt 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 ₹ 238.39 crore in FY2023 as compared to ₹ 147.45 crore during FY2022.

BHIL's mark to market gain on equity investments for FY2023 stood at ₹ 135.89 crore as compared to mark to market gain of ₹ 1,412.18 crore for FY2022. This gain is reflected in other comprehensive income. The muted performance of the equity markets is reflected in lower mark to market gain.

## Investments

Over the years, BHIL's investments have reached a significant size.

Its strategic shareholdings in BAL, BFS and MSL have increased from 30%, 30% and 24% to 36.64%, 41.63% and 51% respectively over last 15 years.

Its financial investments have crossed ₹ 10,000 crore at market value.

It does not have significant liabilities and has no constraints of Asset Liability Management. Over last two years, it has distributed significant part of its profits.

From this position of strength, BHIL seeks to gradually grow its portfolio with long-term orientation in its investments.

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 debt 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 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	FY2023			FY2022		
	Cost	Market value	% to Total surplus (At cost)	Cost	Market value	% to Total surplus (At cost)
<b>a. Strategic investments - equities</b>	<b>3,173</b>	<b>121,204</b>		<b>3,135</b>	<b>146,011</b>	
<b>b. Financial investments</b>						
<b>b.1. Investments in equity instruments</b>						
Other listed equities	2,282	4,841	31.71	2,132	4,841	31.14
Unlisted equities and AIFs	669	1,512	9.30	582	1,357	8.50
<b>subtotal</b>	<b>2,951</b>	<b>6,353</b>	<b>41.01</b>	<b>2,714</b>	<b>6,198</b>	<b>39.64</b>
<b>b.2. Investments in debt instruments</b>						
Debentures and bonds	1,880	1,856	26.13	1,854	1,880	27.08
Government securities	673	656	9.35	761	753	11.12
Mutual funds	1,199	1,184	16.67	1,219	1,222	17.81
Certificate of deposits	492	492	6.84	298	298	4.35
<b>subtotal</b>	<b>4,244</b>	<b>4,188</b>	<b>58.99</b>	<b>4,132</b>	<b>4,153</b>	<b>60.36</b>
<b>Total (b.1.+b.2.)</b>	<b>7,195</b>	<b>10,541</b>	<b>100.00</b>	<b>6,846</b>	<b>10,351</b>	<b>100.00</b>
<b>c. Investment in properties (cost net of depreciation)</b>						
	174	289		177	287	
<b>d. Grand total (a+b+c)</b>	<b>10,542</b>	<b>132,034</b>		<b>10,158</b>	<b>156,649</b>	

## Investments in equity instruments

### 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 2023**

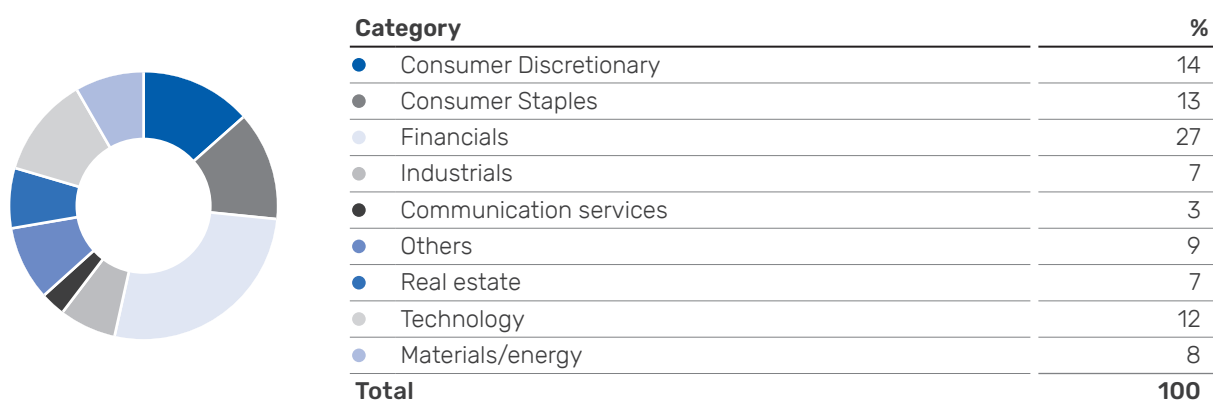
Equity shares held in	(₹ In Crore)			
	FY2023		FY2022	
	Cost	Market value	Cost	Market value
[a] Bajaj Auto Ltd.	1,929.79	37,576.05	1,929.79	35,334.39
[b] Bajaj Finserv Ltd.	743.82	78,920.95	743.82	106,310.85
[c] Investments in other group companies				
Bajaj Auto Holdings Ltd.	0.25	0.25	0.25	0.25
Maharashtra Scooters Ltd.	239.49	2,467.43	239.49	2,144.09
Bajaj Electricals Ltd.	214.58	2,013.00	176.74	2,019.77
Mukand Ltd.	32.98	114.73	32.88	114.32
Hercules Hoists Ltd.	12.34	111.52	12.34	87.05
Mukand Engineers Ltd.	-	-	0.10	0.15
Sub total	499.64	4,706.93	461.80	4,365.63
<b>Total</b>	<b>3,173.25</b>	<b>121,203.93</b>	<b>3,135.41</b>	<b>146,010.87</b>

### Other equity investments

BHIL invests in equities normally with a 5-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 marginally increased to 41% by end of FY2023 from 40% in FY2022. At market value, exposure to other equities remained at around 60%.

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

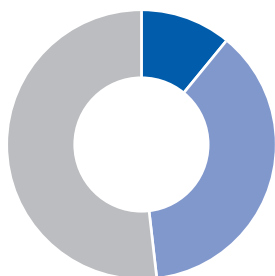


The sectors which outperformed the Sensex in FY2023 were industrials, consumer staples, consumer discretionary and financials. While technology, real estate, materials and healthcare underperformed.

BHIL's other equities portfolio comprises of its investments in listed and unlisted entities. Investments in listed entities dominate the pie with a 77.3% share of other equity investments, at cost.

In unlisted equities, BHIL continues to remain invested in National Stock Exchange (NSE) and Fabindia. BHIL continues to invest in several Alternative Investment Funds (AIFs).

BHIL's other equities portfolio generated a return of 4.1% for FY2023, better than the Sensex. BHIL's unlisted equity investments and AIFs delivered much better returns than the Sensex for FY2023.

**Chart B: Composition of equity investments (at cost)**

Category	%
● Other unlisted equities/AIFs	11
● Other listed equities	37
● Strategic / group investments	52
<b>Total</b>	<b>100</b>

## Investments in debt instruments

At BHIL, the focus is around optimising risk adjusted returns for the fixed income investments by investing in high quality debt instruments, managing interest rate risk and minimizing liquidity risk. The aim is to first provide safety of capital, liquidity and a reasonable return. Majority of the investments are into Government securities, high-quality AAA corporate bonds and debt mutual funds with similar underlying investments.

FY2023 was a reset year for the debt markets. Globally central bankers initiated the roll back of all major stimulus undertaken during Covid-19 and hiked interest rates substantially in a short span.

FY2023 began with a combination of excessive liquidity overhang, low rates, improving growth and elevated inflation. At the end of the year, liquidity normalised close to neutral as the RBI hiked the policy repo rates by 250 bps.

Unlike the previous year where there was a higher duration spread and thin credit spread, FY2023 witnessed a gradual reduction in duration spreads (between 1 to 10 year) due to rate hikes and shorter end yield moving higher compared to longer end. Credit spreads remained thin during the year between Government securities and private sector issuers. 10-year benchmark G-sec yield moved up from 6.84% to 7.32%.

Due to above market factors, BHIL incrementally invested in the 3-year segment. The strategy helped in gaining higher accrual income while remaining protected from overall hardening of yields.

As a result, BHIL's portfolio duration reduced to 2.9 years from 3.8 years and increased the portfolio yield from 6.3% to 6.7%.

For FY2023, BHIL's realised yield on the fixed income portfolio was 6.0%. The total return (realised and unrealised) was 4.2% compared to CRISIL Bond Index return of 3.8%.

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

**Chart C: Composition of debt investments (at cost)**

Category	%
● Mutual funds	28
● Certificate of deposits	12
● Government securities	16
● Corporate bonds	44
<b>Total</b>	<b>100</b>

## 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)	36.64%*	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 ₹ 4,850.52 crore v/s ₹ 4,055.68 crore in FY2022, on the back of a strong performance 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)	
	FY2023	FY2022
Total income	527.35	486.51
Share of profits of associates	4,667.01	3,893.67
Profit before tax	5,011.51	4,225.90
Profit for the year attributable to BHIL	4,850.52	4,055.68
Other comprehensive income, net of tax	(1,436.61)	2,788.62
Total comprehensive income attributable to BHIL	3,413.91	6,844.30

## 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)	
	FY2023	FY2022
Total income	1.41	0.95
Profit before tax	1.39	0.93
Profit for the year	1.15	0.77
Profit attributable to BHIL (100%)	1.15	0.77

#### Maharashtra Scooters Ltd. (MSL)

The financials of MSL are given below:

**Table 7: Financials of MSL**

Particulars	(₹ In Crore)	
	FY2023	FY2022
Total income	217.75	194.46
Profit before tax	193.08	172.24
Profit for the year	195.29	142.71
Profit attributable to BHIL (51%)	99.60	72.78

## Associates

### Bajaj Auto Ltd. (BAL)

The consolidated financials of BAL are given below:

**Table 8: Consolidated financials of BAL**

Particulars	(₹ In Crore)	
	FY2023	FY2022
Total income	37,642.90	34,428.85
Profit before tax	7,841.98	7,651.68
Profit for the year	6,060.21	6,165.87
Profit attributable to BHIL (36.64%*)	1,997.40	1,996.67

\* 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)	
	FY2023	FY2022
Total income	82,072.01	68,438.98
Profit before tax	16,811.13	11,270.58
Profit for the year	6,417.28	4,556.77
Profit attributable to BHIL (41.63%)	2,669.61	1,897.00

## 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	FY2023	FY2022
Current ratio	2	2
Operating profit margin %	91.8%	92.8%
Net profit margin %	88.4%	88.9%
Return on equity %	11.0%	11.1%

## Internal control systems and their adequacy

The Company has effective internal control systems, which have been found to be adequate by the Management of the Company. The Internal Auditors periodically bring to the attention of the Audit committee any deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness.

## 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.

# REPORT ON CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and 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 in this report are the corporate governance policies and practices of Bajaj Holdings & Investment Ltd. ('the Company' or 'BHIL') for FY2023.

This report outlines compliance with requirements of the Companies Act, 2013, as amended ('the Act'), the SEBI Listing Regulations and the Regulations of the 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 go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

## Philosophy

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day to day business practices. 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 thrusts 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.
- Proactive adherence to the regulations.
- Number of Board and Committee meetings more than the statutory requirement, including meetings dedicated to discussion on investment strategy and risk.
- Board comprises 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 and executive management.
- Independent discussions by the Audit Committee members with Chief Internal Auditor without presence of Managing Director and senior management on a quarterly basis.
- 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 as a whole.
- 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 carefully for meaningful discussions.
- Half-yearly report 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 viewing and downloading from the Company's website. These include:
  - Whistle Blower Policy/Vigil Mechanism;
  - Policy on Materiality of and Dealing with Related Party Transaction;
  - Code of Conduct for Directors and Senior Management;
  - Dividend Distribution Policy;
  - Gender neutral policy on Prevention of Sexual Harassment at Workplace;
  - Responsible Investment Policy;
  - Code of Ethics and Personal Conduct;
  - Remuneration policy for Directors, Key Managerial Personnel and Senior Management;
  - Responsible and Sustainable Business Conduct Policy.
- The weblinks of key policies are given as an annexure to this Report.
- Presentations on Regulatory updates to the Board to keep them abreast of the evolving laws.

## Board of Directors

The Board of Directors and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long term stakeholder value.

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 the senior management team, 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 SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with 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 one half of the Board of the company should consist of independent directors.

As on 31 March 2023, the Board of the Company consisted of twelve directors, of whom one is executive (Managing Director & CEO), six are non-executive independent (including a woman independent director) and five are non-executive and non-independent. The Board does not have any institutional nominee director.

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 FY2023, the Board met six (6) times, viz., 28 April 2022, 28 July 2022, 13 September 2022, 21 October 2022, 30 January 2023 and 15 March 2023. The gap between two consecutive meetings has been less than 120 days.



## Attendance record of Directors

**Table 1: Composition of the Board and attendance record of directors for FY2023**

Name and Category	Relationship with other directors	No. of Shares held in the Company	No. of Board Meetings		Whether attended the AGM	% of Board meetings attended in last three years
			Entitled to attend	Attended		
<b>CHAIRMAN, NON-EXECUTIVE DIRECTOR</b>						
Shekhar Bajaj	Brother of Madhur Bajaj and Niraj Bajaj	4,500	6	6	✓	100
<b>VICE CHAIRMAN, NON-EXECUTIVE DIRECTOR</b>						
Niraj Bajaj	Brother of Shekhar Bajaj and Madhur Bajaj	1,435	6	5	✓	94.12
<b>INDEPENDENT DIRECTORS</b>						
D J Balaji Rao	-	Nil	6	6	*	100
Dr. Gita Piramal*	-	Nil	1	0	N.A.	N.A.
Dr. Naushad Forbes	-	3,500	6	6	✓	100
Anami N Roy	-	Nil	6	6	✓	100
Pradip Shah	-	Nil	6	6	✓	94.12
Dr. Arindam Bhattacharya	-	Nil	6	6	✓	100
Dr. Vidya Yeravdekar**	-	Nil	4	4	N.A.	100
<b>MANAGING DIRECTOR &amp; CEO</b>						
Sanjiv Bajaj	Brother of Rajiv Bajaj	1,000	6	6	✓	100
<b>NON- EXECUTIVE DIRECTORS</b>						
Rajiv Bajaj	Brother of Sanjiv Bajaj	1,000	6	6	✓	88.24
Madhur Bajaj	Brother of Shekhar Bajaj and Niraj Bajaj	1,000	6	5	✓	94.12
Manish Kejriwal	-	Nil	6	6	✓	100

\* Dr. Gita Piramal resigned as a Non-executive Independent director of the Company w.e.f. the close of business hours on 30 June 2022.

\*\*Dr. Vidya Yeravdekar was appointed as a Non-executive Independent director of the Company w.e.f. 1 August 2022.

## 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 of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research and investment banking, 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

Brief profile of each director 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 below.

**Table 2: Core Skills/ Expertise/ Competencies**

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

Name	Core Skills/ Expertise/ Competencies
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.
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.
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.
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.
Anami N 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.
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.
Dr. Arindam Bhattacharya	Management and Governance, 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.
Dr. Vidya Yeravdekar	Management and Governance, Customer 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.
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.
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.
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.
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 at <https://www.bhil.in/pdf/Core%20Competencies.%20Skills%20and%20expertise%20of%20Directors.pdf>

## Non-executive Directors' ('NEDs') compensation

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

During FY2023, sitting fee of ₹ 100,000 per meeting and commission at the rate of ₹ 200,000 per meeting were paid to NEDs (independent and non-independent) for every meeting of the Board and/or Committee of the Board, attended by them as a director/ member.

An independent benchmarking exercise was done on the compensation payable to NEDs vis-a-vis peers and other well governed companies. The Board, after taking into account the same and keeping in view the responsibilities that the NEDs are expected to bear in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, enhanced the commission from ₹ 200,000 to ₹ 300,000 per meeting of the Board and/or Committee. The total commission payable to all directors, however, will be within the maximum permissible ceiling prescribed under the Act.

The revised commission shall be payable after the annual financial statements are approved by the Board of Directors and adopted by the shareholders at the annual general meeting in July 2024.

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 which require deliberation at the highest level. Presentations are also made to the Board by key members of senior management 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 Act and SEBI Listing Regulations. The independent directors of the Company met on 15 March 2023 and expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its 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 organisation structure.
- Internal financial controls
- Supervisory and observation letters issued by the Reserve Bank of India (RBI).
- Status of compliance under the Act, SEBI regulations, RBI Regulations and shareholder related matters.
- Review of various policies framed by Company from time to time covering, amongst others, Code of Conduct for Directors and Senior Management, Whistle blower policy, IT related policies, Risk Management policy, etc.
- Investment risk management system, risk management policy and strategy followed.
- Compliance with corporate governance standards.
- Minutes of meetings of various committees including Risk Management, Asset-Liability and IT Strategy Committee.
- Presentations on the various regulatory updates.
- Strategic asset allocation.

## Directors and Officers liability insurance ('D&O Policy')

As required under the SEBI Listing Regulations, the Company has in place a D&O policy which is renewed every year. It covers all the directors of the Company. The Board is of the 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 of directors/senior management is placed before the Board for its review, from time to time.

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 in line with the Bajaj Finserv group entities.

## Directorships and memberships of Board committees

**Table 3: Number of directorships/committee positions of directors as on 31 March 2023 (including the Company)**

Name of the director	Total no. of Directorships	Directorships			Committee positions in listed and unlisted public limited companies	
		In equity listed companies	In unlisted public limited companies	In private limited companies	As Member (including as Chairperson)	As Chairperson
Shekhar Bajaj	11	3	4	4	3	2
Niraj Bajaj	13	3	4	6	1	-
D J Balaji Rao	4	4	-	-	4	2
Dr. Naushad Forbes	14	5	1	8	7	2
Anami N Roy	10	6	3	1	8	4
Pradip Shah	15	7	1	7	8	3
Dr. Arindam Bhattacharya	5	3	1	1	3	-
Dr. Vidya Yeravdekar	4	1	1	2	1	-
Sanjiv Bajaj	18	5	5	8	8	-
Rajiv Bajaj	11	5	2	4	-	-
Madhur Bajaj	7	4	-	3	-	-
Manish Kejriwal	2	2	-	-	3	1

Dr. Vidya Yeravdekar was inducted as a member of the Stakeholders' Relationship Committee of the Company w.e.f. 1 August 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. Bajaj Housing Finance Ltd., being a public limited company as well as High Value debt listed entity is considered under the category of public limited company.

None of the directors hold office as a director, including as an alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 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. Further, for reckoning the limit of private and public companies, directorships in dormant companies and section 8 of the Act, 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 an independent director in more than 7 equity listed companies. Further, the Managing Director of the Company does not serve as an independent director in any listed 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 RBI Scale Based Regulations.

None of the directors is a member in more than 10 committees, nor a chairperson in more than 5 committees across all companies in which he/she is 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 as on 31 March 2023 (including the Company)**

<b>Name of the director</b>	<b>Name of listed entities</b>	<b>Category</b>
Shekhar Bajaj	a) Bajaj Holdings & Investment Ltd.	Chairman, Non-executive, Non-independent
	b) Bajaj Electricals Ltd.	Chairman, Executive
	c) Hercules Hoists Ltd.	Chairman, Non-executive, Non-independent
Niraj Bajaj	a) Mukand Ltd.	Chairman and Managing Director, Executive
	b) Bajaj Auto Ltd.	Chairman, Non-executive, Non-independent
	c) Bajaj Holdings & Investment Ltd.	Vice Chairman, Non-executive, Non-independent
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. 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 N Roy	a) Bajaj Auto Ltd.	Non-executive, Independent
	b) Bajaj Finance Ltd.	Non-executive, Independent
	c) Bajaj Finserv Ltd.	Non-executive, Independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
	e) Bajaj Housing Finance Ltd.	Non-executive, Independent
	f) Glaxosmithkline Pharmaceuticals Ltd.	Non-executive, Independent
	g) Finolex Industries Ltd.	Non-executive, Independent
Pradip Shah	a) Kansai Nerolac Paints Ltd.	Chairman, Non-executive, Independent
	b) Pfizer Ltd.	Chairman, Non-executive, Independent
	c) BASF India Ltd.	Chairman, Non-executive, Independent
	d) Sonata Software Ltd.	Chairman, Non-executive, Independent
	e) Bajaj Auto Ltd.	Non-executive, Independent
	f) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
	g) KSB Ltd.	Non-executive, Independent
Dr. Arindam Bhattacharya	a) Lemon Tree Hotels Ltd.	Non-executive, Independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
	c) Bajaj Housing Finance Ltd.	Non-executive, Independent
	d) Info Edge (India) Ltd.	Non-executive, Independent
Dr. Vidya Yeravdekar	a) Bajaj Holdings & Investment Ltd.	Non-executive, Independent
Sanjiv Bajaj	a) Bajaj Finance Ltd.	Chairman, Non-executive, Non-independent
	b) Bajaj Housing Finance Ltd.	Chairman, Non-executive, Non-independent
	c) Maharashtra Scooters Ltd.	Chairman, Non-executive, Non-independent
	d) Bajaj Finserv Ltd.	Chairman and Managing Director, Executive
	e) Bajaj Holdings & Investment Ltd.	Managing Director and CEO, Executive
	f) Bajaj Auto Ltd.	Non-executive, Non-independent
Rajiv Bajaj	a) Bajaj Auto Ltd.	Managing Director and CEO, Executive
	b) Bajaj Finserv Ltd.	Non-executive, Non-independent
	c) Bajaj Finance Ltd.	Non-executive, Non-independent
	d) Bajaj Holdings & Investment Ltd.	Non-executive, Non-independent
	e) Bajaj Electricals Ltd.	Non-executive, Non-independent

Name of the director	Name of listed entities	Category
Madhur Bajaj	a) Bajaj Auto Ltd.	Vice-Chairman, Non-executive, Non-independent
	b) Bajaj Finserv Ltd.	Non-executive, Non-independent
	c) Bajaj Holdings & Investment Ltd.	Non-executive, Non-independent
	d) Bajaj Electricals Ltd.	Non-executive, Non-independent
Manish Kejriwal	a) Bajaj Finserv Ltd.	Non-executive, Non-independent
	b) Bajaj Holdings & Investment Ltd.	Non-executive, Non-independent

## Independent Directors

### Opinion of the Board

The Board hereby confirms that, in its opinion, the Independent Directors of the Company fulfil the conditions specified under 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

Dr. Gita Piramal, who was appointed as an Independent Director for second term of 5 years w.e.f. 17 July 2019, decided to reduce her professional commitments due to health reasons and accordingly tendered her resignation as an Independent Director of the Company effective from close of business hours on 30 June 2022. She confirmed that there were no other material reasons for her resignation from the Board other than those stated above. The Board, at its meeting held on 28 July 2022, took note of her resignation and recorded its appreciation for the invaluable services and guidance provided by her during her long tenure as a director of the Company.

### 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 the 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 FY2023, 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;
- Information technology management including cyber security; and
- Strategic asset allocation.

The details of familiarisation programmes are placed on the Company's website at <https://www.bhil.in/pdf/Familiarisation%20Programe.pdf>

### Independent directors' meeting

Pursuant to the Act and 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 15 March 2023, 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 from 1 January 2022 to 31 December 2022;
- ii) reviewed the performance of non-independent directors and the Board as a whole;
- iii) reviewed the performance of the Chairman of the Board, taking into account the views of executive and non-executive directors; and
- iv) assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All independent directors were present at the meeting and they elected Pradip Shah as Chairman for the meeting.

### **Certificate on qualification of Directors**

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 director of the Company by SEBI/Ministry of Corporate Affairs ('MCA') or any other statutory authority. The certificate forms a 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 entities to, inter alia, lay down a code of conduct for its directors and senior management.

The Company has in place, a Code of Conduct for Board members and senior management of the Company. Based on the review, the Code of Conduct was revised in line with applicable regulations and approved by the Board at its meeting held on 15 March 2023. The updated Code has been placed on the Company's website and can be accessed at <https://www.bhil.in/pdf/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf>

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2023. A declaration to this effect, signed by the Managing Director & CEO, is given in this report.

### **Whistle Blower Policy/Vigil Mechanism**

The Company has a Whistle Blower Policy encompassing Vigil Mechanism pursuant to the requirements of the Act and SEBI Listing Regulations.

This mechanism enables a director, employee or any other person to report confidentially to the Management, without fear of victimisation, any unacceptable work behaviour, unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the Company's interest. It provides safeguards against victimisation of directors/employees/other person(s) who avail of the mechanism and allows for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website at <https://www.bhil.in/pdf/Whistle%20Blower%20Policy.pdf>

During FY2023, no complaints were received under the above mechanism and no employee was denied access to the Audit Committee.

### **Subsidiary companies**

The Company has Bajaj Auto Holdings Ltd. (BAHL) as its unlisted subsidiary company and Maharashtra Scooters Ltd. (MSL) as its listed subsidiary company which, however, are not 'material subsidiaries' as defined under SEBI Listing Regulations.

