2nd

ANNUAL REPORT

2022-23

BAJAJ

ASSET MANAGEMENT

CORPORATE INFORMATION

Board of Directors

Sanjiv Bajaj
Chairman

Ganesh Mohan
Whole-time Director & CEO

Malvika S Sinha

Sandesh Kirkire

Chief Financial Officer

S Sreenivasan

Company Secretary

Uma Shende

Auditors

KKC & Associates LLP
(Earlier known as Khimji Kunverji & Co LLP)

Registered Office

S. No. 208/1B, Lohagaon,
Viman Nagar, Pune-411014

Corporate Office

Bajaj Finserv Asset Management Limited,
8th Floor, E wing, Solitaire Business Hub,
Viman Nagar, Pune- 411014

Corporate Identity Number:

U65990PN2021PLC205292

Independent Auditor's Report

To
The Members of
Bajaj Finserv Asset Management Limited

Report on the audit of the Financial Statements

Opinion

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

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report.

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

6. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Financial Statements, the 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

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

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

    11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    11.4. Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    11.5. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters

that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    15.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

    15.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.

    15.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    15.5. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    15.6. With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

    15.7. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

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

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

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

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

    16.4. The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

    16.5. The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16.6. Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 16.4 and 16.5 contain any material misstatement.

16.7. In our opinion and according to information and explanation given to us, the Company has not declared or paid dividend during the year. Hence, compliance with section 123 of the Act by the Company does not arise.

16.8. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 01 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

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

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTJ3047

Place: Pune
Date: 19 April 2023

Annexure "A" to the Independent Auditor's Report on the Financial Statements of Bajaj Finserv Asset Management Limited for the year ended 31 March 2023

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

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').

The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all PPE were physically verified by the management in the previous year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii. (a) The Company's business does not involve inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.

(b) In our opinion and according to the information and explanations given to us, the Company does not have sanctioned working capital limits from banks or financial institutions. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.

iii. In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year including other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii)(a) to (f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us the Company has not granted any loans covered, made any investments or provided any guarantees and securities under Section 185 and Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.

vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities in all cases during the year

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) In our opinion and according to the information and explanations given to us , there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute.

viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks, government and dues to debenture holders or in payment of interest thereon to any lender during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provision of clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) In our opinion and according to the information and explanations given to us, the Company has made further issue of shares on right basis under section 62(1)(a) of the Act during the year. The funds raised during the year were partially utilized for the purpose for which they were so raised and the balance funds, pending utilization, are temporarily invested in short term Mutual Funds.

xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year nor have we been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company. and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.

(d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CIC's) (Reserve Bank) Directions, 2016) there are 17 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CIC's are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India.

xvii. The Company has incurred cash losses in the financial year. The amount of cash loss is Rs. 3669.36 lakhs (Previous year Rs. 271.24 lakhs).

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provision of section 135 of the Act relating to CSR is not applicable to the Company. Accordingly, the provision of clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

xxi. Reporting under clause xxi of the Order is not applicable.

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

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTJ3047

Place: Pune
Date: 19 April 2023

Annexure 'B' to the Independent Auditors' report on the Financial Statements of Bajaj Finserv Asset Management Limited for the year ended 31 March 2023

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

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

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of **Bajaj Finserv Asset Management Limited** ('the Company') as at 31 March 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the Financial Statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for Internal Financial Controls

3. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the Financial Statements

7. A company's internal financial controls with reference to the Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

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

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

Soorej Kombaht
Partner
ICAI Membership No: 164366
UDIN: 23164366BGYKTJ3047

Place: Pune
Date: 19 April 2023

Balance Sheet as at 31 March 2023

(₹ In Lakh)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
Financial assets			
Cash and cash equivalents	3	30.58	10.49
Investments	4	5,402.66	5,519.06
Other financial assets	5	54.45	20.66
		5,487.69	**5,550.21**
Non-financial assets			
Deferred tax assets (Net)	6	-	6.21
Property, plant and equipment	7A	676.08	154.55
Other intangible assets	7B	167.31	-
Intangible assets under development	7C	173.17	-
Right-of-use-asset	8	194.90	246.41
Other non-financial assets	9	581.80	102.62
		1,793.26	**509.79**
Total		**7,280.95**	**6,060.00**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Lease liabilities	11	208.62	248.92
Other financial liabilities	12	994.67	58.22
		1,203.29	**307.14**
Non-financial Liabilities			
Current tax liabilities (Net)		-	-
Provisions	13	150.40	-
Other non-financial liabilities	14	145.69	31.55
		296.09	**31.55**
Equity			
Equity share capital	15	10,000.00	6,000.00
Other equity	16	(4,218.43)	(278.69)
		5,781.57	**5,721.31**
Total		**7,280.95**	**6,060.00**
Summary of significant accounting policies followed by the Company	2		