The Policy on 'material subsidiaries' in terms of SEBI Listing Regulations as approved by the Board at its meeting held on 14 March 2019 and reviewed by the Board at its meeting held on 15 March 2023, is placed at the website of the Company and can be accessed at <https://www.bhil.in/pdf/Policy%20for%20determining%20Material%20Subsidiary.pdf>

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

During FY2023, the Audit Committee reviewed the financial statements of and in particular, the investments made by its unlisted subsidiary company BAML. Minutes of the Board meetings of the subsidiary companies 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 FY2023, 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 FY2023, 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 containing 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 FY2023, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

The 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/pdf/Policy%20on%20Materiality%20of%20&%20Dealing%20with%20Related%20Party%20Transactions.pdf>

### 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 and 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 and 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' and 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 and 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 and 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 and 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 and 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 RBI 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 who 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 RBI Regulations.

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. The Board at its meeting held on 27 April 2023, has amended the terms of reference of the Committee to keep the same in line with the changes in RBI Regulations.

In addition to the existing terms of reference which, inter alia, includes 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, the terms of reference of the Committee now include reviewing and monitoring the auditor's independence and performance and effectiveness of statutory and internal audit process and overseeing of Company's internal audit function, including recommendation of policy, approving annual plan and maintenance of quality assurance and improvement programme.

The revised terms of reference of the Committee can be accessed on the website of the Company at <https://www.bhil.in/pdf/BHIL%20-%20Terms%20of%20Reference%20-%20ACM.pdf>

### Meetings and attendance

During FY2023, the Committee met five(5) times viz., on 28 April 2022, 28 July 2022, 21 October 2022, 30 January 2023 and 15 March 2023. 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 CFO, internal auditor and the joint statutory auditors of the Company and those key 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 28 July 2022, to answer shareholders' queries.

Manish Kejriwal, stepped down as member of the Committee with effect from close of business hours on 31 March 2023.

Further, the Board of Directors inducted Dr. Vidya Yeravdekar as a member of the Committee with effect from 1 April 2023.

Effective 1 April 2023, all members of the Committee are Independent Directors.

**Table 5: Composition of the Audit Committee and attendance record of the members for FY2023**

Name of director	Category	No. of meetings attended during FY2023	
		Entitled to attend	Attended
Pradip Shah	Chairman, Non-executive, Independent	5	5
*Dr. Gita Piramal	Non-executive, Independent	1	0
Dr. Naushad Forbes	Non-executive, Independent	5	5
Dr. Arindam Bhattacharya	Non-executive, Independent	5	5
Manish Kejriwal	Non-executive, Non-independent	5	5

\*Ceased to be a member of Committee w.e.f. close of business hours on 30 June 2022, consequent upon her resignation as an Independent Director w.e.f. the said date.

During FY2023, the Board had accepted all recommendations of the Committee.

### Nomination and Remuneration Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has constituted a Nomination and Remuneration Committee ('NRC').

SEBI vide notification dated 17 January 2023, has amended the definition of 'Senior Management' in SEBI Listing Regulations. Senior Management now also include functional heads, by whatever name called.

In view of the above amendment, the Board at its meeting held on 27 April 2023, amended the terms of reference of the Committee.

The terms of reference of NRC, 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, Listing Regulations and NBFC Regulations.

The revised terms of reference of the Committee can be accessed on the website of the Company at <https://www.bhil.in/pdf/BHIL%20-%20Terms%20of%20Reference%20of%20NRC.pdf>

Consequent upon the resignation of Dr. Gita Piramal as a Independent Director of the Company w.e.f. 30 June 2022, she ceased to be the Chairperson and member of the Committee. The Board at its meeting held on 28 July 2022, designated D J Balaji Rao as Chairman of the Committee w.e.f. 1 August 2022. Hence, there was no designated Chairperson on the day of the AGM, which was held through video conferencing (VC) on 28 July 2022.

### Meetings and attendance

During FY2023, the Committee met three (3) times viz., 28 April 2022, 28 July 2022 and 15 March 2023.

**Table 6: Composition of NRC and attendance record of the members for FY2023**

Name of director	Category	No. of meetings attended during FY2023	
		Entitled to attend	Attended
D J Balaji Rao	Chairman, Non-executive, Independent	3	3
*Dr. Gita Piramal	Non-executive, Independent	1	0
Dr. Arindam Bhattacharya	Non-executive, Independent	3	3
Niraj Bajaj	Non-executive, Non-independent	3	3

\*Ceased to be the Chairperson and member of Committee w.e.f. close of business hours on 30 June 2022, consequent upon her resignation as an Independent Director w.e.f. the said date.

During FY2023, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, its Committees, the Chairperson and individual 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/pdf/Board%20Evaluation%20Criteria.pdf>

### Risk Management Committee

Pursuant to the RBI Regulations and SEBI Listing Regulations, the Company has constituted a Risk Management Committee ('RMC').

The terms and reference of RMC, inter alia, includes formulation of a detailed risk management policy, reviewing and guiding the management on reputational and market (investment) risk, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.

The terms of reference of the committee can be accessed at <https://www.bhil.in/pdf/BHIL%20-%20Terms%20of%20Reference%20-%20RMC.pdf>

The Company has a risk management framework duly approved by the Board. The details of the same are furnished in Directors' Report.

During FY2023, the Company did not trade in nor had any exposure in commodities market.

**Meetings and attendance:**

During FY2023, the Committee met twice, viz., 13 September 2022 and 30 January 2023. 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 the members for FY2023**

Name of director/member	Category	No. of meetings attended during FY2023	
		Entitled to attend	Attended
Pradip Shah	Chairman, Non-executive, Independent	2	2
Dr. Arindam Bhattacharya	Non-executive, Independent	2	2
Sanjiv Bajaj	Managing Director & CEO, Executive	2	2
Anish Amin	President - Group Risk, Assurance and HR, BFS	2	2

During FY2023, the Board had accepted all recommendations of the Committee.

**Stakeholders' Relationship Committee**

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Stakeholders' Relationship Committee ('SRC'), 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/pdf/BHIL%20-%20Terms%20of%20Reference%20-%20SRC.pdf>

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

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

Consequent upon the resignation of Dr. Gita Piramal as an Independent Director of the Company w.e.f. close of business hours on 30 June 2022, she ceased to be the Chairperson and member of the Committee. The Board, at its meeting held on 28 July 2022, designated Manish Kejriwal as Chairman of the Committee and inducted Dr. Vidya Yeravdekar as a member of the Committee w.e.f. 1 August 2022. Hence, there was no designated Chairperson on the day of the AGM, which was held through video conferencing (VC) on 28 July 2022. However, Manish Kejriwal was present at the AGM to answer shareholders' queries.

**Meetings and attendance**

During FY2023, the Committee met once on 30 January 2023, 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 on the major developments on matters relating to investors. In addition, the Committee also considered matters that can facilitate better investor services and relations.

**Table 8: Composition of SRC and attendance record of the members for FY2023**

Name of director	Category	No. of meetings attended during FY2023	
		Entitled to attend	Attended
Manish Kejriwal	Chairman, Non-executive, Non-independent	1	1
*Dr. Gita Piramal	Non-executive, Independent	N.A.	N.A.
Dr. Naushad Forbes	Non-executive, Independent	1	1
**Dr. Vidya Yeravdekar	Non-executive, Independent	1	1

\*Ceased to be the Chairperson and member of Committee w.e.f. close of business hours on 30 June 2022, consequent upon her resignation as an Independent Director w.e.f. the said date.

\*\*Appointed as the member of Committee w.e.f. 1 August 2022.

Sriram Subbramaniam, Company Secretary of the Company acts as the Compliance Officer.

**Table 9: Investors' complaints attended and resolved during FY2023**

Investors' complaints	Attended/resolved during FY2023
No. of complaints outstanding at the beginning of the year	Nil
No. of complaints received during the year:	
Stock Exchanges and SEBI including SCORES	5
MCA and others	Nil
Directly received from Investors	Nil
Total no. of complaints received	5
Total no. of complaints redressed	5
No. of complaints pending at the end of the year	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.

### Meeting and attendance

During FY2023, the Committee met once on 30 January 2023.

**Table 10: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2023**

Name of director	Category	No. of meetings attended during FY2023	
		Entitled to attend	Attended
Niraj Bajaj	Chairman, Non-executive, Non-independent	1	0
Sanjiv Bajaj	Managing Director & CEO, Executive	1	1
Rajiv Bajaj	Non-executive, Non-independent	1	1

### Information Technology (IT) Strategy Committee

Pursuant to Master Direction – Information Technology Framework issued by RBI for NBFC Sector, the Company has constituted an IT Strategy Committee. The Committee comprises of Dr. Naushad Forbes, Independent Director as Chairman, Sanjiv Bajaj, Managing Director & CEO and members from the Senior Management team of the Company/ BFS Group, being Anurag Chottani, Vivek Likhite, Anish Amin and Anant Marathe.

The Committee met twice during FY2023, 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;
- 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 members from the Senior Management team of the Company/ BFS Group.

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 met once during FY2023. The decisions of the Committee were 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 Managing Director & 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, delegation of authority for investment decisions basis pre-approved list of listed equity and equity mutual funds, 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 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, is placed on the Company's website at <https://www.bhil.in/pdf/Criteria%20for%20payment%20of%20remuneration%20to%20Non-Executive%20Directors.pdf>

### Details of remuneration of directors

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

### Managing Director & Chief Executive Officer

During FY2023, the Company paid remuneration to Sanjiv Bajaj, Managing Director & CEO of the Company, as given in annual return in Form MGT-7 which will be hosted on the website of the Company.

The Managing Director & CEO 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 FY2023, 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. (MSL), a subsidiary company of the Company has been paid sitting fees of ₹ 6.5 lakh from MSL.

During FY2023, the Company did not advance any loans to any of the non-executive directors and/or Managing Director & CEO. Details of remuneration paid/payable to directors for FY2023 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 FY2023.

### 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 and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

During FY2023, there were no non-compliance reported from any designated person/employee with respect to SEBI PIT Regulations.

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

The Audit Committee and the Board at its meeting held on 15 March 2023, had reviewed the compliance in terms Regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect the said regulations are adequate and 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, Lokmat 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](http://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.

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

### Green initiatives

Sections 20 and 136 of the Act, read with relevant Rules, permit companies to service delivery of documents electronically to the registered email IDs 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 ID with their depository participants/ Company's registrar and share transfer agent. The same is available on the website of the Company at [www.bhil.in](http://www.bhil.in)

During FY2023, 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.

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

### A. Details of the Annual General Meetings held during last three years

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 shareholders participated	
			% Favour	% Against
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%
77th AGM	28 July 2022 at 4.00 p.m.	None	-	-

All resolutions proposed by the Board have been passed with significant majority by the shareholders.

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

### B. Details of special resolution passed through Postal Ballot during last year

During FY2023, the following special resolutions were passed by way of postal ballot.

#### i. Postal Ballot: 24 May 2022 - 22 June 2022

1. Re-appointment of Sanjivnayan Rahul Kumar Bajaj (DIN 00014615) as Managing Director of the Company for a term of five consecutive years with effect from 1 April 2022; and
2. Re-appointment of Dr. Naushad Darius Forbes (DIN 00630825) as an Independent Director of the Company for a second term of five consecutive years with effect from 15 September 2022.

#### Details of Voting:

Particulars	Voting percentage of shareholders participated	
	% Favour	% Against
Re-appointment of Sanjivnayan Rahul Kumar Bajaj (DIN 00014615) as Managing Director of the Company for a term of five consecutive years w.e.f. 1 April 2022	89.13%	10.87%
Re-appointment of Dr. Naushad Darius Forbes (DIN 00630825) as an Independent Director of the Company for a second term of five consecutive years with effect from 15 September 2022	99.91%	0.09%

#### ii. Postal Ballot: 23 August 2022 - 21 September 2022

1. Appointment of Dr. Vidya Yeravdekar (DIN: 02183179) as an Independent Director for a term of five consecutive years w.e.f. 1 August 2022.

#### Details of Voting:

Particulars	Voting percentage of shareholders participated	
	% Favour	% Against
Appointment of Dr. Vidya Yeravdekar (DIN: 02183179) as an Independent Director for a term of five consecutive years w.e.f. 1 August 2022.	99.99%	00.01%

All resolutions proposed by the Board have been passed with significant majority by the shareholders.

As on the date of this report, no special resolution is proposed to be conducted through postal ballot.



### 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').

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 and the voting results are announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is 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, as applicable.

In view of the relaxation granted by MCA, postal ballot notice 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

The Company has complied with all applicable legal requirements. No penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

### Compliance certificate

The Managing Director & CEO and Chief Financial Officer of the Company, have certified to the Board with regard to the financial statements and other matters as required under SEBI Listing Regulations.

### Loans and advances

During FY2023, no loans and advances have been given by the Company and/or its Subsidiaries to any person including any firms/companies in which the directors of the Company are interested.

### Report on Corporate Governance

This chapter, read together with the information given in the [Directors' Report](#), the section on [Management Discussion and Analysis](#) and [General Shareholder Information](#) constitute the compliance report on Corporate Governance for FY2023. The Company has been timely 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 FY2023	Nil
b.	number of complaints disposed of during FY2023	Nil
c.	number of complaints pending as on end of FY2023	Nil

## Statutory Auditors

Total fee paid by the Company to Kalyaniwalla & Mistry LLP and NBS & Co., Joint Statutory Auditors towards statutory audit and limited review (including certifications but excluding applicable taxes and reimbursements) for FY2023 is mentioned below.

### Fees paid to the Statutory Auditors for FY2023

Sr. No.	Particulars	Statutory Audit Fee	Limited Review fee	Tax audit fee	Amount (₹)
					Other Services
1	Kalyaniwalla & Mistry LLP	900,000	300,000	400,000	200,000
2	NBS & Co.	600,000	140,000	-	-

### 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 including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said 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 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

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

## **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 2023.

Sanjiv Bajaj  
Managing Director & CEO

Pune: 27 April 2023

## List of key policies of the Company

Sr. No.	Name of Policy	Website link
1.	Dividend Distribution Policy	<a href="https://www.bhil.in/pdf/Dividend%20Distribution%20Policy.pdf">https://www.bhil.in/pdf/Dividend%20Distribution%20Policy.pdf</a>
2.	Archival Policy	<a href="https://www.bhil.in/pdf/Archival%20Policy.pdf">https://www.bhil.in/pdf/Archival%20Policy.pdf</a>
3.	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors	<a href="https://www.bhil.in/pdf/Board%20Evaluation%20Criteria.pdf">https://www.bhil.in/pdf/Board%20Evaluation%20Criteria.pdf</a>
4.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)	<a href="https://www.bhil.in/pdf/Code%20of%20Practice%20and%20Procedure%20for%20fair%20disclosure%20of%20UPSI.pdf">https://www.bhil.in/pdf/Code%20of%20Practice%20and%20Procedure%20for%20fair%20disclosure%20of%20UPSI.pdf</a>
5.	Code of Conduct for Directors and Senior Management	<a href="https://www.bhil.in/pdf/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf">https://www.bhil.in/pdf/Code%20of%20Conduct%20for%20Directors%20and%20Senior%20Management.pdf</a>
6.	Corporate Social Responsibility (CSR) Policy	<a href="https://www.bhil.in/pdf/CSR-Policy.pdf">https://www.bhil.in/pdf/CSR-Policy.pdf</a>
7.	Policy on Determination of Materiality for Disclosure of Events	<a href="https://www.bhil.in/pdf/Policy%20on%20determination%20of%20materiality%20for%20disclosure%20of%20information.pdf">https://www.bhil.in/pdf/Policy%20on%20determination%20of%20materiality%20for%20disclosure%20of%20information.pdf</a>
8.	Policy on Prevention of Sexual Harassment at Workplace (POSH)	<a href="https://www.bhil.in/pdf/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf">https://www.bhil.in/pdf/Policy%20on%20Prevention%20of%20Sexual%20Harassment.pdf</a>
9.	Whistle Blower Policy	<a href="https://www.bhil.in/pdf/Whistle%20Blower%20Policy.pdf">https://www.bhil.in/pdf/Whistle%20Blower%20Policy.pdf</a>
10.	Remuneration Policy	<a href="https://www.bhil.in/pdf/Remuneration%20Policy%20.pdf">https://www.bhil.in/pdf/Remuneration%20Policy%20.pdf</a>
11.	Criteria for payment of remuneration to Non-Executive Directors	<a href="https://www.bhil.in/pdf/Criteria%20for%20payment%20of%20remuneration%20to%20Non-Executive%20Directors.pdf">https://www.bhil.in/pdf/Criteria%20for%20payment%20of%20remuneration%20to%20Non-Executive%20Directors.pdf</a>
12.	Policy on Materiality of and dealing with Related Party Transactions	<a href="https://www.bhil.in/pdf/Policy%20on%20Materiality%20of%20&amp;%20Dealing%20with%20Related%20Party%20Transactions.pdf">https://www.bhil.in/pdf/Policy%20on%20Materiality%20of%20&amp;%20Dealing%20with%20Related%20Party%20Transactions.pdf</a>
13.	Policy on appointment of statutory auditors	<a href="https://www.bhil.in/pdf/Policy%20for%20Appointment%20of%20Statutory%20Auditors.pdf">https://www.bhil.in/pdf/Policy%20for%20Appointment%20of%20Statutory%20Auditors.pdf</a>
14.	Policy for Determining Material Subsidiary	<a href="https://www.bhil.in/pdf/Policy%20for%20determining%20Material%20Subsidiary.pdf">https://www.bhil.in/pdf/Policy%20for%20determining%20Material%20Subsidiary.pdf</a>
15.	Guidelines on Corporate Governance	<a href="https://www.bhil.in/pdf/Guidelines%20on%20Corporate%20Governance.pdf">https://www.bhil.in/pdf/Guidelines%20on%20Corporate%20Governance.pdf</a>
16.	Familiarisation Programme for Independent Directors	<a href="https://www.bhil.in/pdf/Familiarisation%20Programe.pdf">https://www.bhil.in/pdf/Familiarisation%20Programe.pdf</a>
17.	Responsible and Sustainable Business Conduct Policy	<a href="https://www.bhil.in/pdf/Responsible%20and%20Sustainable%20Business%20Conduct%20Policy.pdf">https://www.bhil.in/pdf/Responsible%20and%20Sustainable%20Business%20Conduct%20Policy.pdf</a>
18.	Code of Ethics and personal conduct	<a href="https://www.bhil.in/pdf/Code%20of%20Ethics%20and%20Personal%20Conduct.pdf">https://www.bhil.in/pdf/Code%20of%20Ethics%20and%20Personal%20Conduct.pdf</a>

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65100PN1945PLC004656
2.	Name of the Listed Entity	Bajaj Holdings & Investment Ltd. referred to as 'the Company / BHIL'
3.	Year of incorporation	1945
4.	Registered office address	Mumbai-Pune Road, Akurdi, Pune - 411 035
5.	Corporate address	3rd Floor, Panchshil Tech Park, Viman Nagar, Pune - 411 014
6.	Email	<a href="mailto:investors@bhil.in">investors@bhil.in</a>
7.	Telephone	020 7157 6066
8.	Website	<a href="http://www.bhil.in">www.bhil.in</a>
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Ltd. BSE Ltd.
11.	Paid-up Capital	₹ 1,112,935,100/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sriram Subbramaniam Company Secretary <a href="mailto:ssubbramaniam@bhil.in">ssubbramaniam@bhil.in</a> 020 7157 6066
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	The Company is a Systemically Important Non-Deposit taking NBFC registered with Reserve Bank of India under 'Investment and Credit Company'.	The Company operates primarily as a long-term Investment Company with strategic investment in group companies and investments in listed and unlisted securities of other companies.	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Activities of holding companies	6420	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not Applicable*	3	3
International		-	-

\*BHIL is engaged in the business of investment in securities out of its own funds and does not undertake any manufacturing activity.

**17. Markets served by the entity:**
**a. Number of locations**

Locations	Number
National (No. of States)	Not Applicable*
International (No. of Countries)	

\*BHIL is engaged in the business of investment in securities out of its own funds and does not undertake any manufacturing activity.

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

Nil

**c. A brief on types of customers**

Not applicable considering the nature of Business of BHIL.

**IV. Employees**
**18. Details as at the end of Financial Year 2023:**
**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	18	14	78%	04	22%
2.	Other than Permanent (E)	1	1	100%	-	-
<b>3.</b>	<b>Total employees (D+E)</b>	<b>19</b>	<b>15</b>	<b>79%</b>	<b>04</b>	<b>21%</b>

**b. Differently abled Employees and workers: Nil**
**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	1	8.33%
Key Management Personnel*	2	0	0

\*Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013 and excludes MD & CEO.

**20. Turnover rate for permanent employees**

(Disclose trends for the past 3 years)

	FY 2023 (Turnover rate in current FY)			FY 2022 (Turnover rate in previous FY)			FY 2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total*	Male	Female	Total*	Male	Female	Total
Permanent Employees	7%	44%	16%	8%	15%	10%	8%	0%	5%

\*The no. of employees employed in BHIL (in FY2021, FY2022 and FY2023) is approximately around 20, out of which (on an average) 5 employees are female. Considering the limited no. of employees being employed in BHIL, the turnover rate for Female employees during FY2023 appears to be on a higher side. However, the average attrition rate for employees in BHIL is approx. 16% in FY2023, while it was 10% and 5% respectively during FY2022 and FY2021.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/ subsidiary/ associate companies (Column A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bajaj Auto Ltd.	Associate	34.18%	No
2.	Bajaj Finserv Ltd.	Associate	39.12%	No
3.	Maharashtra Scooters Ltd.	Subsidiary	51%	No
4.	Bajaj Auto Holdings Ltd.	Subsidiary	100%	No

## VI. CSR Details

22.

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover (₹)	19,370,089,725
Net worth (₹)	108,019,693,026

## VII. Transparency and Disclosures Compliances

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023 Current Financial Year			FY2022 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	NA	NA	NA	-	NA	NA	-
Shareholders	Yes	5	Nil	*refer note	4	Nil	-
Employees and workers	Yes	Nil	Nil	-	Nil	Nil	-
Government and Regulators	Yes	Nil	Nil	-	Nil	Nil	-
Customers	NA	NA	NA	-	NA	NA	-
Value Chain Partners	NA	NA	NA	-	NA	NA	-

\*All the complaints usually pertain to non-receipt of dividend, annual reports, etc. and the same have been resolved on timely basis.

As a principle, in line with the policies, practices and processes of the Company, it engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures. There are certain policies which are internal documents and are not accessible to public, in addition to the policies available on Company's website, regarding conduct with stakeholders, including grievance mechanisms.

24. **Overview of the entity's material responsible business conduct issues**

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications.**

Considering the nature of business of the Company, there are no material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity for the Company.

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

**This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.**

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9																																																																											
<b>Policy and management processes</b>																																																																																				
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes (please refer note given in Point 1(b) below)																																																																																			
b. Has the policy been approved by the Board? (Yes/No)	Yes. The Company has a policy covering all the principles (‘Responsible and Sustainable Business Conduct Policy’) approved by its Board in October 2022.																																																																																			
c. Web Link of the Policies, if available	<a href="https://www.bhil.in/investors.html#url-codes-policies">https://www.bhil.in/investors.html#url-codes-policies</a>																																																																																			
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes. The Company has translated the policies and imbibed the same into procedures and practices of the Company, as applicable.																																																																																			
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No, considering the nature of Business of BHIL																																																																																			
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All policies have been developed based on industry practices or as per the regulatory requirements, as may be applicable to the Company.																																																																																			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	None, considering the nature of business of BHIL.																																																																																			
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable																																																																																			
<b>Governance, leadership and oversight</b>																																																																																				
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	We are committed to fulfilling our responsibility to the society and the environment. Further, through our CSR policy we continue to drive initiatives for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons.																																																																																			
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Sanjiv Bajaj, Managing Director & CEO DIN: 00014615																																																																																			
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	No																																																																																			
10. Details of Review of NGRBCs by the Company:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="border-bottom: 1px solid black;">Subject for Review</th> <th colspan="9" style="border-bottom: 1px solid black;">Indicate whether review was undertaken by Director /Committee of the Board/ Any other Committee</th> <th colspan="9" style="border-bottom: 1px solid black;">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th> </tr> <tr> <th style="border-bottom: 1px solid black;">P 1</th> <th style="border-bottom: 1px solid black;">P 2</th> <th style="border-bottom: 1px solid black;">P 3</th> <th style="border-bottom: 1px solid black;">P 4</th> <th style="border-bottom: 1px solid black;">P 5</th> <th style="border-bottom: 1px solid black;">P 6</th> <th style="border-bottom: 1px solid black;">P 7</th> <th style="border-bottom: 1px solid black;">P 8</th> <th style="border-bottom: 1px solid black;">P 9</th> <th style="border-bottom: 1px solid black;">P 1</th> <th style="border-bottom: 1px solid black;">P 2</th> <th style="border-bottom: 1px solid black;">P 3</th> <th style="border-bottom: 1px solid black;">P 4</th> <th style="border-bottom: 1px solid black;">P 5</th> <th style="border-bottom: 1px solid black;">P 6</th> <th style="border-bottom: 1px solid black;">P 7</th> <th style="border-bottom: 1px solid black;">P 8</th> <th style="border-bottom: 1px solid black;">P 9</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">Performance against above policies and follow up action</td> <td colspan="18" style="border-bottom: 1px solid black;">As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, senior management personnel/ respective committees and placed before the Board as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td> <td colspan="18" style="border-bottom: 1px solid black;">The Company is in compliance with the extant regulations, as applicable.</td> </tr> </tbody> </table>									Subject for Review	Indicate whether review was undertaken by Director /Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, senior management personnel/ respective committees and placed before the Board as and when required. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																		Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																	
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Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																																																																																			
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No).	No. Evaluation is a continuous process and is done internally.																																																																																			



## PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	On an ongoing basis, the Company carries out familiarisation programmes for its directors, as required under the SEBI Listing Regulations and on an ongoing basis keeps the Directors and KMPs abreast on matters relating to 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, etc. A declaration from the Directors and Senior Management's affirmation to the Code of Conduct for Directors and Senior Management is communicated to all stakeholders by the Managing Director, through the Annual Report.		100%
Employees other than BOD and KMPs	Training is also given to employees on code of conduct, insider trading, ESG, prevention of sexual harassment and anti-money laundering on an annual basis.		100%
Workers	There are no workers in BHIL.		NA

#### 2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies / judicial institutions, in the financial year:

Nil.

#### 3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

#### 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has adopted a comprehensive code i.e., Code of Ethics and Personal Conduct (CoEPC) which provides for zero tolerance towards unethical business practices and prohibits bribery in any form in all of its dealing.

CoEPC is hosted on the website of the Company and can be accessed via given link:  
<https://www.bhil.in/pdf/Code%20of%20Ethics%20and%20Personal%20Conduct.pdf>

#### 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2023 (Current Financial Year)	FY2022 (Previous Financial Year)
Directors		
KMPs		
Employees	Nil	Nil
Workers		

6. Details of complaints with regard to conflict of interest:

	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year – FY2023	Previous Financial Year – FY2022	Details of Improvements in environmental and social impacts
R&D	Not applicable, considering the nature of business of the Company.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing?

Not applicable, considering the nature of business of the Company.

b. If yes, what percentage of inputs were sourced sustainably?

Not Applicable

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not applicable considering that the Company is an investment company and it neither has consumption of raw material nor produces any tangible goods, hazardous or otherwise.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No).

No

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Employees*</b>											
Male	15	15	100%	15	100%	-	-	15	100%	15	100%
Female	4	4	100%	4	100%	4	100%	-	-	4	100%
<b>Total</b>	<b>19</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>	<b>19</b>	<b>100%</b>

\*includes trainees

b. Details of measures for the well-being of workers: Not applicable

## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY2023 Current Financial Year			FY2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	Nil	NA	NA	Nil	NA	NA

## 3. Accessibility of Workplace

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard?**

As a principle, the Company through its Equal Employment Opportunity and Non-discrimination policy and Employee Charter - Human Rights Statement, prohibits any kind of discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act, 2019. Offices of BHIL have ramps for easy movement of differently abled people and wheelchair accessible restrooms are available.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has adopted a comprehensive code i.e., Code of Ethics and Personal Conduct (CoEPC).

CoEPC is hosted on the website of the Company and can be accessed via given link:  
<https://www.bhil.in/pdf/Code%20of%20Ethics%20and%20Personal%20Conduct.pdf>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Not applicable during the year under review.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	BHIL strives to create a culture which is fair, open and transparent and where employees can openly present their views. BHIL transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance and other processes. BHIL enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance towards any non-compliance of these principles. BHIL has 'Code of Ethics', 'Whistle Blower Policy' and 'Prevention of Sexual Harassment' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.
Permanent Employees	
Other than Permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Employees of BHIL are not part of any employee association.

## 8. Details of training given to employees:

Category	FY 2023 Current Financial Year					FY 2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees*</b>										
Male	15	15	100%	-	-	14	14	100%	-	-
Female	4	4	100%	-	-	5	5	100%	-	-
<b>Total</b>	<b>19</b>	<b>19</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>19</b>	<b>100%</b>	<b>-</b>	<b>-</b>

\*includes trainees.

**9. Details of performance and career development reviews of employees and worker:**

Performance appraisal and group leadership programs for senior employees were conducted during the year for all the eligible employees as per the policy.

**10. Health and safety management system:**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes. BHIL trains its employees on safety protocols by conducting periodical training on fire safety and evacuation drills through its operating group entities.

BHIL also encourages its employees on health and safety related aspects such as wearing helmets while driving on two wheels, wearing seatbelts in four wheels, eating healthy, drinking enough water, stay on the move, using stairs in place of elevators etc.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Considering the nature of business of BHIL, the same is not applicable.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Not applicable.

**d. Do the employees of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	
	Workers	Not applicable	
Total recordable work-related injuries	Employees	Nil	
	Workers	Not applicable	
No. of fatalities	Employees	Nil	
	Workers	Not applicable	
High consequence work-related injury or ill health	Employees	Nil	
	Workers	Not applicable	

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

Refer 10(a) above.

**13. Number of Complaints on the following made by employees and workers**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and Safety	Nil	Nil	-	Nil	Nil	-

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and Safety practices	BHIL strives to keep the workplace environment safe, hygiene and humane, upholding the dignity of the employees.
Working conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions:**

Not applicable.

## PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

Considering the corporate structure of BHIL and its business, the key stakeholders are shareholders, government, regulators, employees and the society.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as vulnerable and Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ Half yearly/ Quarterly)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Physical, through Stock Exchanges and website dissemination (as the case maybe)	Annually, Half yearly and need based	To inform about the performance, major developments and other relevant updates regarding the Company including Annual General Meeting, Postal Ballot, if any,
Government and Regulators	No	Multiple channels – physical and digital	Need based	To provide timely recommendations/ feedback on draft policies, representations before regulators and associations for advancement
Employees	No	Email/digital	Frequent and need based	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth
Society	Yes	Multiple channels – physical and digital	Frequent and need based	To promote social welfare activities for inclusive growth, fair and equitable development and well-being of society through our business functioning and CSR activities

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Any employee who works full-time or part-time in BHIL must adhere to the commitment to integrity and ensure the principles laid down in CoEPC which amongst other things includes principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment and prevention of sexual harassment. It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, safe and harassment-free workplace, amongst others. During FY2023 BHIL created awareness on ESG initiatives (including human rights) for its employees through internal communication channels.

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2023 Current Financial Year					FY2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees*</b>										
Male	15	-	-	15	100%	14	-	-	14	100%
Female	4	-	-	4	100%	5	-	-	5	100%

\*includes trainees

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration (₹ in Crore)	Number	Median remuneration (₹ in Crore)
BoD – Non-executive directors*	10	0.14	1	0.10
BoD – Executive director	1	26.28	Nil	-
KMP (excluding BoD)	2	1.50	Nil	-
Permanent employees other than BoD and KMPs**	12	0.51	6	0.41

\*All non-executive directors are entitled to same sitting fees and commission. Differences in remuneration arise because of the sitting fees, which is dependent of number of meetings attended as per their memberships of different committees.

\*\*includes remuneration of employees who had resigned during FY2023.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?**

Yes

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

While BHIL aims to not have a situation that leads to any grievance, however, if such situation arises, BHIL has a well-defined Grievance redressal mechanism for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

Any issue which directly or indirectly relates to an employee causing cognisable negative impact or hurt to another employee either physically or psychologically by actions or words which are not within the meaning of acceptable work behavior as prescribed by the organisation. e.g., indecent office demeanor, verbal abuse, physical assault, suppression and/ or misreporting of facts, figures and information, coercion, any other acts/ incidents which may amount to a criminal offence under Indian Penal Code, non-reporting of malpractices despite having knowledge of same, violation of Information Technology, Code of Conduct and/ or Separation policy.

BHIL regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. BHIL believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, BHIL has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BHIL also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, BHIL does not hire any employee or engage with any agent or vendor against their free will.

**6. Number of Complaints on the following made by employees and workers:**

	FY2023			FY2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues	Nil		NA	Nil		NA

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, Employee Charter and Human Rights Statement disciplinary action committee reviews, whistle blower, POSH policy and vigil mechanism policies. BHIL prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the CoEPC of the Company which includes aspects of discrimination and harassment. It is the duty of every Employee to report instances of possible CoEPC violations that they are aware of. At BHIL, sharing a possible concern about the Code honestly and in good faith, even if it turns out to be unfounded – is never an excuse for any kind of retaliation. The Ethics Officers will ensure CoEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on Employees who highlight possible CoEPC violations in good faith.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

No, considering the nature of business of BHIL.

**9. Assessments for the year**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child Labour	Not Applicable. However, BHIL complies with all applicable laws.
Forced Labour/ Involuntary Labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable.

**PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

**1. Details of total energy consumption (in Gigajoules) in the following format:**

<b>Parameters</b>	<b>FY2023</b>	<b>FY2022</b>
Total electricity consumption (A)	258.33	193.43
Total fuel consumption (B)*	31,156.20	17,670.80
Energy consumption through other sources (C)	Nil	Nil
<b>Total energy consumption (A+B+C)</b>	<b>31,414.53</b>	<b>17,864.23</b>

\* Total fuel consumption pertains only to the Aircraft operated by BHIL on a lease, which is exclusively used for official purposes by the employees, senior management and Board of Directors of Bajaj group entities.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N).**

No.

**3. Provide details of the following disclosures related to water withdrawal:**

Considering BHIL owning only a part of office premises in a building, the disclosure relating to 'water withdrawal' is not quantifiable.

However, efforts have been made at BHIL to ensure that water is consumed judiciously in the office premises at Pune and Mumbai. In our offices, sensor taps are installed in washrooms to optimise water consumption.

- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**  
No.
- 5. Please provide details of air emissions (other than GHG emissions) by the entity:**  
Not applicable.
- 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**  
Considering the nature of business of BHIL, GHG emissions (covered under Scope 1) are not accounted for. While, the total energy consumption, covered under Scope 2 emissions is disclosed under point 1 above.
- 7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**  
Not applicable considering the nature of business of BHIL.
- 8. Provide details related to waste management by the entity:**  
Not applicable considering the nature of business of BHIL.
- 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**  
None, considering the nature of business and considering no office premises being owned by the entity for its operations.
- 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:**  
Not applicable.
- 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**  
No project was subjected to environmental impact assessment of projects undertaken by the entity based on the applicable laws.
- 12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.**  
Not applicable considering the nature of business of BHIL.



## **PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### **Essential Indicators**

- 1. a. Number of affiliations with trade and industry chambers/ associations**  
Nil
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**  
Not applicable.
- 2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**  
No corrective action was necessitated during the year under review.

## **PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

### **Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**  
Social Impact Assessment was not required for any projects of the Company under applicable laws.
- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**  
Not applicable.
- 3. Describe the mechanisms to receive and redress grievances of the community.**  
The Company has various mechanisms to receive and redress grievances of its stakeholders.
- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**  
None, considering the nature of business of BHIL.

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

None, considering the nature of business of BHIL.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about Environmental and social parameters relevant to the product:**

Not applicable considering BHIL being an investment company and it derives majority of its income from dividend earned on the investments held by it in other body corporate(s).

**3. Number of consumer complaints in respect of the following:**

	FY2023	FY2022
Data Privacy	Nil	Nil
Advertising		
Cyber-security		
Delivery of essential services		
Restrictive Trade Practices		
Unfair Trade Practices		
Other		

**4. Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Not applicable	
Forced recalls		

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No).**

Not applicable.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable.

# GENERAL SHAREHOLDER INFORMATION

## 78th Annual General Meeting ('AGM')

Day and Date	Thursday, 27 July 2023
Time	4:15 p.m. IST
Venue	Registered office at Mumbai-Pune Road, Akurdi, Pune 411 035 (Deemed Venue)
Financial Year	1 April 2022 to 31 March 2023
Mode of AGM	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')
Link to participate through VC	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
Remote e-voting starts	Monday, 24 July 2023, 9:00 a.m. IST
Remote e-voting ends	Wednesday, 26 July 2023, 5:00 p.m. IST
E-voting at AGM	Thursday, 27 July 2023

## Tentative meeting schedule for considering financial related matters for FY2024

Type of meeting	Particulars	Indicative month
Audit Committee and Board	To review and approve the unaudited financial results for the quarter ending 30 June 2023, subject to limited review.	July 2023
	To review and approve the unaudited financial results for the quarter and half year ending 30 September 2023, subject to limited review.	October 2023
	To review and approve the unaudited financial results for the quarter and nine months ending 31 December 2023, subject to limited review.	January 2024
	To review and approve audited annual financial results for the year ending 31 March 2024	April 2024

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

## Registrar and Share Transfer Agent

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') KFin Technologies Ltd. (referred to as 'KFin') continues to be the registrar and share transfer agent 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.

## Dividend and date of payment

The Board of Directors have recommended a final dividend of ₹ 13 per equity share (130%) of the face value of ₹ 10 for FY2023, subject to approval of the members at the ensuing AGM.

Dividend on equity shares, if declared at the AGM, will be credited/ dispatched on Monday, 31 July 2023 and/or Tuesday, 1 August 2023, to all eligible shareholders holding shares as of the end of the day on Friday, 30 June 2023 (record date).

## 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.

As an on-going measure to enhance the ease of doing business for investors in the securities market, SEBI, vide its various circulars dated 3 November 2021, 14 December 2021 and 16 March 2023, had prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination.

As per the circular, it shall be mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank account details and Specimen signature for their corresponding folio numbers. Further, all holders of physical securities in listed companies shall register the bank account details for their corresponding folio numbers. Upon processing of request for registration/update of bank details through Form ISR – 1, the RTA shall, suo-moto, generate request to the company's bankers to pay electronically, all the monies of / payments to the holder that were previously unclaimed / unpaid. Members, who have not yet furnished the mandatory ISR-1 form are requested to furnish the same with KFin at their registered address. All the relevant forms with respect to the above are available at the website of the Company at <https://www.phil.in/investors.html#url-shareholders-guide-including-iepf-matters> and RTA at [https://ris.kfintech.com/clientservices/isc/#isc\\_download\\_hrd](https://ris.kfintech.com/clientservices/isc/#isc_download_hrd) 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

Pursuant to the changes introduced by the Finance Act, 2020, w.e.f. 1 April 2020, there will be no Dividend Distribution Tax payable by the Company. The dividend, if declared will be taxable in the hands of the members. The TDS rate would vary depending on the residential status of the members and the documents submitted by them and accepted by the Company. For more details, members 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 ('IEPF' or 'Fund') set up by the Central Government. Accordingly, unpaid/unclaimed dividends for FY1996 to FY2016 have already been transferred by the Company to the said Fund from FY2003 onwards.

Unpaid/unclaimed final dividend for FY2016 shall be transferred to the Fund in September 2023. Members are requested to verify their records and send their claim, if any, for FY2016, before such amount become due for transfer. Communication are being sent to members, who have not yet claimed dividend for FY2016, 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/Board meeting Date]	Last date for claiming dividend	Due date for transfer
2015-2016	Interim	9 March 2016	8 April 2023	8 May 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
2021-2022	Final	28 July 2022	27 August 2029	26 September 2029
2022-2023	Interim	13 September 2022	13 October 2029	12 November 2029

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 <https://www.iepf.gov.in/IEPFWebProject/services.html>

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, Pune (Maharashtra) 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 members, 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 members. 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 FY2023, the Company transferred 3,603 equity shares of the face value of ₹ 10 each in respect of 29 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 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 nodal officer for further details on the subject at [investors@bhil.in](mailto:investors@bhil.in) or [ssubbramaniam@bhil.in](mailto:ssubbramaniam@bhil.in)

### **Share transfer system**

All transmission, transposition, deletion of name, 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 FY2023, 7,447,319 shares were dematerialised, compared to 297,123 shares during FY2022. No shares were rematerialised during FY2023.

Shares held in physical and electronic mode as on 31 March 2023 are as given in Table 1.

**Table 1: Shares held in physical and electronic mode**

Particulars	Position as on 31 March 2023		
	No. of shares	No. of Holders	% of total shareholding
Physical	957,947	651	0.86
Demat:			
NSDL	46,653,316	35,081	41.92
CDSL	63,682,247	33,138	57.22
<b>Sub Total</b>	<b>110,335,563</b>	<b>68,219</b>	<b>99.14</b>
<b>Total</b>	<b>111,293,510</b>	<b>68,870</b>	<b>100</b>

## Listing on Stock Exchanges and Stock Code

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

Name	Stock code for Equity shares	Address
BSE	500490	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
NSE	BAJAJHLDNG	Exchange Plaza, C-1, Block – G, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.

The ISIN for Depositories (NSDL and CDSL) in respect of equity shares is INE118A01012.

Pursuant to the SEBI Listing Regulations, the Company has entered into a Uniform Listing Agreement with BSE and NSE.

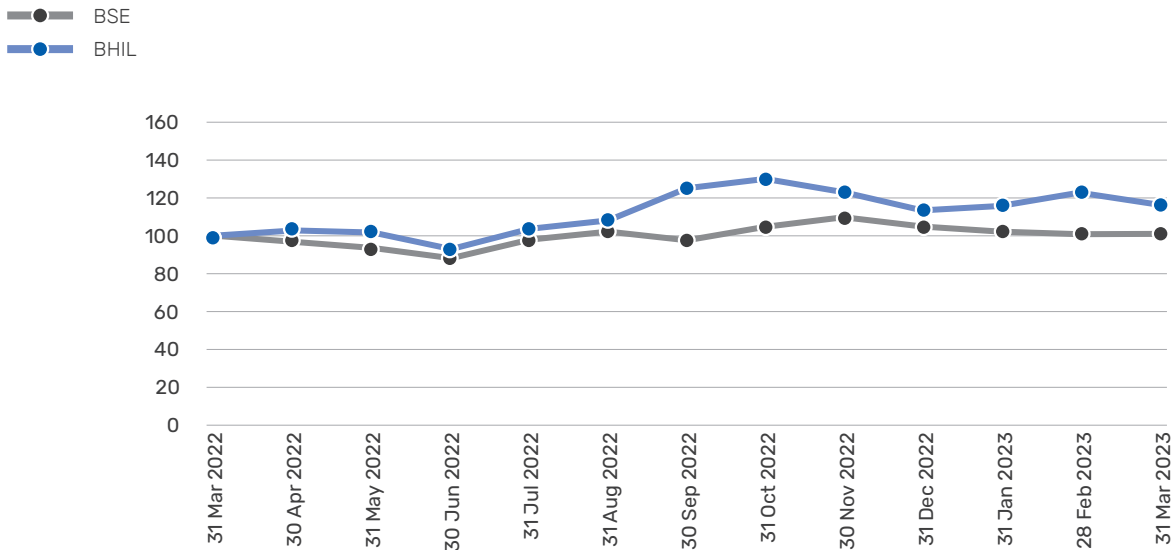
Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2024.

## Market price data

**Table 2: Monthly highs and lows of equity shares of Bajaj Holding and Investment Ltd. during FY2023 (vis-à-vis BSE Sensex)**

Month	BSE		NSE		Closing BSE Sensex
	High	Low	High	Low	
Apr-2022	6,573.05	5,031.00	6,598.00	5,030.00	57,060.87
May-2022	5,448.00	4,761.60	5,450.00	4,760.00	55,566.41
Jun-2022	5,165.25	4,299.80	5,175.00	4,294.05	53,018.94
Jul-2022	5,466.45	4,511.60	5,469.70	4,511.00	57,570.25
Aug-2022	5,699.95	5,093.45	5,700.00	5,100.00	59,537.07
Sep-2022	7,377.60	5,435.00	7,378.45	5,415.00	57,426.92
Oct-2022	6,850.00	6,363.20	6,850.00	6,301.00	60,746.59
Nov-2022	7,077.05	5,994.20	7,078.25	5,990.65	63,099.65
Dec-2022	6,390.00	5,656.55	6,395.00	5,655.60	60,840.74
Jan-2023	6,041.40	5,557.05	6,047.65	5,560.15	59,549.90
Feb-2023	6,520.95	5,880.05	6,535.00	5,885.00	58,962.12
Mar-2023	6,392.00	5,798.95	6,397.95	5,820.00	58,991.52

## Bajaj Holdings & Investment Ltd. (BHIL) stock performance vs BSE Sensex during FY2023, indexed to 100 on 31 March 2022



### Distribution of shareholding

Table 3 gives details about the pattern of shareholding across various categories as on 31 March 2023, while Table 4 gives the data according to size class.

**Table 3: Distribution of shareholding across categories**

Category	% to capital
Promoter and Promoter Group	51.46
Foreign Institutional Investor	12.34
Mutual Funds	3.68
Banks and Insurance Companies	1.25
Bodies Corporate	9.70
Resident Individuals	18.54
Others	3.03
<b>Total</b>	<b>100.00</b>

**Table 4: Distribution of shareholding according to size class as on 31 March 2023**

Category	Number of shareholders	% to total shareholders	Number of shares	% to total shares
1 to 500	64,968	94.33	2,482,944	2.23
501 to 1000	1,390	2.02	1,024,626	0.92
1001 to 2000	955	1.39	1,381,452	1.24
2001 to 3000	441	0.64	1,092,093	0.98
3001 to 4000	193	0.28	679,789	0.61
4001 to 5000	146	0.21	668,744	0.60
5001 to 10000	314	0.46	2,163,187	1.94
10001 And Above	463	0.67	101,800,675	91.48
<b>Total</b>	<b>68,870</b>	<b>100.00</b>	<b>111,293,510</b>	<b>100.00</b>

### Unclaimed demat suspense account with HDFC bank for unclaimed shares

There are no shares remaining in the Demat suspense account as on 31 March 2023. All the shares lying in the demat suspense account have been transferred to IEPF Account as required by the Act.

## Certifications obtained from Practising Company Secretary

The Company has obtained following certifications by the Practising Company Secretary for share related matters, as per details given below:

Regulation/Provision	Frequency	Certification requirement
Regulation 40 (9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	Annual	Compliance of lodgment of transmission, transposition, deletion of name and other investor related service request by the Company
Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018	Quarterly	Reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialised form.

## KPRISM- Mobile service application by KFIN

Members should note that our registrar and share transfer agent – KFin has launched a new mobile app KPRISM and a website <https://kprism.kfintech.com/> for our investors. Members can download the mobile app and see their portfolios serviced by KFINTECH; check their dividend status; request for annual reports; register change of address; register change in the bank account or update the bank mandate; and download the standard forms. This android mobile application can be downloaded from Google Play Store.

## Live webcast of AGM

Pursuant to regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, 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 27 July 2023.

Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the website of KFin at <https://emeetings.kfintech.com/> using secure login credentials provided for e-voting.

Pursuant to MCA circulars, the Company will also provide two-way video conferencing or webex facility to the members for participating in the 78th AGM. The modalities for participation in the AGM are spelt out in Notice of the AGM.

## Voting through electronic means

Pursuant to section 108 of the Companies Act, 2013 and the Rules made thereunder and provisions under the SEBI Listing Regulations, 2015, 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 annual general meeting, 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 20 July 2023 and the remote e-voting shall be open for a period of three days, from 24 July 2023 (9:00 a.m.) till 26 July 2023 (5:00 p.m.). The Board has appointed Shyamprasad D Limaye, Practising Company Secretary, as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice of the seventy-eighth 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, if required.

## Shareholders' and investors' grievances

The Board of Directors of the Company have constituted a Stakeholders Relationship Committee to specifically look into and resolve grievances of stakeholders. The Composition of the Committee and details on investor complaints received during the year are given in [Corporate Governance Report](#).



**Updation of PAN, KYC and nomination:** SEBI vide its various circulars issued from time to time, 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 for Opting-out of Nomination
Form SH-14	Cancellation or Variation of Nomination

Members may access the above forms from website of the company at <https://www.bhil.in/investors.html#url-shareholders-guide-including-iepf-matters>

The folios wherein any one of the cited document/details are not updated on or after 1 October 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, payment of dividend in respect of such frozen folios will be made only through electronic mode with effect from 1 April 2024.

The frozen folios will then be referred by RTA/Company to the administrating 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 and also sent reminder letters to all those members who have not updated the KYC details.

**Simplification of procedure of transmission of securities:** SEBI has released SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022, on 25 April 2022, specifying the documents required in case of transmission of securities.

Further, in order to make the transmission process more efficient and investor-friendly, SEBI vide its circular dated 18 May 2022, has enhanced the monetary limits for simplified documentation for transmission of securities, allowed 'Legal Heirship Certificate or equivalent certificate' as one of the acceptable documents for transmission and provided clarification regarding acceptability of Will as one of the valid documents for transmission of securities. The said circular also specified the formats of various documents which are required to be furnished for the processing of transmission of securities.