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Soorej Kombaht
Partner
ICAI Membership Number: 164366

Pune: 19 April 2023

On behalf of the Board of Directors

Ganesh Mohan
Director
DIN: 07985728

Sanjiv Bajaj
Chairman
DIN: 00014615

S Sreenivasan
Chief Financial Officer

Uma Shende
Company Secretary

Pune: 19 April 2023

Statement of Profit and Loss for the year ended 31 March 2023

(₹ In Lakh)

Particulars	Note No.	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Revenue from operations			
Interest income	17	1.45	0.31
Net gain on fair value changes	18	334.61	26.63
Total revenue from operations		**336.06**	**26.94**
Other income	19	0.01	-
Total income		**336.07**	**26.94**
Expenses			
Finance cost	20	17.42	3.95
Employee benefits expenses	21	2,709.78	40.13
Depreciation, amortisation and impairment	22	132.70	13.66
Other expenses	23	1,278.23	254.10
Total expenses		**4,138.13**	**311.84**
Profit/(loss) before tax		**(3,802.06)**	**(284.90)**
Tax expense			
Current tax		-	-
Deferred tax		6.21	(6.21)
Total tax expense	24	6.21	(6.21)
Profit/(loss) for the period/year		**(3,808.27)**	**(278.69)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		(131.47)	-
Tax impacts on above		-	-
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the period/year (net of tax)		**(131.47)**	**-**
Total comprehensive income for the year		**(3,939.74)**	**(278.69)**
Earnings per share			
Basic and diluted Earnings/(Loss) per share (in ₹)	25	(4.98)	(4.20)
(Nominal value per share ₹ 10)			

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Sooorej Kombaht
Partner
ICAI Membership Number: 164366

Pune: 19 April 2023

On behalf of the Board of Directors

Ganesh Mohan
Director
DIN: 07985728

Sanjiv Bajaj
Chairman
DIN: 00014615

S Sreenivasan
Chief Financial Officer

Uma Shende
Company Secretary

Pune: 19 April 2023

Statement of Changes in Equity for the year ended 31 March 2023

A Equity share capital

(₹ In Lakh)

Particulars	Note No.	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Balance at the beginning of the period/year		6,000.00	-
Changes in equity share capital during the period/year		4,000.00	6,000.00
Balance at the end of the period/year	15	**10,000.00**	**6,000.00**

B Other equity

(₹ In Lakh)

Particulars	Note No.	Reserves and surplus	Total other equity
		Retained earnings	
Balance as at 18 October 2021		-	-
Profit/(loss) for the period		(278.69)	(278.69)
Other comprehensive income (net of tax)		-	-
Total comprehensive income for the period ended 31 March 2022		**(278.69)**	**(278.69)**
Balance as at 31 March 2022	16	**(278.69)**	**(278.69)**
Profit/(loss) for the year		(3,808.27)	(3,808.27)
Other comprehensive income (net of tax)		(131.47)	(131.47)
Total comprehensive income for the year ended 31 March 2023		**(3,939.74)**	**(3,939.74)**
Balance as at 31 March 2023		**(4,218.43)**	**(4,218.43)**

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Soorej Kombaht
Partner
ICAI Membership Number: 164366

Pune: 19 April 2023

On behalf of the Board of Directors

Ganesh Mohan
Director
DIN: 07985728

Sanjiv Bajaj
Chairman
DIN: 00014615

S Sreenivasan
Chief Financial Officer

Uma Shende
Company Secretary

Pune: 19 April 2023

Statement of Cash Flows for the year ended 31 March 2023

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Cash flow from operating activities		
Profit/(Loss) before tax	(3,802.06)	(284.90)
Adjustments to reconcile profit before tax to net cash flows:		
Add/(Less) :		
Depreciation, amortisation and impairment	132.70	13.66
Finance cost	17.42	3.95
Profit on sale of current investments, net	(334.61)	(26.63)
	(184.49)	(9.02)
Cash from operations before working capital changes	(3,986.55)	(293.92)
Working capital changes		
Increase/(decrease) in trade payables	-	-
Increase/(decrease) in provisions	18.93	-
Increase/(decrease) in other non-financial liabilities	114.14	31.55
Increase/(decrease) in other financial liabilities	936.46	58.22
Increase/(decrease) in other non-financial assets	(479.18)	(102.62)
Increase/(decrease) in other financial assets	(33.79)	(20.66)
	556.56	(33.52)
Net cash from operating activities before income tax	(3,429.99)	(327.44)
Taxes paid	-	-
Net cash (used)/generated from operating activities	**(3,429.99)**	**(327.44)**
Cash flow from investing activities		
Purchase of property, plant and equipment and other intangible assets	(770.04)	(156.92)
Purchase under Intangible assets under development	(173.17)	-
Purchase of investments	(3,959.80)	(11,384.41)
Proceeds from sale of investments	4,410.81	5,892.00
Net cash (used)/generated from investing activities	**(492.20)**	**(5,649.33)**
Cash flow from financing activities		
Proceeds from issues of shares	4,000.00	6,000.00
Principal payment towards lease liabilities	(57.72)	(12.74)
Net cash (used)/generated from financing activities	**3,942.28**	**5,987.26**
Net change in cash and cash equivalents	**20.09**	**10.49**
Cash and cash equivalents as at the beginning of the period	**10.49**	**-**
Cash and cash equivalents as at the end of the period	**30.58**	**10.49**