The circular also lays down operational guidelines for processing investor's service request for the purpose of transmission of securities. The procedure provided in this circular is duly followed by our registrar and share transfer agent while processing of transmission service request.

**Simplification of procedure for issuance of duplicate share certificates:** SEBI vide its circular dated 25 May 2022, has standardised the documents to be submitted for processing of service request for issue of duplicate share certificate and also laid down operational guidelines for the same.

Further, the said circular also mandates listed company to take special contingency policy from insurance company towards the risk arising out of the requirements relating to issuance of duplicate securities in order to safeguard and protect the interest of the listed company. The Company is in compliance with said circular.

**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 at [https://ris.kfintech.com/clientservices/isc/#div\\_icharter](https://ris.kfintech.com/clientservices/isc/#div_icharter) 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.

**Investor grievances redressal mechanism:** SEBI vide its Master circular dated 7 November 2022, has mandated the investor to first take up the grievances with the company concerned for redressal and the same will be treated as "Direct Complaint". A timeline of 30 days has been provided to the Company for resolution.

Failing which, the complaint shall be registered on SCORES. Thereafter, SEBI shall take it up with the concerned company for resolution.

The circular also provides 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 takes adequate steps for expeditious redressal of investors' complaints.

**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](mailto:ssubbramaniam@bhil.in) for more clarity and understanding.

### Credit rating

Since, the Company had no borrowings during the year under review, no credit ratings were required to be 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 31 March 2023.

### Plant location

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

### Address for correspondence

Shareholders can correspond with the office of the registrar and share transfer agent of the Company or the corporate office of the Company at the following addresses:

#### Registrar and Share Transfer Agent

##### KFin Technologies Ltd.

Unit: Bajaj Holdings & Investment Ltd.  
Tower B, Plot 31-32, Selenium Building,  
Financial District, Nanakramguda,  
Serilingampally, Hyderabad, Rangareddy,  
Telangana - 500 032.

#### Company

##### Bajaj Holdings & Investment Ltd.

##### Registered Office

Bajaj Auto Ltd. Complex,  
Mumbai - Pune Road, Akurdi,  
Pune 411 035.

##### Corporate Office

3rd Floor, Panchshil Tech Park,  
Above ICICI Bank,  
Viman Nagar, Pune - 411014

#### Contact persons

##### Mohd. Mohsinuddin

WhatsApp No.: (91) 910 009 4099  
Fax No: (040) 2300 1153  
Toll Free No: 1800 309 4001  
Email: [mohsin.mohd@kfintech.com](mailto:mohsin.mohd@kfintech.com)  
[einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

KFin Corporate Website: [www.kfintech.com](http://www.kfintech.com)

KFin RTA Website: <https://ris.kfintech.com>

#### Company Secretary and Compliance Officer

##### Sriram Subbramaniam

Tel No: (020) 71576066  
Fax No: (020) 71576364  
Email: [investors@bhil.in](mailto:investors@bhil.in)  
Website: [www.bhil.in](http://www.bhil.in)

### Investor support centre

Members may utilise the facility extended by the registrar and share transfer agent for raising queries pertaining to dividend, KYC updation, interest/redemption, etc. by visiting <https://ris.kfintech.com/clientservices/isc/>



# **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 2023, 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 2023, 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 Auditors' 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 2023. We have determined that there are no key audit matters to communicate in our report.

### Information other than the standalone financial statements and auditors' 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 auditors' 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 the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

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

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 the 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.

### Auditors' 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 auditors' 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 auditors' 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 auditors' 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 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.

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

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 2023 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 matter

The amounts for the financial year ended 31 March 2022, included in these standalone financial statement were audited solely by 'Kalyaniwalla & Mistry LLP, Chartered Accountants'. They have expressed an unmodified opinion for the above period vide their audit report dated 28 April 2022, which have been furnished to us and relied upon by us for the purpose of our audit of the financial statement.

### 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 2023, taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2023, 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 Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:

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 Auditors' 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.

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

- 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 its 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 its 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.
- vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Company with effect from 1 April 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014, is not applicable for the financial year ended 31 March 2023.

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

Anil A Kulkarni  
Partner  
ICAI Membership Number: 047576  
UDIN: 23047576BGUVDH5663

Pune: 27 April 2023

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 110100W

Pradeep Shetty  
Partner  
ICAI Membership Number: 046940  
UDIN: 23046940BGPTTA3204

Pune: 27 April 2023



## Annexure A to the Independent Auditors' Report

### As referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section in our Independent Auditors' Report of even date on the Standalone Financial Statements of Bajaj Holdings & Investment Ltd. for the year ended 31 March 2023.

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	1.08	Bajaj Auto Ltd.	-	16 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 2023 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.
- 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), (f) is not applicable.

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

**Annexure A to the Independent Auditors' Report (Contd.)**

- 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 2023 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 2023 on account of disputes are given below:

(₹ In Crore)

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.
- 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.

## Annexure A to the Independent Auditors' Report (Contd.)

- 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 17 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.
- xvii. The Company has not incurred cash losses in the financial year under the audit and the immediately preceding financial year.
- xviii. There has been no resignation of statutory auditors during the year and accordingly requirement to report on clause 3 (xviii) of the order is not applicable to the Company.

**Annexure A to the Independent Auditors' Report (Contd.)**

- 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, there was no unspent amount as at the 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: 23047576BGUVDH5663

Pune: 27 April 2023

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 110100W

Pradeep Shetty  
Partner  
ICAI Membership Number: 046940  
UDIN: 23046940BGPTTA3204

Pune: 27 April 2023

## 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 2023**

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 2023 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 2023, 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.

#### **Auditors' 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.

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.

## Annexure B to the Independent Auditors' Report (Contd.)

### 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: 23047576BGUVDH5663

Pune: 27 April 2023

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 110100W

Pradeep Shetty  
Partner  
ICAI Membership Number: 046940  
UDIN: 23046940BGPTTA3204

Pune: 27 April 2023

## Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2023	2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	25.19	21.47
Bank balances other than cash and cash equivalents	4	8.83	6.72
Investment in subsidiaries and associates	5A	2,913.35	2,913.35
Other investments	5B	12,811.04	12,579.11
Other financial assets	6	101.13	99.21
		<b>15,859.54</b>	<b>15,619.86</b>
<b>Non-financial assets</b>			
Current tax assets (net)		193.45	150.84
Investment properties	7	173.93	177.25
Right-of-use asset	8A	83.97	111.96
Property, plant and equipment	8B	7.58	7.74
Other non-financial assets	9	2.15	1.26
		<b>461.08</b>	<b>449.05</b>
<b>Total</b>		<b>16,320.62</b>	<b>16,068.91</b>

**Balance Sheet** (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2023	2022
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.59	3.83
Lease liability	30	92.79	113.69
Other financial liabilities	11	38.71	36.78
		<b>133.09</b>	<b>154.30</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		8.96	8.96
Deferred tax liabilities (net)	12	504.71	510.28
Provisions	13	3.79	2.78
Other non-financial liabilities	14	4.80	4.73
		<b>522.26</b>	<b>526.75</b>
<b>EQUITY</b>			
Equity share capital	15	111.29	111.29
Other equity	16	15,553.98	15,276.57
		<b>15,665.27</b>	<b>15,387.86</b>
<b>Total</b>		<b>16,320.62</b>	<b>16,068.91</b>
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the standalone financial statements

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023



## Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
<b>Revenue from operations</b>			
Interest income	17	254.77	236.35
Dividend income		1,569.02	1,468.50
Rental income		18.37	20.03
Net gain on fair value changes	18	30.08	51.58
Other investment income	19	2.91	-
<b>Total revenue from operations</b>		<b>1,875.15</b>	<b>1,776.46</b>
Other income	20	61.86	56.70
<b>Total income</b>		<b>1,937.01</b>	<b>1,833.16</b>
<b>Expenses</b>			
Employee benefits expenses	21	42.00	36.05
Finance costs - interest on operating lease liability	30	6.94	3.15
Depreciation, amortisation and impairment	22	31.84	31.74
Other expenses	23	77.38	61.10
<b>Total expenses</b>		<b>158.16</b>	<b>132.04</b>
<b>Profit before tax</b>		<b>1,778.85</b>	<b>1,701.12</b>
Tax expense			
Current tax		62.97	52.66
Tax credits pertaining to earlier years		-	(24.86)
Deferred tax		4.30	6.62
Provision for possible non-utilisation of MAT credit		-	36.18
Total tax expense	24	67.27	70.60
<b>Profit for the year</b>		<b>1,711.58</b>	<b>1,630.52</b>

## Statement of Profit and Loss (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(0.53)	0.81
Tax impacts on above		0.13	(0.33)
Net gain/(loss) on equity instruments designated at FVTOCI		135.89	1,412.18
Tax impacts on above		(14.97)	(188.59)
Items that will be reclassified to profit or loss			
Net gain/(loss) on debt instruments designated at FVTOCI		(59.00)	(41.40)
Tax impacts on above		6.75	4.74
Valuation gain/(loss) on derivative hedging instruments		0.02	(0.04)
Tax impacts on above		-	0.01
<b>Other comprehensive income for the year (net of tax)</b>		<b>68.29</b>	<b>1,187.38</b>
<b>Total comprehensive income for the year</b>		<b>1,779.87</b>	<b>2,817.90</b>
Basic and diluted Earnings per share (in ₹)	25	153.8	146.5
(Nominal value per share ₹ 10)			
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of the standalone financial statements

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

## Statement of Changes in Equity

### A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
<b>At the end of the year</b>	15	<b>111.29</b>	<b>111.29</b>

### 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	
<b>Balance as at 31 March 2021</b>	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
<b>Total comprehensive income for the year ended 31 March 2022</b>		-	-	-	<b>1,631.00</b>	<b>1,223.59</b>	<b>(36.69)</b>	<b>2,817.90</b>
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)
<b>Balance as at 31 March 2022</b>	16	<b>444.42</b>	<b>3,706.96</b>	<b>2,473.16</b>	<b>3,637.00</b>	<b>4,999.15</b>	<b>15.88</b>	<b>15,276.57</b>
Profit for the year		-	-	-	1,711.58	-	-	1,711.58
Other comprehensive income (net of tax)		-	-	-	(0.40)	120.92	(52.23)	68.29
<b>Total comprehensive income for the year ended 31 March 2023</b>		-	-	-	<b>1,711.18</b>	<b>120.92</b>	<b>(52.23)</b>	<b>1,779.87</b>
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	342.32	(342.32)	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	220.44	(220.44)	-	-
Final dividend, declared and paid during the year		-	-	-	(278.23)	-	-	(278.23)
Interim dividend, declared and paid during the year		-	-	-	(1,224.23)	-	-	(1,224.23)
<b>Balance as at 31 March 2023</b>	16	<b>444.42</b>	<b>3,706.96</b>	<b>2,815.48</b>	<b>3,723.84</b>	<b>4,899.63</b>	<b>(36.35)</b>	<b>15,553.98</b>

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the standalone financial statements

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
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Anil A Kulkarni  
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ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

## Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
<b>I. Operating activities</b>		
Profit before tax	1,778.85	1,701.12
Adjustments to reconcile profit before tax to net cash flows		
Add		
i) Depreciation, amortisation and impairment	31.84	31.74
ii) Finance costs - interest on operating lease liability	6.94	3.15
iii) Unrealised foreign exchange loss on revaluation	4.20	4.33
	42.98	39.22
Less		
i) Provision for diminution in value of investments written back	2.91	-
ii) Profit on sale of investments, net	8.62	34.37
iii) Amortisation of premium/discount on acquisition of debt securities	70.81	42.87
	82.34	77.24
	1,739.49	1,663.10
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	(2.81)	4.40
ii) (Increase)/decrease in other bank balances	(2.11)	(1.47)
iii) Increase/(decrease) in liabilities and provisions	(1.87)	1.62
	(6.79)	4.55
(Purchase)/sale of money market mutual funds, etc., net *	60.31	80.71
Net cash flow from / (used in) operating activities before income-tax	1,793.01	1,748.36
Income-tax paid (net of refund)	(123.54)	(167.17)
<b>Net cash flow from operating activities</b>	<b>1,669.47</b>	<b>1,581.19</b>
Carried forward	1,669.47	1,581.19

## Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Brought forward	1,669.47	1,581.19
<b>II. Investing activities</b>		
i) Purchase of property, plant and equipment	(0.42)	(1.13)
ii) Sales proceeds of assets	0.02	-
iii) Sale of investments *	4,197.48	1,499.66
iv) Purchase of investments *	(4,330.44)	(1,604.84)
<b>Net cash used in investing activities</b>	<b>(133.36)</b>	<b>(106.31)</b>
<b>III. Financing activities</b>		
i) Dividend paid	(1,500.35)	(1,445.19)
ii) Cash payment for principal portion of operating lease liability	(25.10)	(26.82)
iii) Cash payment for interest portion of operating lease liability	(6.94)	(3.15)
<b>Net cash used in financing activities</b>	<b>(1,532.39)</b>	<b>(1,475.16)</b>
<b>Net change in cash and cash equivalents</b>	<b>3.72</b>	<b>(0.28)</b>
Cash and cash equivalents as at the beginning of the year	21.47	21.75
Cash and cash equivalents as at the end of the year	25.19	21.47

\* 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 standalone financial statements

On behalf of the Board of Directors

Shekhar Bajaj

Chairman

DIN: 00089358

As per our report of even date

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

 For NBS & Co.  
 Chartered Accountants  
 ICAI Firm Registration  
 Number: 110100W

 Anant Marathe  
 Chief Financial Officer

 Sanjiv Bajaj  
 Managing Director & CEO  
 DIN: 00014615

 Anil A Kulkarni  
 Partner  
 ICAI Membership Number:  
 047576

 Pradeep Shetty  
 Partner  
 ICAI Membership Number:  
 046940

 Sriram Subramaniam  
 Company Secretary

 Pradip Shah  
 Chairman-Audit Committee  
 DIN: 00066242

Pune: 27 April 2023

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

- 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. As per RBI's 'Scale Based Regulations' (SBR), the Company is classified as NBFC – Base Layer (NBFC-BL). 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.

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

## 2 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

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

##### 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

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

the asset in the Balance Sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through interest income in the Statement of Profit and Loss.

#### 2. Dividends

Dividends are 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 other income on accrual basis. Rental income is accounted on a straight-line basis over the lease terms.

### 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 2023 (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

<b>Assets given on lease in relation to investment properties</b>	<b>as per Schedule II</b>	<b>useful life</b>
Building (interior)	60 years	5 years
Computers	6 years	5 years
Furniture	10 years	5 years
Electric fittings	10 years	5 years
<b>Assets given on lease in relation to investment properties having nil residual value</b>		
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'.

**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.



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

### 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', gain/loss 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.

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. However, trade receivables that do not contain a significant financing component are measured at transaction price.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**2B Summary of significant accounting policies followed by the Company (Contd.)****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/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 gain/(loss) 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.

Gain and loss on these equity instruments is 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 gain is 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.

Movements in the carrying amount are taken through OCI, except for the recognition of impairment gain/loss 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 gain/loss. 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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

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 debt securities, which are categorized 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.

### 6. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gain and loss, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gain and loss are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

#### I. Classification

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

#### II. Initial recognition

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

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**2B Summary of significant accounting policies followed by the Company (Contd.)****III. Subsequent measurement**

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Any gain or loss arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

**IV. Derecognition**

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

**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 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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

#### 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 profit 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.

#### 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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

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/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

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

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/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.

**18. Fair value measurement**

The Company measures financial instruments other than equity investment in subsidiaries, joint venture, associates and open ended target maturity 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 2023 (Contd.)

**3 Cash and cash equivalents**

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
Balances with banks	25.19	21.47
	25.19	21.47

**4 Bank balances other than cash and cash equivalents**

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
Unclaimed dividend accounts	8.83	6.72
	8.83	6.72

**5 Investments**

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
<b>A Investment in subsidiaries and associates</b>		
<b>Investment in equity instruments carried at cost</b>		
<b>In subsidiaries</b>		
Bajaj Auto Holdings Ltd.	0.25	0.25
Maharashtra Scooters Ltd.	239.49	239.49
<b>Cost</b>	239.74	239.74
<b>In associates</b>		
Bajaj Auto Ltd.	1,929.79	1,929.79
Bajaj Finserv Ltd.	743.82	743.82
<b>Cost</b>	2,673.61	2,673.61
<b>Total (A)</b>	2,913.35	2,913.35
<b>B Other investments</b>		
<b>Investments carried at amortised cost</b>		
<b>In certificate of deposits</b>		
Axis Bank Ltd.	98.90	99.37
Bank of Baroda Ltd.	24.83	-
Canara Bank Ltd.	147.54	98.93
Export Import Bank of India Ltd.	122.34	-
HDFC Bank Ltd.	-	49.59
ICICI Bank Ltd.	49.11	-
Kotak Mahindra Bank Ltd.	24.70	24.80
Punjab National Bank Ltd.	24.76	-
Small Industries Development Bank of India	-	24.84
<b>Amortised cost</b>	492.18	297.53
<b>In open ended target maturity funds #</b>		
Bharat Bond ETF Series 2025	278.82	264.49
Bharat Bond ETF Series 2030	321.94	302.12
Edelweiss Nifty PSU Bond Plus SDL Index Fund 2026	139.24	131.49

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

## 5 Investments (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Nippon India ETF Nifty CPSE Bond Plus SDL 2024	112.64	107.12
Nippon India ETF Nifty SDL 2026	108.69	102.60
<b>Amortised cost</b>	<b>961.33</b>	<b>907.82</b>
<b>Investments carried at fair value through other comprehensive income</b>		
<b>In government debt securities</b>		
Government of India securities	347.62	386.58
State Development Loans (SDLs)	308.04	366.35
<b>Fair value</b>	<b>655.66</b>	<b>752.93</b>

# 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.

Particulars	As at 31 March	
	2023	2022
<b>In debt securities</b>		
Bajaj Finance Ltd.	-	151.05
Britannia Industries Ltd.	0.87	1.53
Housing Development Finance Corporation Ltd.	145.73	151.60
HDFC Bank Ltd.	217.33	224.46
Indian Railway Finance Corporation Ltd.	99.11	194.26
India Grid Trust.	34.86	35.93
Kotak Mahindra Prime Ltd.	-	20.29
National Bank For Agriculture And Rural Development	367.41	283.64
National Highway Authority Of India	-	107.57
NTPC Ltd.	25.99	78.34
Power Finance Corporation Ltd.	213.81	141.55
Power Grid Corporation Of India Ltd.	-	61.91
Rural Electrification Corporation Ltd.	184.78	100.23
Small Industries Development Bank of India	267.99	-
State Bank Of India	198.53	200.36
Sundaram Finance Ltd.	100.00	127.19
<b>Fair value</b>	<b>1,856.41</b>	<b>1,879.91</b>
<b>In equity instruments</b>		
Bajaj Electricals Ltd. (Group company)	2,013.00	2,019.77
Hercules Hoists Ltd. (Group company)	111.52	87.05
Mukand Engineers Ltd. (Group company)	-	0.15
Mukand Ltd. (Group company)	114.73	114.32
Bajaj Hindusthan Sugar Ltd.	16.86	18.56
Bata India Ltd.	12.93	104.87
Berger Paints India Ltd.	-	38.55
Bharti Airtel Ltd.	124.72	125.71
Bharti Airtel Ltd.(Partly paid)	3.63	3.92

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**5 Investments (Contd.)**

Particulars	As at 31 March	
	2023	2022
Britannia Industries Ltd.	132.45	98.26
Cipla Ltd.	36.02	26.98
Dabur India Ltd.	53.11	52.26
Godrej Agrovet Ltd.	31.94	34.21
HDFC Bank Ltd.	565.61	516.69
Heidelberg Cement India Ltd.	33.80	66.49
Hindustan Unilever Ltd.	107.53	16.39
Honeywell Automation India Ltd.	32.75	-
Housing Development Finance Corporation Ltd.	189.82	172.83
Housing Development Finance Corporation Ltd. (warrants)	7.41	7.20
ICICI Bank Ltd.	995.68	841.70
Indusind Bank Ltd.	83.83	44.19
Infosys Ltd.	384.22	327.41
Kotak Mahindra Bank Ltd.	107.09	108.39
L&T Technology Services Ltd.	83.65	126.40
Larsen & Toubro Ltd.	380.40	310.70
Marico Ltd.	201.52	305.52
Maruti Suzuki India Ltd.	191.60	174.71
Minda Industries Ltd.	173.00	172.78
Mrs. Bectors Food Specialities Ltd.	-	22.00
PB Fintech Ltd.	13.97	15.18
Pilani Investment & Industries Corporation Ltd.	0.27	0.28
Reliance Industries Ltd.	370.55	418.83
SBI Card & Payments Services Ltd.	-	36.92
Tata Motors Ltd. (DVR)	48.01	-
Tech Mahindra Ltd.	168.58	406.43
Tree House Education & Accessories Ltd.	3.35	1.94
Ultratech Cement Ltd.	223.69	193.76
Yes Bank Ltd.	62.71	51.25
Fabindia Overseas Pvt. Ltd.	114.47	90.43
Indian Commodity Exchange Ltd.	0.01	0.01
National Stock Exchange Of India Ltd.	951.23	885.66
TVS Supply Chain Solutions Ltd. *	50.00	-
<b>Fair value</b>	<b>8,195.66</b>	<b>8,038.70</b>
* Compulsory convertible preference shares (CCPS)		
<b>In other funds</b>		
Alteria Capital Fund II - Scheme I	51.98	31.34
BPEA India Credit Investment Trust II	8.22	25.79
BPEA India Credit Investment Trust III	14.79	3.77
Brookfield India Real Estate Trust REIT	76.32	85.40
Embassy Office Parks REIT	54.16	64.49
Fireside Ventures Fund II	23.80	11.33
IFMR FImpact Medium Term Opportunities Fund 2	-	25.47

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**5 Investments (Contd.)**

Particulars	As at 31 March	
	2023	2022
India Real Estate Investment Fund	43.10	29.41
J M Financial Property Fund - I	0.69	0.70
Kedaara Capital Advisors- LLP AIF	21.00	32.20
Mindspace Business Parks REIT	37.22	39.44
Stellaris Venture Partner Ind Trust II	11.45	5.59
Trifecta Venture Debt Fund - II	53.95	49.60
Urban Infrastructure Venture Capital Ltd.	-	1.54
<b>Fair value</b>	<b>396.68</b>	<b>406.07</b>
<b>Investments carried at fair value through profit and loss</b>		
<b>In mutual funds</b>		
IDFC Overnight Fund - Direct Growth Plan	-	10.53
Nippon India Dynamic Bond Fund - Direct Growth Plan	186.06	179.06
Nippon India Overnight Fund - Direct Growth Plan	67.06	56.51
SBI Overnight Fund -Direct Growth Plan	-	50.05
<b>Fair value</b>	<b>253.12</b>	<b>296.15</b>
<b>Total (B)</b>	<b>12,811.04</b>	<b>12,579.11</b>
<b>Total Investments (C) = (A) + (B)</b>	<b>15,724.39</b>	<b>15,492.46</b>

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

**6 Other financial assets**

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Interest accrued on investments, considered good	85.50	84.48
Interest receivable on investments, doubtful	-	1.18
Less: Impairment loss allowance	-	1.18
Dividend receivable	-	0.11
Security deposits	14.45	14.47
CSR set-off receivable	1.10	-
Others	0.08	0.15
	<b>101.13</b>	<b>99.21</b>

**7 Investment properties**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Gross carrying amount</b>		
Opening balance	218.48	218.48
Additions	-	0.02
Deletions	-	0.02
Closing balance	<b>218.48</b>	<b>218.48</b>

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**7 Investment properties (Contd.)**

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
<b>Accumulated depreciation</b>		
Opening balance	41.23	37.93
Depreciation charge	3.32	3.32
Deletions	-	0.02
Closing balance	44.55	41.23
<b>Net carrying amount</b>	173.93	177.25

**i) Amounts recognised in profit or loss for investment properties**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Rental income	18.37	20.03
Direct operating expenses from properties that generated rental income	(2.98)	(2.52)
Profit from investment properties before depreciation	15.39	17.51
Depreciation	(3.32)	(3.32)
Profit from investment properties	12.07	14.19

**ii) Contractual obligations**

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

There are no restrictions on the existence and realisability of investment property or the remittance of income and proceeds of disposal.