Summary of significant accounting policies followed by the Company 2

The accompanying notes are an integral part of these financial statements

As per our report of even date

For KKC & Associates LLP
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Uma Shende
Company Secretary

Pune: 19 April 2023

Notes to financial statements for the year ended 31 March 2023

1 Bajaj Finserv Asset Management Ltd. (the 'Company') is a public limited company domiciled in India and incorporated on 18 October 2021 under the provisions of Companies Act, 2013. SEBI vide its communication dated 01 December 2021 has approved appointment of the Company to act as Asset Management Company. The Company was appointed as the Asset Management Company of Bajaj Finserv Mutual Fund by the Trustee vide Investment Management Agreement dated 11 February 2022 executed between Bajaj Finserv Mutual Fund Trustee Ltd and Bajaj Finserv Asset Management Ltd.

On 01 March 2023, SEBI has approved Bajaj Finserv Mutual Fund to commence its operations and Bajaj Finserv Asset Management Ltd to act as the Asset Management Company for Bajaj Finserv Mutual Fund.

The Company's registered office is at S. No. 208/1B, Lohagaon, Viman Nagar, Pune -411014.

Financial statements were subject to review and approval of Board of Directors.

On 19 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

A Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Companies Act, 2013 ('the Act").

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

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 Indian Rupees (INR) which is also the Company's functional currency, and all values presented are rounded to the nearest lakhs (INR 00000), except as otherwise indicated.

B 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

2.1 Income

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

2.2 Income from financial instruments

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.

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

2 Significant accounting policies followed by the Company (Contd.)

2. Dividend Income

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the dividend 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. Gain/Loss on Investments

The realised gains/losses from financial instruments at FVTPL is represented as the difference between the carrying amount of a financial instrument and its settlement price.

The unrealised gains/losses is represented as the difference between the carrying amount of a financial instrument and its carrying amount at the end of the reporting period.

3. Property, plant and equipment and depreciation/ amortisation

3.1 Property, plant and equipment

i) Property, plant and equipment, capital work in progress except land are carried at cost of acquisition or construction as the case may be, less accumulated depreciation and amortisation. Land is carried at cost of acquisition. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by the Management. The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset. Changes in the expected useful life are accounted for by changing the period or methodology, as appropriate, 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

3.2 Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The useful life is estimated based on number of factors including the effects of obsolescence, demand, competition and other economic factors such as the stability of the industry and known technological advances and the level of maintenance expenditures required to obtain the expected future cash flows from the assets. The estimated useful life of amortisable intangibles is reviewed and where appropriate are adjusted, annually.

3.3 Depreciation and amortisation

a. Tangible assets

i. Depreciation is calculated using the straight-line method to write down the cost of property and equipment (including components thereof) to their residual values over their estimated useful lives.

Land is not depreciated.

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

The estimated useful lives are as follows:

Type of Property, plant and equipment	Useful Life (No. of years)
1. Leasehold Improvements	Lease tenure
2. Office Equipment	5
3. Furniture	10
4. Computer Equipment:	
Server and Networking	6
Others	3
5. Vehicle	8

ii. Useful life of assets/components are determined as per management's estimate and as required by the Companies Act, 2013. Assets individually costing less than INR Five thousand are fully depreciated in the year of purchase/ acquisition.

iii. Depreciation on additions is being provided on pro rata basis from the date of such additions.

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

v. 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 necessary and appropriate.

b. Intangible assets

The intangible assets are amortised using the straight-line method over a period of three years, which is the management's estimate of its useful life. The useful life of an intangible asset is reviewed at each financial year end and adjusted prospectively.

3.4 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. Leases (as a lessee)

4.1 Right of Use Asset

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset for leases. 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.

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

4.2 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.

4.3 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 such as 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.

5. Financial assets

I. Classification

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset gives on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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.

Subsequent Measurement

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

Subsequently measured at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g., Debentures, Bonds etc. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised 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 with other gains/(losses) in the period in which it arises.

III. Impairment of financial assets

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

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

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

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

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. 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 gains and losses, 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 method. Interest expense and foreign exchange gains and losses 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 borrowings and payables, net of directly attributable transaction costs.

III. Subsequent measurement

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

IV. Derecognition

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

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

7. Taxation

A. Current Tax

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.