**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	
	2023	2022
Investment properties	288.72	287.46

**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 2023 (Contd.)

**8A Right-of-use asset**

Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions / adjustments		As at 1 April 2022	Deductions / adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Aircraft - operating lease	195.93	-	-	195.93	83.97	-	27.99	111.96	83.97

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2022	Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Deductions / adjustments		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

**8B Property, plant and equipment**

Current year

(₹ In Crore)

Particulars	Gross block (a) (c)			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions / adjustments		As at 1 April 2022	Deductions / adjustments	For the year (c)	As at 31 March 2023	As at 31 March 2023
Land freehold (d) (f)	-	-	-	-	-	-	-	-	-
Land leasehold (f)	1.08	-	0.02	1.06	-	-	-	-	1.06
Buildings (b)	8.18	-	-	8.18	3.54	-	0.14	3.68	4.50
Electric fittings	0.06	-	-	0.06	0.02	-	0.01	0.03	0.03
Furniture	0.87	-	-	0.87	0.17	-	0.08	0.25	0.62
Vehicles	1.22	0.35	0.06	1.51	0.07	0.01	0.17	0.23	1.28
Computers	0.39	0.07	0.05	0.41	0.26	0.05	0.11	0.32	0.09
Total	11.80	0.42	0.13	12.09	4.06	0.06	0.51	4.51	7.58

Previous year

(₹ In Crore)

Particulars	Gross block (a) (c)			As at 31 March 2022	Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Deductions / adjustments		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	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

(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 &amp; Investment Ltd.).

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**9 Other non-financial assets**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Pre-paid expenses	1.13	1.04
Others	0.77	0.22
GST receivable	0.25	-
	2.15	1.26

**10 Trade payables**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.59	3.83
	1.59	3.83

On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'the Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2023 and 31 March 2022 and hence no disclosures have been made in this regard.

**Trade payables ageing schedule**

(₹ In Crore)

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	
<b>31 March 2023</b>						
MSME	-	-	-	-	-	-
Others	1.56	0.03	-	-	-	1.59
<b>31 March 2022</b>						
MSME	-	-	-	-	-	-
Others	3.72	0.10	-	0.01	-	3.83

**11 Other financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Unclaimed dividend	8.83	6.72
Directors' remuneration and commission payable	19.08	17.14
Employee benefits payable	2.10	2.20
Security deposits	8.70	10.71
Derivative liabilities	-	0.01
	38.71	36.78

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**12 Deferred tax liabilities - net**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, plant and equipment	0.97	1.01
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	15.58	11.92
Movement in fair value of financial assets designated at FVTPL	4.05	2.33
Movement in fair value of financial assets designated at FVTOCI	488.06	497.79
<b>Gross deferred tax liabilities</b>	<b>508.66</b>	<b>513.05</b>
<b>Deferred tax assets</b>		
On account of timing difference in		
Retiral and other employee benefits		
Provision for compensated absences	0.22	0.19
Defined benefit plan provisions - OCI	0.26	0.13
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	1.23	1.68
Impairment allowance for financial asset	-	0.30
Lease assets	2.22	0.44
Other temporary differences	0.02	0.03
MAT credit entitlement *	-	36.18
Less: Provision for possible non-utilisation of MAT credit *	-	36.18
<b>Gross deferred tax assets</b>	<b>3.95</b>	<b>2.77</b>
<b>Deferred tax (assets)/liabilities - net</b>	<b>504.71</b>	<b>510.28</b>

\* On an assessment of its ability to utilise the available MAT credit, the Management had determined MAT credit of ₹ Nil (previous year ₹ 36.18 crore) 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.

**Movement in deferred tax liabilities/(assets)**

(₹ In Crore)

	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	MAT credit entitlement and others	Total
<b>At 31 March 2021</b>	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
<b>At 31 March 2022</b>	1.01	510.06	(0.32)	(0.47)	510.28
(Charged)/credited					
to profit and loss	(0.04)	6.14	(0.03)	(1.77)	4.30
to other comprehensive income	-	(9.74)	(0.13)	-	(9.87)
<b>At 31 March 2023</b>	<b>0.97</b>	<b>506.46</b>	<b>(0.48)</b>	<b>(2.24)</b>	<b>504.71</b>



Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 13 Provisions

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Provision for employee benefits [See note 28]		
Provision for gratuity	0.35	0.06
Provision for compensated absences	0.87	0.76
Provision for long-term incentive plan	2.57	1.96
	3.79	2.78

### 14 Other non-financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Taxes and duties payable	4.46	4.17
Other payables	0.34	0.56
	4.80	4.73

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**15 Equity share capital**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Authorised</b>		
150,000,000 equity shares of ₹ 10 each	150.00	150.00
<b>Issued, subscribed and fully paid-up shares</b>		
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 2023		As at 31 March 2022	
	Nos.	(₹ In Crore)	Nos.	(₹ In Crore)
<b>Equity shares</b>				
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 2023		As at 31 March 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Jamnalal Sons Pvt. Ltd.	20,049,515	18.01%	19,923,077	17.90%
Jaya Hind Industries Ltd.	5,905,401	5.31%	5,905,401	5.31%

**d. Details of promoter shareholding**

Shares held by promoters at the end of the year	As at 31 March 2023			As at 31 March 2022		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
<b>Promoter name</b>						
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	-	-

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**15 Equity share capital (Contd.)**

Shares held by promoters at the end of the year	As at 31 March 2023			As at 31 March 2022		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Jamn Lal Sons Pvt. Ltd.	20,049,515	18.01%	0.11%	19,923,077	17.90%	0.09%
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.	1,394,754	1.25%	0.02%	1,372,605	1.23%	0.06%
Pooja Bajaj	333	-	-	333	-	-
Sanjiv Nayan 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%	-
Rajiv Nayan 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 & Company Pvt. Ltd.	4,196,813	3.78%	-	4,196,813	3.78%	0.99%
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.	3,840,648	3.45%	0.17%	3,652,619	3.28%	-
Shefali Bajaj	1,000	-	-	1,000	-	-
Deepa Bajaj	1,000	-	-	1,000	-	-
Neelima Bajaj Swamy	1,000	-	-	1,000	-	-
Hercules Hoists Ltd.	415,516	0.37%	0.07%	338,003	0.30%	-
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%	-
Sanjivnayan Bajaj Sanjali Trust	1,000	-	-	1,000	-	-
Bajaj Finance Ltd.	75	-	-	75	-	-
Estate of Rahulkumar Bajaj	1,000	-	-	1,000	-	-
Kamalnayan Investment & Trading Pvt. Ltd.	91,600	0.08%	-	91,600	0.08%	-
Shekhar Bajaj	4,500	-	-	4,500	-	-
<b>Total</b>	<b>57,273,475</b>	<b>51.46%</b>	<b>0.37%</b>	<b>56,859,346</b>	<b>51.09%</b>	<b>1.14%</b>

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**16 Other equity**
**a Reserves and surplus**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934</b>		
Balance as at the beginning of the year	2,473.16	2,147.06
Add: Transferred from surplus in Statement of Profit and Loss	342.32	326.10
Balance as at the end of the year	2,815.48	2,473.16
<b>Securities premium account</b>		
Balance as at the beginning and end of the year	444.42	444.42
<b>General reserve</b>		
Balance as at the beginning and end of the year	3,706.96	3,706.96
<b>Retained earnings</b>		
Balance as at the beginning of the year	3,637.00	3,647.69
Profit for the year	1,711.58	1,630.52
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gain/(loss) of defined benefit plans	(0.40)	0.48
Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	220.44	131.22
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	342.32	326.10
Final dividend, declared and paid during the year	278.23	445.17
Interim dividend, declared and paid during the year	1,224.23	1,001.64
Total appropriations	1,844.78	1,772.91
Balance as at the end of the year	3,723.84	3,637.00
<b>Other reserves</b>		
<b>Equity instruments through other comprehensive income</b>		
Balance as at the beginning of the year	4,999.15	3,906.78
Add: Net gain/(loss) on equity instruments designated at FVTOCI for the year (net of tax impacts)	120.92	1,223.59
Less: Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	220.44	131.22
	4,899.63	4,999.15
<b>Debt instruments through other comprehensive income</b>		
Balance as at the beginning of the year	15.90	52.56
Add: Net gain/(loss) on debt instruments designated at FVTOCI for the year (net of tax impacts)	(60.90)	(19.13)
Less: Reclassification of gain on sale of FVTOCI debt instruments	(8.65)	17.53
	(36.35)	15.90
<b>Hedge instruments through other comprehensive income</b>		
Balance as at the beginning of the year	(0.02)	0.01
Add: Net gain/(loss) on hedge instruments designated at FVTOCI for the year (net of tax impacts)	0.02	(0.03)
	-	(0.02)
	15,553.98	15,276.57

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 16 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.

##### 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.

##### Equity instruments through other comprehensive income

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.

##### Debt instruments through other comprehensive income

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.

### 17 Interest income

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Interest income on		
Investments (at amortised cost)	76.70	52.40
Investments (at FVTOCI)	178.07	183.95
	254.77	236.35

### 18 Net gain on fair value changes

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Net gain/(loss) on financial instruments designated at fair value through profit or loss	17.27	16.84
Others		
Distribution received from other funds	21.46	17.21
Gain/(loss) on sale of debt instruments at FVTOCI	(8.65)	17.53
	30.08	51.58
Fair value changes		
Realised	23.25	43.81
Unrealised	6.83	7.77
	30.08	51.58

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**19 Other investment income**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Provision for diminution in value of investments written back	2.91	-
	2.91	-

**20 Other income**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Business support service	57.57	54.67
Provision no longer required	0.56	0.03
Miscellaneous receipts	3.73	2.00
	61.86	56.70

**21 Employee benefits expenses**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Salaries, wages and bonus to employees	38.94	33.21
Contribution to provident and other funds	2.93	2.74
Staff welfare expenses	0.13	0.10
	42.00	36.05

**22 Depreciation, amortisation and impairment**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Depreciation on property, plant and equipment	0.51	0.41
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
	31.84	31.74

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**23 Other expenses**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Repairs to buildings	2.28	1.46
Repairs to machinery and others	3.95	4.04
Rent	0.02	0.01
Rates and taxes	2.19	2.27
Insurance	1.51	1.27
Payment to auditor	0.26	0.15
Directors' fees and travelling expenses	1.43	1.28
Unrealised foreign exchange loss on revaluation	4.20	4.33
Commission to non-executive directors	1.80	1.84
Business support service expenses	1.65	0.85
Expenditure towards Corporate Social Responsibility (CSR) activities	8.75	8.70
Legal and professional charges	0.89	1.05
Aircraft operation expenses	39.88	26.47
Miscellaneous expenses	8.57	7.38
	77.38	61.10
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fee	0.15	0.09
Tax audit fee	0.04	0.03
Limited review	0.04	0.03
Other services (certification fees and other matters)	0.03	-
Reimbursement of expenses [₹ Nil (Previous year ₹ Nil)]	-	-
	0.26	0.15
<b>Expenditure towards Corporate Social Responsibility (CSR) activities</b>		
Gross amount required to be spent by the Company during the year	8.68	8.70
Amount spent in cash during the year on :		
i) Construction / acquisition of any asset	-	-
ii) On purposes other than (i) above	8.75	6.32
Unspent amount	-	2.38
	8.75	8.70

The Company has incurred expenditure under its CSR activities mainly towards health and education for children, skilling for youth, grants for procurement of health equipment at select hospitals.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**24 Tax expense**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
<b>(a) Tax expense</b>		
Current tax		
Current tax on profit for the year	62.97	52.66
Deferred tax		
Decrease/(increase) in deferred tax assets	(1.04)	(2.17)
(Decrease)/increase in deferred tax liabilities	5.34	8.79
Tax credits pertaining to earlier years *	-	(24.86)
Provision for possible non-utilisation of MAT credit *	-	36.18
Tax expense	67.27	70.60
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by Statutory tax rate</b>		
Profit before tax	1,778.85	1,701.12
Tax at the statutory tax rate of 25.17%	447.70	428.14
Tax on expenditure not considered for tax provision	2.12	1.49
Deduction under section 80M	(378.14)	(365.99)
Tax on income not subject to tax	(4.41)	(4.36)
Provision for possible non-utilisation of MAT credit *	-	36.18
Tax credits pertaining to earlier years *	-	(24.86)
Tax expense	67.27	70.60

\* Deferred tax and provision for tax have been re-assessed pursuant to option exercised under section 115BAA of the Income Tax Act, 1961 to compute income tax at the reduced rate (i.e. 25.17%). Total tax expense for the year ended 31 March 2022 is higher by ₹ 11.32 crore.

**25 Earnings per share (EPS)**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Profit for the year (₹ In Crore)	1,711.58	1,630.52
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	153.8	146.5
Face value per share ₹	10.0	10.0

**26 Contingent liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Claims against the Company not acknowledged as debts	-	0.11
Income-tax matters under dispute		
Appeal by Company	4.00	4.00
Appeal by the Department	392.48	392.48
Service tax matters under dispute	26.85	25.94

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.



## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 27 Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Commitment towards partly paid investments and other funds	140.03	198.35

There are no capital and other commitments outstanding as on 31 March 2023 and 31 March 2022, except as disclosed above.

### 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	
	2023	2022
<b>Amount recognised in Balance Sheet</b>		
Present value of funded defined benefit obligation	9.06	7.41
Fair value of plan assets	8.71	7.35
<b>Net funded obligation</b>	<b>0.35</b>	<b>0.06</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	0.75	0.87
Interest on net defined benefit liability/(asset)	(0.02)	-
<b>Total expense charged to Statement of Profit and Loss</b>	<b>0.73</b>	<b>0.87</b>
<b>Amount recorded as Other Comprehensive Income</b>		
Opening amount recognised in OCI outside Statement of Profit and Loss	0.51	1.32
Remeasurements during the period due to		
Changes in financial assumptions	(0.14)	(0.30)
Experience adjustments	0.48	(0.59)
Actual return on plan assets less interest on plan assets	0.19	0.08
<b>Closing amount recognised in OCI outside Statement of Profit and Loss</b>	<b>1.04</b>	<b>0.51</b>
<b>Reconciliation of net liability/(asset)</b>		
Opening net defined benefit liability/(asset)	0.06	0.30
Expense charged to Statement of Profit and Loss	0.73	0.87
Amount recognised outside Statement of Profit and Loss	0.53	(0.81)
Employer contributions	(0.97)	(0.30)
<b>Closing net defined benefit liability/(asset)</b>	<b>0.35</b>	<b>0.06</b>

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

(₹ In Crore)

	As at 31 March	
	2023	2022
<b>Movement in benefit obligation</b>		
Opening of defined benefit obligation	7.41	7.50
Current service cost	0.75	0.87
Interest on defined benefit obligation	0.51	0.49
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	(0.14)	(0.29)
Actuarial loss/(gain) arising on account of experience changes	0.48	(0.59)
Benefits paid	-	(0.57)
Liabilities assumed/(settled)*	0.05	-
<b>Closing of defined benefit obligation</b>	<b>9.06</b>	<b>7.41</b>
* On account of business combination or inter group transfer		
<b>Movement in plan assets</b>		
Opening fair value of plan assets	7.35	7.20
Employer contributions	0.97	0.30
Interest on plan assets	0.54	0.49
Remeasurements due to		
Actual return on plan assets less interest on plan assets	(0.19)	(0.08)
Benefits paid	-	(0.56)
Assets acquired/(settled) *	0.04	-
<b>Closing fair value of plan assets</b>	<b>8.71</b>	<b>7.35</b>
* On account of business combination or inter group transfer		
<b>Disaggregation of assets</b>		
Category of assets		
Insurer managed funds	8.71	7.35
Others	-	-
<b>Grand Total</b>	<b>8.71</b>	<b>7.35</b>

**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 2023		As at 31 March 2022	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
<b>Senior staff</b>				
Impact of increase in 50 bps on DBO	(3.29%)	3.35%	(3.64%)	3.71%
Impact of decrease in 50 bps on DBO	3.45%	(3.23%)	3.83%	(3.57%)
<b>Junior staff</b>				
Impact of increase in 50 bps on DBO	(8.28%)	8.91%	(8.67%)	9.36%
Impact of decrease in 50 bps on DBO	9.18%	(8.13%)	9.66%	(8.50%)

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 28 Employee benefit plans (Contd.)

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

#### 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

	Less than a year	Between 1 - 2 years	Between 2 -5 years	Over 5 years	Total
<b>31 March 2023</b>					
Senior staff	0.82	0.08	0.41	12.99	14.30
Junior staff	0.01	0.01	0.05	3.68	3.75
<b>31 March 2022</b>					
Senior staff	0.70	0.06	0.27	11.20	12.23
Junior staff	0.01	0.01	0.04	2.95	3.01

Particulars	As at 31 March	
	2023	2022
<b>Weighted average duration of defined benefit obligation (in years)</b>		
Senior staff	6.74	7.46
Junior staff	17.43	18.29

Particulars	As at 31 March	
	2023	2022
<b>Principal actuarial assumptions (expressed as weighted averages)</b>		
Discount rate (p.a.)	7.45%	7.25%
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 2023 (Contd.)

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

(₹ In Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	0.87	2.57	0.76	1.96
Expense recognised in the Statement of Profit and Loss	1.15	1.49	0.98	(0.63)
Amount recorded as Other Comprehensive Income	-	-	-	-
Discount rate (p.a.)	7.45%	7.45%	7.25%	7.25%
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	
	2023	2022
<b>Defined contribution plans</b>		
Provident fund paid to Government authorities	1.22	1.08
Superannuation paid to trust	0.86	0.76
Pension fund paid to Government authorities	0.03	0.02
Others	0.06	0.01
<b>Defined benefit plans</b>		
Gratuity	0.73	0.87
Others	0.03	-
<b>Total</b>	<b>2.93</b>	<b>2.74</b>

**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.

**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.

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
i) Premises		
Gross carrying amount	218.48	218.48
Depreciation for the year	3.32	3.32
Accumulated depreciation	44.55	41.23

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 30 Lease (Contd.)

ii) The total future minimum lease rentals receivable at the balance sheet date is as under :

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
<b>Receivable</b>		
Within one year	8.30	18.45
After one year but not more than five years	0.50	8.80
More than five years	-	-
	8.80	27.25

#### 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 2021	139.95
Additions	-
Depreciation expense	27.99
<b>As at 31 March 2022</b>	111.96
Additions	-
Depreciation expense	27.99
<b>As at 31 March 2023</b>	83.97

Set out below are the carrying amounts of lease liability pertaining to aircraft on lease and the movements during the year:

Particulars	(₹ In Crore)
	Right-of-use asset
As at 1 April 2021	136.18
Additions	-
Accretion of interest	3.15
Payments/Adjustment against advance	(29.97)
Unrealised foreign exchange loss	4.33
<b>As at 31 March 2022</b>	113.69
Additions	-
Accretion of interest	6.94
Payments/Adjustment against advance	(32.04)
Unrealised foreign exchange gain	4.20
<b>As at 31 March 2023</b>	92.79

The maturity analysis of lease liabilities are disclosed in note 35.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**30 Lease (Contd.)**

The following are the amounts recognised in Statement of Profit or Loss:

Particulars	For the year ended 31 March	
	2023	2022
Depreciation expense of right-of-use asset	27.99	27.99
Interest expense on lease liability	6.94	3.15
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>34.93</b>	<b>31.14</b>

(₹ In Crore)

The Company had total cash outflow for leases of ₹ 32.04 crore for the year ended 31 March 2023 (Previous year ₹ 29.97 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.

**31 Disclosure of transactions with related parties as required by Ind AS 24**

Name of related party and nature of relationship	Nature of transaction	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
<b>A Subsidiaries</b>					
Bajaj Auto Holdings Ltd. (Fully owned subsidiary)	Investment in equity (24,500 shares of ₹ 100 each)	-	0.25	-	0.25
Maharashtra Scooters Ltd. (51% shares held by Bajaj Holdings & Investment Ltd.)	Investment in equity (5,828,560 shares of ₹ 10 each)	-	239.49	-	239.49
	Dividend received	104.91	-	29.14	-
	Contribution to equity (3,387,036 shares of ₹ 10 each)	-	(3.39)	-	(3.39)
	Dividend paid	45.72	-	44.03	-
<b>B Associates and investing parties</b>					
Bajaj Auto Ltd. (An associate - 34.18% (Previous period 33.43%) shares held by Bajaj Holdings & Investment Ltd.)	Investment in equity (96,727,050 shares of ₹ 10 each)	-	1,929.79	-	1,929.79
	Contribution to equity (3,500,000 shares of ₹ 10 each)	-	(3.50)	-	(3.50)
	Dividend received	1,354.18	-	1,354.18	-
	Dividend paid	47.25	-	45.50	-
	Business support services rendered	38.31	-	44.62	-
	Business support services received	0.22	-	0.09	-
	Revenue expenses reimbursement received	1.03	-	1.03	-
Bajaj Finserv Ltd. (An associate - 39.12% (Previous period 39.16%) shares held by Bajaj Holdings & Investment Ltd.)	Investment in equity (623,142,140 shares of ₹ 1 each (Previous year 62,314,214 shares of ₹ 5 each)	-	743.82	-	743.82
	Dividend received	24.93	-	18.69	-
	Business support services rendered	0.06	0.04	0.03	-
	Business support services received	0.46	-	0.35	-
	Revenue expenses reimbursement received	1.00	-	0.05	-
	Revenue expenses reimbursement paid	0.06	-	-	-
	Employee car transfer	-	-	0.06	-

(₹ In Crore)

## Notes to standalone financial statements for the year ended 31 March 2023 (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	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
<b>C Key management personnel and their relatives</b>					
Shekhar Bajaj (Chairman)	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)
Niraj Bajaj (Vice Chairman)	Sitting fees	0.08	-	0.09	-
	Commission	0.16	(0.16)	0.18	(0.18)
Sanjiv Bajaj (Managing Director & CEO)	Short-term employee benefits (including commission)	24.24	(17.28)	21.10	(15.30)
(Also Key management personnel)	Post-employment benefits	2.04	-	1.80	-
Madhur Bajaj	Sitting fees	0.05	-	0.06	-
	Commission	0.10	(0.10)	0.12	(0.12)
Rajiv Bajaj	Sitting fees	0.06	-	0.04	-
	Commission	0.12	(0.12)	0.08	(0.08)
Pooja Bajaj	Purchase of equity shares of Bajaj Electricals Ltd.	37.83	-	-	-
D J Balaji Rao	Sitting fees	0.09	-	0.09	-
	Commission	0.18	(0.18)	0.18	(0.18)
Manish Kejriwal	Sitting fees	0.12	-	0.13	-
	Commission	0.24	(0.24)	0.26	(0.26)
Dr. Naushad Forbes	Sitting fees	0.14	-	0.15	-
	Commission	0.28	(0.28)	0.30	(0.30)
Dr. Gita Piramal	Sitting fees	-	-	0.13	-
	Commission	-	-	0.26	(0.26)
Anami Roy	Sitting fees	0.06	-	0.06	-
	Commission	0.12	(0.12)	0.12	(0.12)
Pradip Shah	Sitting fees	0.13	-	0.12	-
	Commission	0.26	(0.26)	0.24	(0.24)
Dr. Arindam Kumar Bhattacharya	Sitting fees	0.06	-	-	-
	Commission	0.12	(0.12)	-	-
Dr. Vidya Yeravdekar	Sitting fees	0.05	-	-	-
	Commission	0.10	(0.10)	-	-
<b>D Other entities / persons</b>					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid	1.46	0.27	1.27	0.11
	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.	Contribution to equity (75 shares of ₹ 10 each - ₹ 750)	-	-	-	-
	Investment / (Redemption) in non-convertible debentures	(150.00)	-	-	150.00
	Business support services rendered	16.66	-	9.90	-
	Business support services received	0.97	-	0.41	-
	Dividend paid - ₹ 10,125(Previous Year - ₹ 9,750)	-	-	-	-
	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

## Notes to standalone financial statements for the year ended 31 March 2023 (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	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Housing Finance Ltd.	Redemption of non-convertible debentures	-	-	(150.00)	-
	Interest received on non-convertible debentures	-	-	10.41	-
	Business support services rendered	1.51	-	-	-
Bajaj Electricals Ltd.	Investment in equity (19,136,840 shares (Previous year 18,793,840) of ₹ 2 each)	-	214.58	-	176.75
	Dividend received	5.74	-	-	-
Hindustan Housing Co. Ltd.	Contribution to equity (15,391 shares of ₹ 10 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.21	-	0.20	-
	Maintenance charges paid	1.67	-	1.40	0.09
	Security deposit paid/(received back)	(0.03)	0.20	(0.03)	0.23
Hind Musafir Agency Ltd.	Services received	0.20	-	0.04	-
Bajaj Finserv Asset Management Ltd.	Business support services rendered	1.03	-	0.13	-
	Revenue expenses reimbursement received	0.38	-	-	-
Mukand Ltd.	Investment in equity (8,133,973 (Previous year 8,113,204) shares of ₹ 10 each) *	-	32.98	-	32.88
	Redemption of preference shares	-	-	0.12	-
	Dividend received on equity shares	1.22	-	0.81	-
	Security deposit (received)/refunded	-	(0.25)	-	(0.25)
Mukand Engineers Ltd.	Investment in equity (Nil (Previous year) 54,000 shares of ₹ 10 each) *	-	-	-	0.10
Bajaj International Pvt. Ltd.	Revenue expenses reimbursement paid ((₹ 62,509 (Previous year ₹ 29,541))	0.01	-	-	-
Hercules Hoists Ltd.	Investment in equity (6,251,040 shares of ₹ 1 each)	-	12.34	-	12.34
	Dividend received on equity shares	1.47	-	1.41	-
	Contribution to equity (415,516 shares of ₹ 10 each)(Previous year 338,003 shares of ₹ 10 each))	-	(0.42)	-	(0.34)
	Dividend paid	4.56	-	4.39	-
Kedaara Capital Advisors LLP	Contribution given for investments (at cost)	0.21	9.19	0.26	9.15
	Proceeds from redemption of units	0.69	-	26.97	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.86	-	0.77	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	-	-	0.09	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	1.00	-	0.21	-

\* Mukand Engineers Ltd. was merged in Mukand Ltd. with conversion ratio of 13 shares of Mukand Engineers Ltd. into 5 shares of Mukand Ltd.

The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.



## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

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

(₹ In Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Government securities, bonds and debentures	-	2,512.07	-	-	2,632.84	-
Mutual funds	253.12	-	-	296.15	-	-
Certificate of deposits	-	-	492.18	-	-	297.53
Open ended target maturity funds	-	-	961.33	-	-	907.82
Equity instruments	-	8,195.66	-	-	8,038.70	-
Other funds	-	396.68	-	-	406.07	-
Other financial assets	-	-	101.13	-	-	99.21
Cash and cash equivalents	-	-	25.19	-	-	21.47
Other bank balances	-	-	8.83	-	-	6.72
<b>Total financial assets</b>	253.12	11,104.41	1,588.66	296.15	11,077.61	1,332.75
<b>Financial liabilities</b>						
Trade payables	-	-	1.59	-	-	3.83
Lease liability	-	-	92.79	-	-	113.69
Other financial liabilities	-	-	38.71	-	-	36.78
<b>Total financial liabilities</b>	-	-	133.09	-	-	154.30

**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.

**Financial assets measured at fair value - recurring fair value measurements at 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
Mutual funds	5B	253.12	-	-	253.12
<b>Financial investments at FVTOCI</b>					
Equity instruments	5B	8,031.18	164.48	-	8,195.66
Debt securities	5B	2,512.07	-	-	2,512.07
Other funds	5B	167.70	228.98	-	396.68
<b>Total financial assets</b>		10,964.07	393.46	-	11,357.53

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**32 Fair value measurement (Contd.)****Financial assets which are measured at amortised cost for which fair values are disclosed at 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Certificate of deposits	5B	492.18	-	-	492.18
Open ended target maturity fund	5B	930.46	-	-	930.46
<b>Total financial assets</b>		<b>1,422.64</b>	<b>-</b>	<b>-</b>	<b>1,422.64</b>

**Assets disclosed at fair value - at 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment properties	7	-	288.72	-	288.72

**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
<b>Financial investments at FVTPL</b>					
Liquid mutual funds	5B	296.15	-	-	296.15
<b>Financial investments at FVTOCI</b>					
Equity instruments	5B	7,948.26	90.44	-	8,038.70
Debt securities	5B	2,632.84	-	-	2,632.84
Other funds		189.33	216.74	-	406.07
<b>Total financial assets</b>		<b>11,066.58</b>	<b>307.18</b>	<b>-</b>	<b>11,373.76</b>

**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
Certificate of deposits	5B	297.53	-	-	297.53
Open ended target maturity fund	5B	900.59	-	-	900.59
<b>Total financial assets</b>		<b>1,198.12</b>	<b>-</b>	<b>-</b>	<b>1,198.12</b>

**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

**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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 32 Fair value measurement (Contd.)

**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.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investments				
Certificate of deposits	492.18	492.18	297.53	297.53
Open ended target maturity fund	961.33	930.46	907.82	900.59
<b>Total financial assets</b>	<b>1,453.51</b>	<b>1,422.64</b>	<b>1,205.35</b>	<b>1,198.12</b>

(₹ In Crore)

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.

### 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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**33 Financial risk management (Contd.)****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 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 debt 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.

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 debt 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.

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 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). As per RBI's 'Scale Based Regulations' (SBR), the Company is classified as NBFC - Base Layer (NBFC-BL).

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)

Particulars	As at 31 March	
	2023	2022
Equity	15,665.27	15,387.86
Add: Deferred tax liabilities (net)	504.71	510.28
Less: Tangible and other assets	172.69	183.26
Working capital	272.90	222.42
Investments in subsidiaries and associates	2,913.35	2,913.35
<b>Investment in equity, debt and similar investments</b>	<b>12,811.04</b>	<b>12,579.11</b>

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

#### b) Dividends distributed and proposed

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
<b>Dividends recognised in the financial statements</b>		
Final dividend for the year ended 31 March 2022 of ₹ 25 (31 March 2021 is ₹ 40) per equity share, declared and paid	278.23	445.17
Interim dividend for the year ended 31 March 2023 of ₹ 110 (31 March 2022 - ₹ 90) per equity share, declared and paid	1,224.23	1,001.64
<b>Dividends not recognised at the end of the reporting period</b>		
Directors have recommended the payment of a final dividend of ₹ 13 per equity share for the year ended 31 March 2023 (31 March 2022 - ₹ 25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	144.68	278.23

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**35 Maturity analysis of assets and liabilities**

(₹ In Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	25.19	-	25.19	21.47	-	21.47
Bank balances other than cash and cash equivalents	0.75	8.08	8.83	0.65	6.07	6.72
Investment in subsidiaries and associates	-	2,913.35	2,913.35	-	2,913.35	2,913.35
Other investments	758.90	12,052.14	12,811.04	902.65	11,676.46	12,579.11
Other financial assets	86.68	14.45	101.13	84.74	14.47	99.21
<b>Non-financial assets</b>						
Current tax assets (net)	-	193.45	193.45	-	150.84	150.84
Investment properties	-	173.93	173.93	-	177.25	177.25
Right-of-use asset	-	83.97	83.97	-	111.96	111.96
Property, plant and equipment	-	7.58	7.58	-	7.74	7.74
Other non-financial assets	2.15	-	2.15	1.26	-	1.26
<b>Total</b>	<b>873.67</b>	<b>15,446.95</b>	<b>16,320.62</b>	<b>1,010.77</b>	<b>15,058.14</b>	<b>16,068.91</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	1.59	-	1.59	3.83	-	3.83
Lease liability	33.30	59.49	92.79	30.71	82.98	113.69
Other financial liabilities	22.73	15.98	38.71	19.99	16.79	36.78
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	8.96	8.96	-	8.96	8.96
Deferred tax liabilities (net)	-	504.71	504.71	-	510.28	510.28
Provisions	1.03	2.76	3.79	1.10	1.68	2.78
Other non-financial liabilities	4.80	-	4.80	4.73	-	4.73
<b>Total</b>	<b>63.45</b>	<b>591.90</b>	<b>655.35</b>	<b>60.36</b>	<b>620.69</b>	<b>681.05</b>
<b>Net</b>	<b>810.22</b>	<b>14,855.05</b>	<b>15,665.27</b>	<b>950.41</b>	<b>14,437.45</b>	<b>15,387.86</b>

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

### 36 Schedule to Balance Sheet as on 31 March 2023

#### 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) and as required in 'RBI/2022-23/26 DOR. ACC.REC.No.20/21.04.018/2022-23' dated 19 April 2022 - Disclosures in financial statements applicable to NBFC-BL

Particulars	(₹ In Crore)	
	Amount outstanding	Amount overdue
<b>Liabilities side</b>		
<b>1. Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
(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)	-	-
<b>2. Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
(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 Crore)	
	Amount outstanding	
<b>Asset side</b>		
<b>3. Break-up of loans and advances including bills receivables (other than those included in (4) below)</b>		
(a) Secured		-
(b) Unsecured (Comprises advance income-tax paid and other miscellaneous receivables)		296.73
<b>4. Break-up of leased assets and stock on hire and other assets counting towards AFC activities</b>		
(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		-

Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (Contd.)**

		(₹ In Crore)
<b>Particulars</b>		<b>Amount outstanding</b>
(iii)	Other loans counting towards AFC activities	
(a)	Loans where assets have been repossessed	-
(b)	Loans other than (a) above	-
<b>5.</b>	<b>Break-up of investments *</b>	
	<b>Current investments</b>	
1.	Quoted:	
(i)	Shares: (a) Equity	-
	(b) Preference	-
(ii)	Debentures and bonds	-
(iii)	Units of mutual funds	67.06
(iv)	Government securities	-
(v)	Others: (a) Certificate of deposit	492.18
	(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	-
		559.24
	<b>Long-term investments</b>	
1.	Quoted	
(i)	Shares: (a) Equity	10,160.75
	(b) Preference	-
(ii)	Debentures and bonds	1,856.41
(iii)	Units of mutual funds	186.06
(iv)	Government securities	655.66
(v)	Others (Bond ETF)	961.33
2.	Unquoted:	
(i)	Shares: (a) Equity	1,115.96
	(b) Preference	-
(ii)	Debentures and bonds	-
(iii)	Units of mutual funds	228.98
(iv)	Government securities	-
(v)	Others: Investment properties	173.93
		15,339.08
<b>Total</b>		<b>15,898.32</b>

\* 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.



## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (Contd.)**
**6. Borrower group-wise classifications of assets financed as in (3) and (4) above: (Please note (2) below)**

(₹ In Crore)

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	0.51	0.51
2. Other than related parties	-	296.22	296.22
<b>Total</b>	-	296.73	296.73

**7. Investor group wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)**

(₹ In Crore)

Category	Market value/ break up or fair value or NAV	Book value <sup>^</sup> (Net of provisions)
	1. Related parties **	
(a) Subsidiaries (quoted and unquoted hence disclosed at break up value)	2,518.48	239.74
(b) Companies in the same group (disclosed at market value)	116,496.99	2,673.61
(c) Other related parties		
- Unquoted (disclosed at face value)	21.00	9.19
- Quoted	2,239.25	259.90
2. Other than related parties		
- Unquoted <sup>@</sup>	1,323.67	489.63
- Quoted (disclosed at market value)	9,196.25	6,695.54
<b>Total</b>	131,795.64	10,367.61

\*\* 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.

<sup>^</sup>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**

(₹ In Crore)

Category	Amount
(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 to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (Contd.)****Notes :**

- As defined in point xix 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.
- 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.
- 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.

**9. Investments**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
(1) Value of investments		
(i) Gross value of investments		
(a) In India	15,898.32	15,669.71
(b) Outside India	-	-
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	15,898.32	15,669.71
(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**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account</b>		
(i) Provisions for depreciation on investment.	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards income tax	67.27	70.60
(iv) Other provision and contingencies	-	-
(v) Provision for standard assets	-	-

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (Contd.)**
**11. CRAR**

(₹ In Crore)

Items	As at 31 March	
	2023	2022
(i) CRAR %	111%	111%
(ii) CRAR - Tier I capital (%)	111%	111%
(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)**

(₹ In Crore)

Items	As at 31 March	
	2023	2022
(i) Current assets	873.67	1,010.77
(ii) Current liabilities	63.45	60.36
(iii) Liquidity ratio	13.77	16.75

**12. Exposures**
**A. Exposures to real estate sector**

(₹ In Crore)

Category	As at 31 March	
	2023	2022
<b>(a) Direct exposure</b>	-	-
(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 up to ₹ 15 lakh may be shown separately) Exposure would also include non-fund based (NFB) limits	-	-
(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>(b) Indirect exposure</b>	272.64	272.50
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	272.64	272.50

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (Contd.)**
**B. Exposures**
**Exposure to capital market**

(₹ In Crore)

Category	As at 31 March	
	2023	2022
(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	5,926.26	5,688.50
(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) Underwriting commitments taken up by the NBFC's in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	Nil	Nil
(ix) Financing to stockbrokers for margin trading	Nil	Nil
(x) All exposures to Alternative Investment Funds:		
(i) Category I	61.03	43.15
(ii) Category II	135.49	116.04
(iii) Category III	Nil	Nil
(xi) All exposures to Venture Capital Funds (both registered and unregistered)	Nil	Nil
<b>Total exposure to capital market</b>	<b>6,122.78</b>	<b>5,847.69</b>

# Exposure here represents cost/amortised cost

**13. Asset Liability Management**
**Maturity pattern of certain items of assets and liabilities**

(₹ In Crore)

Particulars	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months up to 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
<b>Liabilities</b>	-	-	-	-	-	-	-	-	-
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-
<b>Assets</b>	216.92	123.93	172.35	245.70	-	1,688.60	1,051.19	12,399.63	15,898.32
Deposits	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-
Investments	216.92	123.93	172.35	245.70	-	1,688.60	1,051.19	12,399.63	15,898.32
Foreign currency assets	-	-	-	-	-	-	-	-	-

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**36 Schedule to Balance Sheet as on 31 March 2023 (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 disclosures**

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 Limit (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
10. Sectoral exposure and NPA disclosure

## Notes to standalone financial statements for the year ended 31 March 2023 (Contd.)

**37 Other notes**

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2023 and no such company was identified.
- b. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other 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 standalone financial statements.

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer  
Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary  
Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023



# **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 Ind AS 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 2023, 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 2023, 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 Auditors' 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.

### 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 2023. 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 2023, the carrying value of loan assets measured at amortised cost and fair value through other comprehensive income (‘FVTOCI’), aggregated ₹ 242,268.93 crore (net of allowance for expected credit loss ₹ 4,366.75 crore) constituting approximately 88% 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 and fair value through other comprehensive income (‘FVTOCI’)
- 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 and FVTOCI. 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 have 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 consolidated 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 consolidated financial statements.

#### c) Accounting for buy-back of Bajaj Auto Ltd. ('BAL')

The Board of Directors of BAL at its meeting held on 27 June 2022, approved a proposal to buy-back equity shares of BAL for an aggregate amount not exceeding ₹ 2,500 crore having a face value of ₹ 10 each from the existing shareholders (except promoters, promoter group and persons in control of BAL) from open market through stock market mechanism (i.e., through National Stock Exchange of India Ltd. and BSE Ltd.) at a maximum buy-back price not exceeding ₹ 4,600 per equity share. This transaction had a significant effect on the consolidated financial statements and hence was considered as a key audit matter.

Audit procedures included the following:

- Obtained and read the minutes of the meeting of the Board of Directors of BAL in which the proposed buy-back was approved.
- Compared the buy-back amount as approved by the Board of Directors of BAL with the permissible limit computed in accordance with relevant provisions of section 68 of the Companies Act, 2013 and regulation 4 of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 as amended ('SEBI Buyback Regulations').
- Obtained and read the resolutions passed by the Buy-back Committee for approving the extinguishment of shares which were bought back.
- Read the Certificate of Extinguishment of Equity Shares, which has been prepared by the Company pursuant to regulation 21 read with regulation 11(iii) of the SEBI Buyback Regulations.
- Read the letters received by the Company from National Securities Depository Ltd. (NSDL) for extinguishment of equity shares of the Company bought back in dematerialized form under the buy-back offer.
- Obtained the transaction statement from the Company's Registrar and compared the number of equity shares extinguished by NSDL as per aforesaid letters with the equity shares debited in the depository account.
- Assessed the Management's evaluation of compliance with section 67, 68 and 69 of the Companies Act, 2013, read with rule 17 of the Companies (share capital and debentures) Amendment Rules, 2016.
- Assessed the Management's evaluation of compliance with the provisions of section 115QA of Income-tax Act, 1961.
- Assessed the adequacy of the disclosures in the consolidated financial statements.
- Obtained necessary representation from the Management of the Company.

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

Key audit matters from component auditors' report	How our audit addressed the key audit matter
<p><b>d) Accounting for Income from government grants of Bajaj Auto Ltd. ('BAL')</b></p> <p>BAL recognises various incentives ('Grant income') receivable from the Government as per the relevant schemes, notifications and policies issued from time to time.</p> <p>Recognition of Grant income and assessment of its recoverability is subject to significant judgments arising out of conditions of various schemes and interpretation of various notifications of respective government authorities. Accordingly, this matter has been determined to be a key audit matter.</p>	<p>Audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Read the relevant schemes, notifications and policies issued by respective Government authorities.</li> <li>• Obtained and tested the computation of Grant income prepared by Management of the Company.</li> <li>• Evaluated the Management's assessment regarding compliance with the relevant conditions as specified in the relevant notifications and policies including compliance with relevant accounting standards.</li> <li>• Assessed the disclosures in the consolidated financial statements for compliance with relevant standards.</li> <li>• Obtained Management representation in regard to the recognition and disclosures in respect of the Grant income</li> </ul>

### 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, Directors' 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 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

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

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 auditors' 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.
- 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.

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

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 2023 is the responsibility of the BALIC's 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 2023 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 Ind AS 104, 'Insurance Contracts', Ind AS 109, 'Financial Instruments', guidelines and norms, issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. BAGIC's auditors have relied upon the 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 ₹ 20,450.76 crore as at 31 March 2023, total revenues of ₹ 217.76 crore, total net profit after tax of ₹ 196.44 crore, total comprehensive income of ₹ (3,603.27) crore and net cash flows of ₹ 0.18 crore for the year ended 31 March 2023, 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 consolidated financial statements include the Group's share of net profit after tax of ₹ 4,682.63 crore and Group's share of total comprehensive income of ₹ 4,678.85 crore for the year ended 31 March 2023, as considered in the consolidated financial statements 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 opinion 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 Auditors' responsibilities for the audit of the consolidated financial statements section of our report.

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

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 amounts for the financial year ended 31 March 2022, included in the consolidated financial statements were audited solely by 'Kalyaniwalla & Mistry LLP, Chartered Accountants'. They have expressed an unmodified opinion for the above period vide their audit report dated 28 April 2022, which have been furnished to us and relied upon by us for the purpose of our audit of the consolidated financial statements.

### Report on other legal and regulatory requirements

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:

- 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 of the aforesaid consolidated financial statements.
- b) 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.
- c) 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.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2023, 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 in India, none of the Directors of the Group companies, its associate companies incorporated in India are disqualified as on 31 March 2023, 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 auditors' 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 2023 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.

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

- 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) (a) 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
- (b) 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 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 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 para h) iv) a) and h) iv) b) 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.
- vi) Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, for maintaining books of account using accounting software which has a feature of recording audit trail facility is applicable to the Group and its associates with effect from 1 April 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014, is not applicable for the financial year ended 31 March 2023.
- i) With respect to the matters specified in paragraphs 3(xxii) 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 Holding Company and based on our consideration of CARO reports issued by the respective independent auditors of the subsidiaries and associates of the Holding Company, 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: 23047576BGUVDI2135

Pune: 27 April 2023

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 110100W

Pradeep Shetty  
Partner  
ICAI Membership Number : 046940  
UDIN: 2304690BGPTTC9773

Pune: 27 April 2023



## 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 2023, 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 2023, 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. 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## Annexure A to the Independent Auditors' Report (Contd.)

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: 23047576BGUVDI2135

Pune: 27 April 2023

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 110100W

Pradeep Shetty  
Partner  
ICAI Membership Number : 046940  
UDIN: 2304690BGPTTC9773

Pune: 27 April 2023

## Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2023	2022
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	25.78	21.88
Bank balances other than cash and cash equivalents	4	13.69	11.01
Trade receivables	5	6.54	10.03
Investment in associates	6A	28,872.93	26,308.06
Other investments	6B	23,682.49	26,656.33
Other financial assets	7	107.00	110.08
		<b>52,708.43</b>	<b>53,117.39</b>
<b>Non-financial assets</b>			
Current tax assets (net)		195.75	152.64
Investment properties	9	173.93	177.25
Property, plant and equipment	10A	19.61	20.30
Right-of-use asset	10B	83.97	111.96
Inventories	11	3.80	6.46
Other non-financial assets	12	2.61	1.63
		<b>479.67</b>	<b>470.24</b>
<b>Total</b>		<b>53,188.10</b>	<b>53,587.63</b>

## Consolidated Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2023	2022
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1.78	4.34
Lease liability		92.79	113.69
Other financial liabilities	14	44.60	42.43
		<b>139.17</b>	<b>160.46</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		12.79	11.86
Deferred tax liabilities (net)	8	1,463.22	1,825.20
Provisions	15	4.53	3.71
Other non-financial liabilities	16	5.49	5.90
		<b>1,486.03</b>	<b>1,846.67</b>
<b>EQUITY</b>			
Equity share capital	17	111.29	111.29
Other equity	18	44,071.49	42,730.96
Non-controlling interest		7,380.12	8,738.25
		<b>51,562.90</b>	<b>51,580.50</b>
<b>Total</b>		<b>53,188.10</b>	<b>53,587.63</b>
Summary of significant accounting policies followed by the Group	2		

The accompanying notes are an integral part of the consolidated financial statements

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

## Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
<b>Revenue from operations</b>			
Interest income	19	269.20	253.73
Dividend income		122.95	85.46
Rental income		18.39	20.05
Net gain on fair value changes	20	33.20	53.26
Other investment income	21	2.91	-
Revenue from contracts with customers - sale of goods	22	17.44	17.19
<b>Total revenue from operations</b>		<b>464.09</b>	<b>429.69</b>
Other income	23	63.26	56.82
<b>Total income</b>		<b>527.35</b>	<b>486.51</b>
<b>Expenses</b>			
Employee benefits expenses	24	49.78	44.46
Finance costs - interest on operating lease liability		6.94	3.15
Cost of raw materials consumed		7.06	9.48
Changes in inventories of work-in-progress	25	2.52	(1.96)
Depreciation, amortisation and impairment	26	33.86	33.71
Other expenses	27	82.69	65.44
<b>Total expenses</b>		<b>182.85</b>	<b>154.28</b>
Share of profits of associates		4,667.01	3,893.67
<b>Profit before tax</b>		<b>5,011.51</b>	<b>4,225.90</b>
Tax expense			
Current tax		83.76	82.33
Tax credits pertaining to earlier years		(23.01)	(24.86)
Deferred tax		4.55	6.64
Provision for possible non-utilisation of MAT credit		-	36.18
Total tax expense	28	65.30	100.29
<b>Profit after tax</b>		<b>4,946.21</b>	<b>4,125.61</b>
Profit attributable to non-controlling interests		95.69	69.93
<b>Profit for the year</b>		<b>4,850.52</b>	<b>4,055.68</b>

**Consolidated Statement of Profit and Loss** (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(9.85)	1.17
Tax impacts on above		2.32	(0.41)
Net gain/(loss) on equity instruments designated at FVTOCI		(2,974.67)	5,428.22
Tax impacts on above		341.85	(632.10)
Items that will be reclassified to profit or loss			
Valuation gain/(loss) on derivative hedging instruments		(55.29)	(1.03)
Tax impacts on above		8.45	(0.37)
Other adjustments		3.93	6.89
Change in foreign currency translation reserve of subsidiary of associate		102.58	(37.18)
Net gain on debt instruments designated at FVTOCI		(265.31)	(281.97)
Tax impacts on above		56.43	51.04
<b>Other comprehensive income for the year (net of tax)</b>		<b>(2,789.56)</b>	<b>4,534.26</b>
<b>Total comprehensive income for the year</b>		<b>2,156.65</b>	<b>8,659.87</b>
<b>Profit attributable to</b>			
Owners of the company		4,850.52	4,055.68
Non-controlling interests		95.69	69.93
<b>Total comprehensive income attributable to</b>			
Owners of the company		3,413.91	6,844.30
Non-controlling interests		(1,257.26)	1,815.57
Basic and diluted Earnings per share (in ₹)	29	435.8	364.4
(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

On behalf of the Board of Directors

Shekhar Bajaj

Chairman

DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

## Consolidated Statement of Changes in Equity

### A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2023	2022
At the beginning of the year		111.29	111.29
Changes in equity share capital during the year		-	-
<b>At the end of the year</b>	17	<b>111.29</b>	<b>111.29</b>

### B Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus				Other reserves				Total attributable to equity holders of the parent	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			
<b>Balance as at 1 April 2021</b>	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
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
<b>Total comprehensive income for the year ended 31 March 2022</b>		-	-	-	-	<b>4,056.41</b>	<b>3,040.44</b>	<b>(36.69)</b>	<b>(215.86)</b>	<b>6,844.30</b>	<b>1,815.57</b>	<b>8,659.87</b>
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)
<b>Balance as at 31 March 2022</b>	18	<b>444.42</b>	<b>12,703.46</b>	<b>4,232.40</b>	<b>2,473.16</b>	<b>14,757.78</b>	<b>8,117.69</b>	<b>15.88</b>	<b>(13.82)</b>	<b>42,730.96</b>	<b>8,738.25</b>	<b>51,469.21</b>

## Consolidated Statement of Changes in Equity (Contd.)

### B. Other equity (Contd.)

(₹ In Crore)

Particulars	Note No.	Reserves and surplus				Other reserves				Total attributable to equity holders of the parent	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			
Profit for the year		-	-	-	-	4,850.52	-	-	-	4,850.52	95.69	4,946.21
Other comprehensive income (net of tax)		-	-	-	-	(7.58)	(1,287.35)	(52.23)	(89.45)	(1,436.61)	(1,352.95)	(2,789.56)
<b>Total comprehensive income for the year ended 31 March 2023</b>		-	-	-	-	<b>4,842.94</b>	<b>(1,287.35)</b>	<b>(52.23)</b>	<b>(89.45)</b>	<b>3,413.91</b>	<b>(1,257.26)</b>	<b>2,156.65</b>
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		-	-	-	342.32	(342.32)	-	-	-	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments		-	-	-	-	220.24	(220.24)	-	-	-	-	-
Share of accumulated reserves of associate		-	(466.02)	-	-	-	-	-	-	(466.02)	-	(466.02)
Final dividend, declared and paid during the year		-	-	-	-	(324.86)	-	-	-	(324.86)	(44.87)	(369.73)
Interim dividend, declared and paid during the year		-	-	-	-	(1,282.51)	-	-	-	(1,282.51)	(56.00)	(1,338.51)
<b>Balance as at 31 March 2023</b>	18	<b>444.42</b>	<b>12,237.44</b>	<b>4,232.40</b>	<b>2,815.48</b>	<b>17,871.27</b>	<b>6,610.10</b>	<b>(36.35)</b>	<b>(103.27)</b>	<b>44,071.49</b>	<b>7,380.12</b>	<b>51,451.61</b>

Summary of significant accounting policies followed by the Group

2

The accompanying notes are an integral part of the consolidated financial statements

On behalf of the Board of Directors

 Shekhar Bajaj  
Chairman

DIN: 00089358

As per our report of even date

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

 For NBS & Co.  
Chartered Accountants  
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DIN: 00014615

 Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

 Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

 Sriram Subbramaniam  
Company Secretary

 Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023



## Consolidated Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
<b>I. Operating activities</b>		
Profit before tax	5,011.51	4,225.90
Less: Share of profits of associates	4,667.01	3,893.67
Add: Dividend from associates	1,478.18	1,468.89
	1,822.68	1,801.12
Adjustments to reconcile profit before tax to net cash flows		
Add:		
i) Depreciation, amortisation and impairment	33.86	33.71
ii) Finance costs - interest on operating lease liability	6.94	3.15
iii) Unrealised foreign exchange loss on revaluation	4.20	4.33
	45.00	41.19
Less:		
i) Provision for diminution in value of investments written back	2.91	-
ii) Profit on sale of investments, net	14.28	36.97
iii) Income from units of mutual fund	(0.14)	17.38
iv) Amortisation of premium/discount on acquisition of debt securities	70.74	42.51
v) Surplus on sale of property, plant and equipment	-	0.01
	87.79	96.87
	1,779.89	1,745.44
Change in assets and liabilities		
i) (Increase)/decrease in loans and other assets	1.61	3.36
ii) Increase in trade receivables	3.48	(3.19)
iii) Increase in inventories	2.66	(2.86)
iv) Increase/(decrease) in other bank balances	(2.11)	(1.47)
v) (Increase)/decrease in liabilities and provisions	(3.23)	(1.31)
	2.41	(5.47)
(Purchase)/sale of money market mutual funds, etc., net *	66.23	64.09
Net cash flow from operating activities before income-tax	1,848.53	1,804.06
Income-tax refund for earlier years (net)	24.33	3.07
Income-tax paid	(145.21)	(197.48)
<b>Net cash flow from operating activities</b>	<b>1,727.65</b>	<b>1,609.65</b>
Carried forward	1,727.65	1,609.65

**Consolidated Statement of Cash Flows** (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Brought forward	1,727.65	1,609.65
<b>II. Investing activities</b>		
i) Purchase of property, plant and equipment	(2.00)	(1.33)
ii) Sale of investments *	4,565.82	1,642.19
iii) Purchase of investments *	(4,700.77)	(1,791.61)
iv) Sale proceeds of property, plant and equipment	0.11	0.01
<b>Net cash used in investing activities</b>	<b>(136.84)</b>	<b>(150.74)</b>
<b>III. Financing activities</b>		
i) Dividend paid	(1,554.87)	(1,429.57)
ii) Cash payment for principal portion of operating lease liability	(25.10)	(26.82)
iii) Cash payment for interest portion of operating lease liability	(6.94)	(3.15)
<b>Net cash used in financing activities</b>	<b>(1,586.91)</b>	<b>(1,459.54)</b>
<b>Net change in cash and cash equivalents</b>	<b>3.90</b>	<b>(0.63)</b>
Cash and cash equivalents as at the beginning of the year	21.88	22.51
Cash and cash equivalents as at the end of the year	25.78	21.88

\* 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

On behalf of the Board of Directors

Shekhar Bajaj

Chairman

DIN: 00089358

As per our report of even date

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

 For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

 Anant Marathe  
Chief Financial Officer

 Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

 Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

 Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

 Sriram Subbramaniam  
Company Secretary

 Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

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

### 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. As per RBI's 'Scale Based Regulations' (SBR), the Company is classified as NBFC – Base Layer (NBFC-BL). 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 2023.

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 2023	% Shareholding of Bajaj Holdings & Investment Ltd. and its subsidiaries as at 31 March 2022	Consolidated as
Bajaj Auto Ltd. * (BAL)	India	36.64%	35.83%	Associate <sup>^</sup>
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

<sup>^</sup> Equity pickup of BHIL 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 2023	% Shareholding of Bajaj Auto Ltd. as at 31 March 2022	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%	100.00%	Subsidiary
Bajaj Auto Consumer Finance Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Auto Spain S.L.	Spain	100.00%	100.00%	Subsidiary
Bajaj Do Brasil Comercio De Motocicletas LTDA	Brazil	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 2023 (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 2023	% Shareholding of Bajaj Finserv Ltd. as at 31 March 2022	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. <sup>@</sup>	India	52.49%	52.49%	Subsidiary
Bajaj Finserv Direct Ltd. <sup>#</sup>	India	80.13%	80.13%	Subsidiary
Bajaj Finserv Health Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Finserv Ventures Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Finserv Mutual Fund Trustee Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Finserv Asset Management Ltd.	India	100.00%	100.00%	Subsidiary
Bajaj Allianz Financial Distributors Ltd. <sup>^</sup>	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.

# The remaining 19.87% shareholding is held by Bajaj Finance Ltd.

**2 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 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-

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

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

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 (profit 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.

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 gain/loss 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

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

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

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 profit, the entity resumes recognising its share of those profit only after its share of the profit 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 2023 for details in regard to other significant accounting policies.

**Maharashtra Scooters Ltd. (MSL)****i. Revenue from contract with customer****Sale of goods**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Amounts disclosed as revenue are net of goods & services taxes (GST), returns, discounts, rebates and incentives and other variable consideration.

Sales are accounted for on dispatch from the point of sale corresponding to transfer of control to the buyer. The nature of contracts of 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.

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

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

#### 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.

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.

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

### 3 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Balances with banks	25.78	21.88
	25.78	21.88

### 4 Bank balances other than cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Unclaimed dividend accounts	13.64	10.96
Deposits with original maturity for less than or equal to twelve months	0.05	0.05
	13.69	11.01

### 5 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Trade receivables	6.54	10.03
	6.54	10.03

### Trade receivables ageing schedule

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 year	
<b>31 March 2023</b>							
Undisputed Trade receivables – considered good	5.34	0.52	0.68	-	-	-	6.54
<b>31 March 2022</b>							
Undisputed Trade receivables – considered good	1.20	8.65	0.14	0.02	-	0.02	10.03



## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**6A Investment in associates**

Particulars	(₹ In Crore)
	At cost
<b>As at 31 March 2023</b>	
Equity instruments associates	28,872.93
<b>Total</b>	28,872.93
<b>As at 31 March 2022</b>	
Equity instruments associates	26,308.06
<b>Total</b>	26,308.06

**6B Other investments**

Particulars	(₹ In Crore)			Total
	At amortised cost	At fair value		
		through other comprehensive income	through Profit and Loss Account	
<b>As at 31 March 2023</b>				
Government debt securities	-	2,512.07	-	2,512.07
Debt securities	174.99	-	-	174.99
Certificate of deposit	492.18	-	-	492.18
Open ended target maturity funds	961.33	-	-	961.33
Mutual funds	-	-	293.89	293.89
Equity instruments	-	18,851.35	-	18,851.35
Other funds	-	396.68	-	396.68
<b>Total</b>	1,628.50	21,760.10	293.89	23,682.49
<b>As at 31 March 2022</b>				
Government debt securities	-	752.93	-	752.93
Debt securities	260.06	1,879.91	-	2,139.97
Certificate of deposit	297.53	-	-	297.53
Open ended target maturity funds	907.82	-	-	907.82
Mutual funds	-	-	339.71	339.71
Equity instruments	-	21,812.30	-	21,812.30
Other funds	-	406.07	-	406.07
<b>Total</b>	1,465.41	24,851.21	339.71	26,656.33

All investments in 6A and 6B above are within India

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**7 Other financial assets**

(Unsecured, considered good, unless stated otherwise)

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
Interest receivable on investments, considered good	90.97	94.97
Interest receivable on investments, doubtful	-	1.18
Less: Impairment loss allowance	-	1.18
Dividend receivable	-	0.11
Security deposits	14.65	14.58
CSR Set off Receivable	1.10	-
Others	0.28	0.42
	107.00	110.08

**8 Deferred tax liabilities (net)**

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, plant and equipment	1.85	2.04
Other employee benefit plan provisions - OCI	0.07	0.04
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	15.58	11.92
Movement in fair value of financial assets designated at FVTPL	5.44	3.53
Movement in fair value of financial assets designated at FVTOCI	1,444.46	1,810.91
<b>Gross deferred tax liabilities</b>	1,467.40	1,828.44
<b>Deferred tax assets</b>		
On account of timing difference in		
Retiral and other employee benefits		
Provision for compensated absences	0.42	0.19
Other employee benefit plan provisions - P&L	0.28	0.39
Financial instruments		
Amortisation of premium/discount on acquisition of fixed income securities	1.24	1.89
Impairment allowance for financial asset	-	0.30
Lease assets	2.22	0.44
Other temporary differences	0.02	0.03
MAT credit entitlement	-	36.18
Less: Provision for possible non-utilisation of MAT credit	-	36.18
<b>Gross deferred tax assets</b>	4.18	3.24
<b>Deferred tax liabilities (net)</b>	1,463.22	1,825.20

## Notes to consolidated financial statements for the year ended 31 March 2023 (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
<b>At 31 March 2021</b>	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
<b>At 31 March 2022</b>	1.60	1,824.17	(0.54)	(0.03)	1,825.20
(Charged)/credited					
to profit and loss	(1.97)	6.52	(0.12)	0.01	4.44
to other comprehensive income	-	(366.45)	0.03	-	(366.42)
<b>At 31 March 2023</b>	(0.37)	1,464.24	(0.63)	(0.02)	1,463.22

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**9 Investment properties**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Gross carrying amount</b>		
Opening balance	218.48	218.48
Additions	-	0.02
Deletions	-	0.02
Closing balance	218.48	218.48
<b>Accumulated depreciation</b>		
Opening balance	41.23	37.93
Depreciation charge	3.32	3.32
Deletions	-	0.02
Closing balance	44.55	41.23
<b>Net carrying amount</b>	<b>173.93</b>	<b>177.25</b>

**i) Amounts recognised in profit or loss for investment properties**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Rental income	18.37	20.03
Direct operating expenses from property that generated rental income	(2.98)	(2.52)
Profit from investment properties before depreciation	15.39	17.51
Depreciation	(3.32)	(3.32)
Profit from investment property	12.07	14.19

**ii) Contractual obligations**

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

There are no restrictions on the existence and realisability of investment property or the remittance of income and proceeds of disposal.

**iii) Leasing arrangements**

Certain investment properties are leased out to tenants under operating leases.

**iv) Fair value**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Investment properties	288.72	287.46

**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 2023 (Contd.)

**10A Property, plant and equipment**

Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions / adjustments		As at 1 April 2022	Deductions / adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Land freehold	0.04	-	-	0.04	-	-	-	-	0.04
Land leasehold	1.11	-	0.02	1.09	-	-	-	-	1.09
Buildings	13.98	-	-	13.98	8.98	-	0.14	9.12	4.86
Computers	0.39	0.07	0.05	0.41	0.25	0.05	0.11	0.31	0.10
Electric installations	0.06	-	-	0.06	0.02	-	0.01	0.03	0.03
Furniture and fixtures	1.19	-	-	1.19	0.43	-	0.10	0.53	0.66
Office equipments	0.04	-	-	0.04	0.04	-	-	0.04	-
Vehicles	1.36	0.35	0.17	1.54	0.10	0.03	0.18	0.25	1.29
Plant & machinery	28.16	1.57	-	29.73	16.21	0.01	1.99	18.19	11.54
<b>Total</b>	<b>46.33</b>	<b>1.99</b>	<b>0.24</b>	<b>48.08</b>	<b>26.03</b>	<b>0.09</b>	<b>2.53</b>	<b>28.47</b>	<b>19.61</b>

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2022	Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Deductions / adjustments		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
<b>Total</b>	<b>45.04</b>	<b>1.33</b>	<b>0.04</b>	<b>46.33</b>	<b>23.67</b>	<b>0.02</b>	<b>2.38</b>	<b>26.03</b>	<b>20.30</b>

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**10B Right-of-use asset**

Current year

(₹ In Crore)

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2022	Additions	Deductions / adjustments	As at 31 March 2023	As at 1 April 2022	Deductions / adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Aircraft - operating lease	195.93	-	-	195.93	83.97	-	27.99	111.96	83.97

Previous 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

**11 Inventories**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Raw materials and components	1.29	1.43
Work-in-progress	2.46	4.98
Stores	0.04	0.03
Loose tools	0.01	0.02
	3.80	6.46

**12 Other non-financial assets**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Advances recoverable in cash or kind	0.15	-
Pre-paid expenses	1.13	1.04
Others	1.33	0.59
	2.61	1.63

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**13 Trade payables**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1.78	4.34
	1.78	4.34

**Trade payables ageing schedule**

(₹ In Crore)

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	
<b>31 March 2023</b>						
MSME	-	-	-	-	-	-
Others	1.75	0.03	-	-	-	1.78
<b>31 March 2022</b>						
MSME	-	-	-	-	-	-
Others	4.16	0.17	-	0.01	-	4.34

**14 Other financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Unclaimed dividend	13.63	10.96
Directors' remuneration and commission payable	19.08	17.14
Employee benefits payable	2.90	3.27
Security deposits	8.71	10.73
Derivative liabilities	-	0.01
Others	0.28	0.32
	44.60	42.43

**15 Provisions**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Provision for employee benefits (see note 39)		
Provision for gratuity	0.35	0.06
Provision for compensated absences	1.61	1.69
Provision for long-term incentive plan	2.57	1.96
	4.53	3.71

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**16 Other non-financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Taxes and duties payable	4.88	4.12
Other payables	0.61	1.78
	5.49	5.90

**17 Equity share capital**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Authorised</b> 150,000,000 equity shares of ₹10 each	150.00	150.00
<b>Issued, subscribed and fully paid-up shares</b> 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 2023		As at 31 March 2022	
	Nos.	(₹ In Crore)	Nos.	(₹ In Crore)
<b>Equity shares</b>				
At the beginning of the year	111,293,510	111.29	111,293,510	111.29
Equity shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	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 2023		As at 31 March 2022	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of ₹ 10 each fully paid</b>				
Jamnalal Sons Pvt. Ltd.	20,049,515	18.01%	19,923,077	17.90%
Jaya Hind Industries Ltd.	5,905,401	5.31%	5,905,401	5.31%

**d. Details of promoter shareholding**

See note 15 d of standalone financial statements



## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**18 Other equity**
**a Reserves and surplus**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934</b>		
Balance as at the beginning of the year	2,473.16	2,147.06
Add: Transferred from surplus in Statement of Profit and Loss	342.32	326.10
Balance as at the end of the year	2,815.48	2,473.16
<b>Securities premium</b>	444.42	444.42
<b>General reserve</b>		
Balance as at the beginning of the year	12,703.46	12,396.51
Add: Share of accumulated reserves of associates	(466.02)	306.95
Balance as at the end of the year	12,237.44	12,703.46
<b>Capital reserve</b>	4,232.40	4,232.40
<b>Retained earnings</b>		
Balance as at the beginning of the year	14,757.78	12,372.00
Profit for the year	4,850.52	4,055.68
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gain/(loss) of defined benefit plans	(7.58)	0.73
Reclassification of gain on sale of FVTOCI equity instruments	220.24	131.42
Less: Appropriations		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	342.32	326.10
Final dividend, declared and paid during the year	324.86	474.31
Interim dividend, declared and paid during the year	1,282.51	1,001.64
Total appropriations	1,949.69	1,802.05
Balance as at the end of the year	17,871.27	14,757.78
<b>Other reserves</b>		
<b>Equity instruments through other comprehensive income</b>		
Balance as at the beginning of the year	8,117.69	5,208.67
Add: Net gain on equity instruments designated at FVTOCI for the year (net of tax impacts)	(1,287.35)	3,040.44
Less: Reclassification of gain on sale of FVTOCI equity instruments	220.24	131.42
	6,610.10	8,117.69
<b>Debt instruments through other comprehensive income</b>		
Balance as at the beginning of the year	15.90	52.56
Add: Net gain on debt instruments designated at FVTOCI for the year (net of tax impacts)	(60.90)	(19.13)
Less: Reclassification of gain on sale of FVTOCI debt instruments	(8.65)	17.53
	(36.35)	15.90
<b>Hedge instruments through other comprehensive income</b>		
Balance as at the beginning of the year	(0.02)	0.01
Add: Net gain on hedge instruments designated at FVTOCI for the year (net of tax impacts)	0.02	(0.03)
	-	(0.02)

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**18 Other equity** (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Share of associates</b>		
Valuation gain/(loss) on derivative hedging instruments	(24.07)	(29.48)
Valuation gain/(loss) on equity instruments at FVTOCI	23.00	15.52
Valuation gain/(loss) on debt instruments at FVTOCI	(318.71)	(109.83)
Change in foreign currency translation reserve of associates	225.26	122.65
Others	(8.75)	(12.69)
	44,071.49	42,730.96

**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.

**Equity instruments through other comprehensive income**

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 investments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Debt instruments through other comprehensive income**

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 investments 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**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Interest income on		
Investments (at amortised cost)	91.13	69.53
Investments (at FVTOCI)	178.07	183.95
Others	-	0.25
	269.20	253.73

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**20 Net gain on fair value changes**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Net gain/(loss) on financial instruments at fair value through profit or loss		
On financial instruments at fair value through profit or loss	20.39	18.52
Others		
Distribution received from other funds	21.46	17.21
Gain/(loss) on sale of debt instruments at FVTOCI	(8.65)	17.53
	33.20	53.26
Fair value changes		
Realised	25.07	44.62
Unrealised	8.13	8.64
	33.20	53.26

**21 Other investment income**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Provision for diminution in value of investments written back	2.91	-
	2.91	-

**22 Revenue from contracts with customers - sale of goods**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Sale of products	17.15	16.92
Scrap sale	0.29	0.27
	17.44	17.19

**23 Other income**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Business support service	57.57	54.67
Provision no longer required	0.62	0.08
Miscellaneous receipts	5.07	2.07
	63.26	56.82

**24 Employee benefits expenses**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Salaries, wages and bonus to employees	45.89	40.72
Contribution to provident and other funds	3.67	3.53
Staff welfare expenses	0.22	0.21
	49.78	44.46

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

## 25 Changes in inventories of work-in-progress

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Inventories at the end of the year		
Work-in-progress	2.46	4.98
Inventories at the beginning of the year		
Work-in-progress	4.98	3.02
	2.52	(1.96)

## 26 Depreciation, amortisation and impairment

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Depreciation on property, plant and equipment	2.53	2.38
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
	33.86	33.71

## 27 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Repairs to buildings	2.35	1.49
Repairs to machinery and others	4.49	4.52
Rent	0.02	0.01
Rates and taxes	2.25	2.33
Insurance	1.59	1.35
Payment to auditor	0.37	0.26
Directors' fees and travelling expenses	2.09	1.61
Unrealised foreign exchange loss on revaluation	4.20	4.33
Commission to non-executive directors	1.80	1.84
Business support service expenses	1.65	0.85
Expenditure towards Corporate Social Responsibility (CSR) activities	8.98	8.92
Legal and professional charges	1.13	1.37
Aircraft operation expenses	39.88	26.47
Miscellaneous expenses	11.89	10.09
	82.69	65.44

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**28 Tax expense**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
<b>(a) Tax expense</b>		
Current tax		
Current tax on profit for the year	83.76	82.33
Deferred tax		
Decrease/(increase) in deferred tax assets	(1.04)	(2.17)
(Decrease)/increase in deferred tax liabilities	5.59	8.81
Total deferred tax expenses/(benefit)	4.55	6.64
Tax credits pertaining to earlier years *	(23.01)	(24.86)
Provision for possible non-utilisation of MAT credit *	-	36.18
Tax expense	65.30	100.29
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by Statutory tax rate</b>		
Profit before tax	5,011.51	4,225.90
Less: Share of profits of associates and joint venture, already after tax	4,667.01	3,893.67
Add: Dividend received eliminated in consolidation, but subject to tax	1,628.81	1,542.07
Profit before tax and share of profits of associates	1,973.31	1,874.30
Tax at the statutory tax rate of 25.17%	496.64	471.72
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	2.93	1.48
Deduction under section 80M	(406.90)	(380.37)
Tax effect of amounts which are deductible (non taxable) in calculating taxable income	(4.36)	(3.86)
Tax credits pertaining to earlier years *	(23.01)	(24.86)
Provision for possible non-utilisation of MAT credit *	-	36.18
Tax expense	65.30	100.29

\* Deferred tax and provision for tax have been re-assessed pursuant to the option exercised under section 115BAA of the Income Tax Act, 1961 to compute income tax at the reduced rate (i.e 25.17%). Total tax expense for the year ended 31 March 2022 is higher by ₹11.32 crore.

**29 Earnings Per Share (EPS)**

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Profit for the year (₹ In Crore)	4,850.52	4,055.68
Weighted average number of shares outstanding during the year (Nos)	111,293,510	111,293,510
Earnings per share (Basic and Diluted) ₹	435.8	364.4
Face value per share ₹	10.0	10.0

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**30 Other notes to account**

Other notes to account 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

<b>Particulars</b>	<b>Note reference of standalone financial statements</b>
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 2023 (Contd.)

### 31 Investment in associates

The Group has a 36.64% (31 March 2022 : 35.83%) interest in Bajaj Auto Ltd. and a 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. (BAL)

##### Summarised Balance Sheet

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Non-current assets	25,486.05	24,745.60
Current assets	9,650.40	10,365.61
Non-current liabilities	(504.16)	(563.05)
Current liabilities	(5,270.74)	(4,688.50)
Non-controlling interest	(0.01)	(0.01)
Equity	29,361.54	29,859.65
Proportion of the Group's ownership (net of elimination of cross-holding of BAL in Bajaj Holdings & Investment Ltd. of 3.14%)	33.50%	32.69%
Group's share of equity	9,578.70	9,741.20
Inter company eliminations	(27.35)	(185.60)
Carrying amount of the investment	9,551.35	9,555.60
Contingent liabilities	1,615.25	1,583.38
Capital commitments	194.83	601.83
Group's share of contingent liabilities	541.12	517.59
Group's share of capital commitments	65.27	196.73

##### Summarised Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Revenue from operations	36,455.38	33,144.71
Other income	1,187.52	1,284.14
Total income	37,642.90	34,428.85
Cost of raw materials and components consumed	24,073.13	22,169.88
Purchase of traded goods	2,148.45	1,971.98
Changes in inventories of finished goods, work-in-progress and traded goods	(100.33)	187.96
Employee benefits expense	1,484.47	1,362.79
Finance costs	39.51	8.66
Depreciation and amortisation expense	285.85	269.76
Other expenses	2,426.95	2,215.49
Expenses, included in above items, capitalised	(27.82)	(13.31)
Total expenses	30,330.21	28,173.21
Share of profits of associates	529.29	579.53
Exceptional items	-	816.51
Profit before tax	7,841.98	7,651.68
Tax expense	1,781.77	1,485.81
Profit attributable to non-controlling interest	-	-
Profit for the year	6,060.21	6,165.87
Other comprehensive income (net of tax)	552.91	430.36
Total comprehensive income for the year	6,613.12	6,596.23
Group's share of profit	1,977.04	2,011.51
Inter company eliminations	20.36	(14.84)
Group's share of profit for the year	1,997.40	1,996.67

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**31 Investment in associates** (Contd.)**Bajaj Finserv Ltd.****Summarised Balance Sheet**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Financial assets	398,596.91	327,809.88
Non-financial assets	6,912.28	5,909.08
Financial liabilities	(323,775.69)	(263,631.09)
Non-financial liabilities	(4,135.42)	(3,767.95)
Non-controlling interest	(31,190.74)	(26,073.12)
Equity	46,407.34	40,246.80
Proportion of the Group's ownership	41.63%	41.63%
Group's share of equity	19,321.58	16,754.89
Inter company eliminations	-	(2.43)
Carrying amount of the investment	19,321.58	16,752.46
Contingent liabilities	3,269.27	3,018.46
Capital commitments	7,792.40	6,406.42
Group's share of contingent liabilities	1,361.15	1,256.60
Group's share of capital commitments	3,244.35	2,667.02

**Summarised Statement of Profit and Loss**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Revenue from operations	82,071.24	68,406.08
Other income	0.77	32.90
Total income	82,072.01	68,438.98
Employee benefits expenses	8,767.15	6,559.58
Finance costs	12,201.42	9,498.26
Fees and commission expense	4,238.17	3,442.04
Impairment on financial instruments	3,230.98	4,889.85
Claims incurred pertaining to insurance business	16,592.00	16,384.73
Reinsurance ceded	7,027.26	5,969.74
Net change in insurance/investment contract liabilities	6,628.01	5,754.19
Depreciation, amortisation and impairment	677.80	562.73
Other expenses	5,899.28	4,106.92
Total expenses	65,262.07	57,168.04
Share of profit of joint venture	1.19	(0.36)
Profit before tax	16,811.13	11,270.58
Tax expense	4,601.59	2,957.05
Profit attributable to non-controlling interest	5,792.26	3,756.76
Profit for the year	6,417.28	4,556.77
Other comprehensive income (net of tax)	(624.06)	(581.25)
Total comprehensive income for the year	11,585.48	7,732.28
Group's share of profit for the year	2,669.61	1,897.00



## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

### 32 Partly owned subsidiary

Financial information of subsidiary that has non-controlling interests is provided below

Particulars	Country of incorporation and operation	(₹ In Crore)	
		As at 31 March	
		2023	2022
Maharashtra Scooters Ltd.	India	51%	51%

### Information regarding non-controlling interest

Particulars	(₹ In Crore)	
	As at 31 March	
	2023	2022
<b>Accumulated balances of material non-controlling interest</b>		
Maharashtra Scooters Ltd.	7,380.12	8,738.25
<b>Profit/(loss) allocated to material non-controlling interest</b>		
Maharashtra Scooters Ltd.	95.69	69.93

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

### Summarised Statement of Profit and Loss

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2023	2022
Revenue from operations	216.35	194.09
Other income	1.40	0.37
Total income	217.75	194.46
Cost of raw material consumed	7.06	9.48
Changes in inventories of work-in-progress	2.52	(1.96)
Employee benefits expenses	7.78	8.41
Depreciation, amortisation and impairment	2.02	1.97
Other expenses	5.29	4.32
Total expenses	24.67	22.22
Profit before tax	193.08	172.24
Tax expense	(2.21)	29.53
Profit for the year	195.29	142.71
Total comprehensive income	(3,604.43)	6,666.53
Attributable to non-controlling interests	(1,257.26)	1,815.57
Dividends paid to non-controlling interests	100.87	27.99

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

### 32 Partly owned subsidiary (Contd.)

#### Summarised Balance Sheet

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Financial assets	20,381.55	24,679.20
Non-financial assets	16.73	19.76
Financial liabilities	(6.06)	(6.13)
Non-financial liabilities	(1,349.41)	(1,839.87)
Equity	19,042.81	22,852.96
<b>Attributable to</b>		
Equity holders of the parent	7,670.00	9,083.40
Non-controlling interest	7,380.12	8,738.25
Contingent liabilities	5.06	4.92
Capital commitments	-	-

#### Summarised cash flow information

(₹ In Crore)

Particulars	For the year ended 31 March	
	2023	2022
Operating	208.77	118.82
Investing	(3.48)	(61.65)
Financing	(205.15)	(57.55)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0.14</b>	<b>(0.38)</b>

### 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 2023 (Contd.)

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

(₹ In Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Government securities, bonds and debentures	-	2,512.07	174.99	-	2,632.84	260.06
Mutual funds	293.89	-	-	339.71	-	-
Certificate of deposit	-	-	492.18	-	-	297.53
Open ended target maturity funds	-	-	961.33	-	-	907.82
Equity shares	-	18,851.35	-	-	21,812.30	-
Other funds	-	396.68	-	-	406.07	-
Other financial assets	-	-	107.00	-	-	110.08
Cash and cash equivalents	-	-	25.78	-	-	21.88
Bank balances other than cash and cash equivalents	-	-	13.69	-	-	11.01
Trade receivables	-	-	6.54	-	-	10.03
<b>Total financial assets</b>	<b>293.89</b>	<b>21,760.10</b>	<b>1,781.51</b>	<b>339.71</b>	<b>24,851.21</b>	<b>1,618.41</b>
<b>Financial liabilities</b>						
Trade payables	-	-	1.78	-	-	4.34
Lease liability	-	-	92.79	-	-	113.69
Other financial liabilities	-	-	44.60	-	-	42.43
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>139.17</b>	<b>-</b>	<b>-</b>	<b>160.46</b>

**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 2023 (Contd.)

**34 Fair value measurement (Contd.)**
**Financial assets measured at fair value - recurring fair value measurements At 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
Mutual funds	6B	293.89	-	-	293.89
<b>Financial investments at FVTOCI</b>					
Debt securities	6B	2,512.07	-	-	2,512.07
Equity instruments	6B	18,686.87	164.48	-	18,851.35
Other funds	6B	167.70	228.98	-	396.68
Total financial assets		21,660.53	393.46	-	22,053.99

**Financial assets which are measured at amortised cost for which fair values are disclosed At 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Government securities, bonds and debentures	6B	171.88			171.88
Certificate of deposit	6B	492.18			492.18
Open ended target maturity fund	6B	930.46		-	930.46
Total financial assets		1,594.52	-	-	1,594.52

**Assets disclosed at fair value - At 31 March 2023**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment properties	9	-	288.72	-	288.72

**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
<b>Financial investments at FVTPL</b>					
Mutual funds	6B	339.71	-	-	339.71
<b>Financial investments at FVTOCI</b>					
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
Certificate of deposit	6B	297.53	-	-	297.53
Open ended target maturity funds	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 properties	9	-	287.46	-	287.46

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

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

(₹ In Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investments				
Government securities, bonds and debentures	174.99	171.88	260.06	260.58
Certificate of deposit	492.18	492.18	297.53	297.53
Open ended target maturity fund	961.33	930.46	907.82	900.59
<b>Total financial assets</b>	<b>1,628.50</b>	<b>1,594.52</b>	<b>1,465.41</b>	<b>1,458.70</b>

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.

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**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). As per RBI's 'Scale Based Regulations' (SBR), the Company is classified as NBFC - Base Layer (NBFC-BL).

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	
	2023	2022
<b>Equity</b>	51,562.90	51,580.50
Add: Deferred tax liabilities (net)	1,463.22	1,825.20
Less: Tangible and other assets	184.72	195.82
Working capital	285.98	245.49
Investments in associates	28,872.93	26,308.06
<b>Investment in equity, debt and similar investments</b>	<b>23,682.49</b>	<b>26,656.33</b>

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

**b) Dividends distributed and proposed**

(₹ In Crore)

	For the year ended 31 March	
	2023	2022
<b>Dividends recognised in the financial statements</b>		
Final dividend for the year ended 31 March 2022 of ₹25 (31 March 2021 is ₹40) per equity share, declared and paid	278.23	445.17
Interim dividend for the year ended 31 March 2023 of ₹110 (31 March 2022 - ₹90) per equity share, declared and paid	1,224.23	1,001.64
<b>Dividends not recognised at the end of the reporting period</b>		
Directors have recommended the payment of a final dividend of ₹13 per equity share for the year ended 31 March 2023 (31 March 2022 - ₹25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	144.68	278.23

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**36 Maturity analysis of assets and liabilities**

(₹ In Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	25.78	-	25.78	21.88	-	21.88
Bank balances other than cash and cash equivalents	5.61	8.08	13.69	4.94	6.07	11.01
Investment in associates	-	28,872.93	28,872.93	-	26,308.06	26,308.06
Other investments	875.40	22,807.09	23,682.49	2,024.87	24,631.46	26,656.33
Trade receivables	6.54	-	6.54	10.03	-	10.03
Other financial assets	92.41	14.59	107.00	95.61	14.47	110.08
<b>Non-financial Assets</b>						
Current tax assets (net)	-	195.75	195.75	-	152.64	152.64
Investment properties	-	173.93	173.93	-	177.25	177.25
Right-of-use asset	-	83.97	83.97	-	111.96	111.96
Property, plant and equipment	-	19.61	19.61	-	20.30	20.30
Inventories	3.80	-	3.80	6.46	-	6.46
Other non-financial assets	2.30	0.31	2.61	1.63	-	1.63
<b>Total</b>	<b>1,011.84</b>	<b>52,176.26</b>	<b>53,188.10</b>	<b>2,165.42</b>	<b>51,422.21</b>	<b>53,587.63</b>
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade payables	1.78	-	1.78	4.34	-	4.34
Lease liability	33.30	59.49	92.79	30.71	82.98	113.69
Other financial liabilities	28.60	16.00	44.60	25.51	16.92	42.43
<b>Non-financial Liabilities</b>						
Current tax liabilities (net)	-	12.79	12.79	-	11.86	11.86
Deferred tax liabilities (net)	-	1,463.22	1,463.22	-	1,825.20	1,825.20
Provisions	1.03	3.50	4.53	1.92	1.79	3.71
Other non-financial liabilities	5.41	0.08	5.49	4.73	1.17	5.90
<b>Total</b>	<b>70.12</b>	<b>1,555.08</b>	<b>1,625.20</b>	<b>67.21</b>	<b>1,939.92</b>	<b>2,007.13</b>
<b>Net</b>	<b>941.72</b>	<b>50,621.18</b>	<b>51,562.90</b>	<b>2,098.21</b>	<b>49,482.29</b>	<b>51,580.50</b>

Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**37 Disclosure in terms of Schedule III of the Companies Act, 2013**

(₹ In Crore)

Particulars	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
<b>1 Parent</b>								
Bajaj Holdings & Investment Ltd.	35.46%	15,665.27	35.29%	1,711.58	(4.75%)	68.29	52.14%	1,779.87
<b>2 Subsidiaries (Indian)</b>								
Bajaj Auto Holdings Ltd.	0.12%	51.06	0.02%	1.15	-	-	0.03%	1.15
Maharashtra Scooters Ltd.	43.10%	19,042.81	4.03%	195.29	264.48%	(3,799.72)	(105.57%)	(3,604.43)
(Less) : Minority interests in subsidiary	(16.70%)	(7,380.12)	(1.97%)	(95.69)	(94.18%)	1,352.95	36.83%	1,257.26
(Less) : Inter-company eliminations	(9.66%)	(4,269.62)	(3.11%)	(150.63)	(72.29%)	1,038.60	26.02%	887.97
<b>3 Associates (Investment as per equity method)</b>								
Indian								
Bajaj Auto Ltd.	21.62%	9,551.35	41.18%	1,997.40	(6.47%)	92.89	61.21%	2,090.29
Bajaj Finserv Ltd.	43.73%	19,321.58	55.04%	2,669.61	13.21%	(189.62)	72.64%	2,479.99
(Less) : Inter-company eliminations	(17.67%)	(7,799.55)	(30.48%)	(1,478.19)	-	-	(43.30%)	(1,478.19)
<b>Total</b>	<b>100.00%</b>	<b>44,182.78</b>	<b>100.00%</b>	<b>4,850.52</b>	<b>100.00%</b>	<b>(1,436.61)</b>	<b>100.00%</b>	<b>3,413.91</b>



## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**38 Consolidated 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	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
<b>A</b> 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>B Associates and investing parties:</b>					
Bajaj Auto Ltd. (An associate - 36.64% shares held by Bajaj Holdings & Investment Ltd. (Previous year 35.83%))	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 of ₹10 each]	-	81.59	-	81.59
	Contribution to equity of BHIL by BAL (3,500,000 shares of ₹10 each)	-	(3.50)	-	(3.50)
	Dividend received	1,451.68	-	1,449.02	-
	Dividend paid	47.25	-	45.50	-
	Business support services rendered	38.31	-	44.62	-
	Business support services received	0.22	-	1.12	-
	Sale of goods	4.29	0.67	5.92	5.71
	Purchases of material and other services	0.07	-	0.01	0.01
	Revenue expenses reimbursement received	1.03	-	-	-
	Revenue expenses reimbursed paid	-	-	0.10	(0.06)
Bajaj Finserv Ltd. (An associate - 41.63% shares held by Bajaj Holdings & Investment Ltd.)	Contribution to equity by BHIL [623,142,140 shares of ₹1 each (Previous year 62,314,214 shares of ₹5 each)]	-	743.82	-	743.82
	Contribution to equity by MSL [37,932,400 shares of ₹1 each] (Previous year 3,725,740 shares of ₹5 each]	-	129.08	-	39.69
	Contribution to equity by BAHL [2,090,050 shares of ₹1 each (Previous year 209,005 shares of ₹5 each)]	-	26.15	-	26.15
	Dividend received	26.50	-	19.87	-
	Business support services rendered	0.06	0.04	0.03	-
	Business support services received	0.46	-	0.35	-
	Revenue expenses reimbursement received	1.00	-	0.05	-
	Revenue expenses reimbursement paid	0.06	-	-	-
	Employee car transfer	-	-	0.06	-
<b>C Key Management personnel and their relatives:</b>					
Shekhar Bajaj	Sitting fees	0.06	-	0.05	-
	Commission	0.12	(0.12)	0.10	(0.10)
Niraj Bajaj	Sitting fees	0.08	-	0.09	-
	Commission	0.16	(0.16)	0.18	(0.18)
Madhur Bajaj	Sitting fees	0.05	-	0.06	-
	Commission	0.10	(0.10)	0.12	(0.12)
Rajiv Bajaj	Sitting fees	0.06	-	0.04	-
	Commission	0.12	(0.12)	0.08	(0.08)

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**38 Consolidated 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	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Sanjiv Bajaj (Managing Director & CEO) (Also Key management personnel)	Short-term employee benefits (including Commission)	24.24	(17.28)	21.10	(15.30)
	Post-employment benefits	2.04	-	1.80	-
	Sitting fees	0.07	-	0.03	-
Pooja Bajaj	Purchase of equity shares of Bajaj Electricals Ltd.	37.83	-	-	-
D J Balaji Rao	Sitting fees	0.09	-	0.09	-
	Commission	0.18	(0.18)	0.18	(0.18)
Manish Kejriwal	Sitting fees	0.12	-	0.13	-
	Commission	0.24	(0.24)	0.26	(0.26)
Dr. Naushad Forbes	Sitting fees	0.14	-	0.15	-
	Commission	0.28	(0.28)	0.30	(0.30)
Dr. Gita Piramal	Sitting fees	-	-	0.13	-
	Commission	-	-	0.26	(0.26)
Anami Roy	Sitting fees	0.06	-	0.06	-
	Commission	0.12	(0.12)	0.12	(0.12)
Pradip Shah	Sitting fees	0.13	-	0.12	-
	Commission	0.26	(0.26)	0.24	(0.24)
Dr. Vidya Yeravdekar	Sitting fees	0.05	-	-	-
	Commission	0.10	(0.10)	-	-
Dr. Arindam Kumar Bhattacharya	Sitting fees	0.06	-	-	-
	Commission	0.12	(0.12)	-	-
<b>D Other entities / persons:</b>					
Bajaj Allianz General Insurance Co. Ltd.	Insurance premium paid	1.54	0.27	1.35	-
	Revenue expenses reimbursement received	0.05	-	0.05	-
	Unallocated premium	-	0.09	-	0.20
Bajaj Allianz Life Insurance Company Ltd.	Revenue expenses reimbursement received	0.05	-	0.05	-
Bajaj Finance Ltd.	Contribution to equity (75 shares of ₹10 each - ₹750)	-	-	-	-
	Contribution to equity by MSL [18,974,660 shares of ₹2 each]	-	50.07	-	50.07
	Business support services rendered	16.66	-	9.90	-
	Business support services received	0.97	-	0.41	-
	Dividend paid - ₹10,125 (Previous year - ₹9,750)	-	-	-	-
	Dividend received	37.95	-	18.97	-
	Revenue expenses reimbursement received	0.05	-	0.05	0.05
	Revenue expenses reimbursement paid	0.15	-	0.14	-
	Investment in non-convertible debentures	-	125.00	-	360.00
	Redemption received for non-convertible debentures	(235.00)	-	-	-
	Interest received on non-convertible debentures	27.20	4.31	24.40	-
	Interest accrued but not due	-	-	-	20.14

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**38 Consolidated 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	2022-23		2021-22	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Housing Finance Ltd.	Investment/(redeemed) in non-convertible debentures /commercial Paper	-	50.00	(150.00)	50.00
	Interest received on non-convertible debentures	2.90	1.14	11.91	-
	Business support services rendered	1.51	-	-	-
	Interest accrued but not due	-	-	-	1.14
Chetak Technology Ltd.	Sale of goods	0.20	0.05	-	-
Bajaj Electricals Ltd.	Contribution to equity by BHIL [19,136,840 shares (Previous year 18,793,840) of ₹2 each]	-	214.58	-	176.75
	Dividend received	5.74	-	-	-
Hindustan Housing Co. Ltd.	Shares of BHIL held by Hindustan Housing (15,391 shares of ₹10 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.21	-	0.20	-
	Maintenance charges paid	1.67	-	1.40	0.09
	Security deposit paid	(0.03)	0.20	(0.03)	0.23
Hind Musafir Agency Ltd.	Services received	0.22	-	0.04	-
Bajaj Finserv Asset Management Ltd.	Business support services rendered	1.03	-	0.13	-
	Revenue expenses reimbursement received	0.38	-	-	-
Mukand Ltd.	Contribution to equity [8,133,973 (Previous year 8,113,204) shares of ₹10 each]	-	32.98	-	32.88
	Redemption of preference shares	-	-	0.12	-
	Dividend received on equity shares	1.22	-	0.81	-
	Security deposit received/(refunded)	-	(0.25)	-	(0.25)
Mukand Engineers Ltd.	Contribution to equity [ Nil (Previous year 54,000 shares of ₹10 each)]	-	-	-	0.10
Bajaj International Pvt. Ltd.	Revenue expenses reimbursement paid ((₹62,509 (Previous year ₹29,541))	0.01	-	-	-
Hercules Hoists Ltd.	Contribution to equity (6,251,040 shares of ₹1 each)	-	12.34	-	12.34
	Dividend received on equity shares	1.47	-	1.41	-
	Shares of BHIL held by Hercules Hoists [415,516 (Previous year 338,003) shares of ₹10 each]	-	(0.42)	-	(0.34)
	Dividend paid	4.56	-	4.39	-
Kedaara Capital Advisors LLP	Contribution given for investments	0.21	9.19	0.26	9.15
	Proceeds from redemption of units	0.69	-	26.97	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.86	-	0.77	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity Contribution	-	-	0.09	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity Contribution	1.00	-	0.21	-

The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.

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

	As at 31 March	
	2023	2022
<b>Amount recognised in Balance Sheet</b>		
Present value of funded defined benefit obligation	12.13	11.12
Fair value of plan assets	12.04	11.33
<b>Net assets in case of MSL</b>	0.26	0.27
<b>Net funded obligation of BHIL</b>	0.35	0.06
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	0.89	1.03
Interest on net defined benefit liability/(asset)	(0.04)	(0.02)
<b>Total expense charged to Statement of Profit and Loss</b>	0.85	1.01
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	0.98	1.89
Remeasurements during the period due to		
Changes in financial assumptions	(0.21)	(0.34)
Experience adjustments	0.44	(0.64)
Actual return on plan assets less interest on plan assets	0.17	0.08
<b>Closing amount recognised in OCI outside Statement of Profit and Loss</b>	1.38	0.99
<b>Reconciliation of net liability/(asset)</b>		
Opening net defined benefit liability/(asset)	(0.21)	0.04
Expense charged to Statement of Profit and Loss	0.87	1.01
Amount recognised outside Statement of Profit and Loss	0.40	(0.90)
Employer contributions	(0.97)	(0.37)
<b>Closing net defined benefit liability/(asset)</b>	0.09	(0.22)
<b>Movement in benefit obligation</b>		
Opening of defined benefit obligation	11.12	11.18
Current service cost	0.89	1.02
Interest on defined benefit obligation	0.74	0.73
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	(0.21)	(0.33)
Actuarial loss/(gain) arising on account of experience changes	0.44	(0.63)
Benefits paid	(0.90)	(0.85)
Liabilities assumed / (settled)	0.05	-
<b>Closing of defined benefit obligation</b>	12.13	11.12

## Notes to consolidated financial statements for the year ended 31 March 2023 (Contd.)

**39 Employee benefit plans (Contd.)**

(₹ In Crore)

	As at 31 March	
	2023	2022
<b>Movement in plan assets</b>		
Opening fair value of plan assets	11.33	11.14
Employer contributions	0.97	0.37
Interest on plan assets	0.78	0.74
Remeasurements due to		
Actual return on plan assets less interest on plan assets	(0.18)	(0.08)
Benefits paid	(0.90)	(0.84)
Assets acquired/(settled)	0.04	-
<b>Closing fair value of plan assets</b>	<b>12.04</b>	<b>11.33</b>
<b>Disaggregation of assets</b>		
Category of assets		
Insurer managed funds	12.04	11.33
Others	-	-
<b>Grand total</b>	<b>12.04</b>	<b>11.33</b>

**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 ₹ 0.79 crore.

**Principal actuarial assumptions (expressed as weighted averages)**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Discount rate (p.a.)</b>		
Bajaj Holdings & Investment Ltd.	7.45%	7.25%
Maharashtra Scooters Ltd.	6.90%	6.90%
<b>Salary escalation rate (p.a.)</b>		
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 2023 (Contd.)

**39 Employee benefit plans** (Contd.)**Unfunded schemes**

(₹ In Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	1.61	2.57	1.69	1.96
Expense recognised in the Statement of Profit and Loss	1.34	1.49	1.23	(0.63)
Amount recorded as Other Comprehensive Income	-	-	-	-
Discount rate (p.a.)	6.90% ~ 7.45%	7.45%	6.90% ~ 7.25%	7.25%
Salary escalation rate (p.a.)	6% ~ 10%	10.00%	6% ~ 10%	10.00%

**Amount recognised in the Statement of Profit and Loss**

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
<b>Defined contribution plans</b>		
Provident fund paid to Government authorities	1.84	1.73
Superannuation paid to trust	0.86	0.76
Pension fund paid to Government authorities	0.03	0.02
Others	0.06	0.01
<b>Defined benefit plans</b>		
Gratuity	0.85	1.01
Others	0.03	-
<b>Total</b>	<b>3.67</b>	<b>3.53</b>

**40 Miscellaneous**

Amounts less than ₹50,000 have been shown at actual against respective line items statutorily required to be disclosed.

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

As per our report of even date

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

For NBS & Co.  
Chartered Accountants  
ICAI Firm Registration  
Number: 110100W

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Anil A Kulkarni  
Partner  
ICAI Membership Number:  
047576

Pradeep Shetty  
Partner  
ICAI Membership Number:  
046940

Sriram Subbramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023

## Salient features of the financial statements of subsidiaries for the year ended 31 March 2023

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 2022 to 31 March 2023	1 April 2022 to 31 March 2023
c Paid-up share capital	0.25	11.43
d Reserves and surplus	50.81	19,031.38
e Total assets	52.47	20,398.29
f Total liabilities	52.47	20,398.29
g Investments	50.39	20,363.86
h Turnover	1.41	217.75
i Profit before tax	1.39	193.08
j Provision for tax	0.24	(2.21)
k Profit after tax	1.15	195.29
l Proposed Dividend	0%	** 1600%
m % of shareholding	100.00%	51.00%

\*\* Includes interim dividend paid

### 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 2023	31 March 2023
c Shares of associate/joint venture held by the company and its subsidiary on the year end		
- Number	103,691,327	663,164,590
- Amount of investment in associate	2,011.38	899.06
- Extent of holding (%) *	33.50%	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 *	9,551.35	19,321.58
g Profit / (loss) for the year		
- Considered in consolidation	6,060.21	6,417.28
- Not considered in consolidation	-	-

\* after inter-company eliminations

On behalf of the Board of Directors

Shekhar Bajaj  
Chairman  
DIN: 00089358

Anant Marathe  
Chief Financial Officer

Sanjiv Bajaj  
Managing Director & CEO  
DIN: 00014615

Sriram Subramaniam  
Company Secretary

Pradip Shah  
Chairman-Audit Committee  
DIN: 00066242

Pune: 27 April 2023







**Bajaj Holdings & Investment Limited**

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