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) i.e., current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Current tax assets and current tax liabilities are offset, if legally enforceable right exist.

B. Deferred Tax

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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity), i.e., deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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.

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

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.

8. Goods and service tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax 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 financial statements for the year ended 31 March 2023 (Contd.)

9. Provisions, contingent liabilities and commitments

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.

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.

Contingent liabilities are disclosed 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.

Commitments includes the amount of purchase order (net of advance) issued to counterparties for supplying/development of assets and amounts pertaining which have been committed but not provided for.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each balance sheet date.

10. 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.

11. Fair value measurement

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

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

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

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

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

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

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

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

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

- 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.

12. Employee Benefits

12.1 Short-term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, bonuses and other non-monetary benefits are recognised in the period in which the employee renders the related services. All short-term employee benefits are accounted for on undiscounted basis.

12.2 Long-term employee benefits

The Company has both defined contribution and defined benefit plans.

Defined Contribution Plan

Provident fund: Each eligible employee and the Company, make contribution at a percentage of the basic salary specified under the Employee Provident Funds and Miscellaneous Provisions Act, 1952. The Company recognizes contributions payable to the Provident fund scheme as an expenditure when the employees render the related services. The Company has no further obligations under the plan beyond its periodic contributions.

National Pension Scheme contributions: For eligible employees, the Company makes contributions to National Pension Scheme. The contributions are charged to the Profit and Loss Account in the year the contributions are made.

12.3 Defined Benefit Plans

Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972. The Company accounts for liability for future gratuity benefits based on independent actuarial valuation under Indian Accounting Standard 19 (Ind AS 19) on 'Employee Benefits'. Contributions towards gratuity liability of the Company are made to the Bajaj Auto Employees' Group Gratuity Fund and Bajaj Auto Sr. Staff Group Gratuity Fund. The gratuity liability of the Company is actuarially determined at the Balance Sheet date using the 'projected unit credit method'. Any deficit in plan assets managed by Bajaj Auto Employees' Group Gratuity Fund and Bajaj Auto Sr. Staff Group Gratuity Fund as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability. The discount rate used for estimation of liability is based on Government securities yield. Gain or loss arising from change in actuarial assumptions/experience adjustments is recognised in the Profit or Loss Account for the period in which they emerge. Expected long term rate of return on assets has been determined based on historical experience and available market information.

Other long term employee benefits

Other long term employee benefits includes accumulated compensated absences that are entitled to be carried forward for future encashment or availment, at the option of the employee subject to the rules framed by the Company which are expected to be availed or encashed beyond 12 months from the end of the year. The Company's liability towards accumulated compensated absences entitlement outstanding at the close of the year are recognised as a liability at the present value of the obligation as at the Balance Sheet date. Accumulated entitlements related to compensated absences, at the time of separation, are entitled to be encashed.

12.4 Share Based Payments

Stock options are granted to eligible employees under Employee Stock Option Scheme, 2018 as formulated by Bajaj Finserv Limited ("Holding Company"). The scheme is administered through Bajaj Finserv Employee Stock Option Trust ("The Trust"). The mode of settlement of the scheme is through equity shares of the holding company.

The options so granted are accounted for based on fair value basis in accordance with the "Guidance Note on Accounting for Employee Share based Payments" issued by the Institute of Chartered Accountants of India ("ICAI"). The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. Further, any cost of such options, which is reimbursed to the holding company is amortised over the vesting period with a charge to the Profit and Loss Account.

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.

Diluted 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 share outstanding during the period adjusted for the effects of the number of equity shares which would have been issued on the conversion of all dilutive potential shares, unless they are anti-dilutive.

14. Segment reporting

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

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

3 Cash and cash equivalents

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks	30.58	10.49
	30.58	**10.49**

4 Investments

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through profit and loss		
In mutual funds	5,402.66	5,519.06
Total	**5,402.66**	**5,519.06**

All investments above are within India.

5 Other financial assets

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposit (Unsecured, considered good)	22.11	20.66
Other advances	32.34	-
	54.45	**20.66**

6 Deferred tax assets (net)

Unrecognised deferred tax assets

(₹ In Lakh)

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities				
On account of timing difference in				
Changes in fair value of financial asset carried at FVTPL	58.40	(3.68)	54.72	3.68
Property, plant and equipment	17.22	(2.54)	14.68	2.54
Deferred tax assets				
On account of timing difference in				
Other temporary differences	0.64	12.43	11.79	(12.43)
Recognised to the extent of deferred tax liability	(76.26)	-	(74.98)	-
Deferred tax assets (net)	**-**	**6.21**	**6.21**	**(6.21)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

7A Property, plant and equipment

Current Year

(₹ In Lakh)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 1 April 2022	Additions	Deductions and Adjustments	As at 31 March 2023	As at 1 April 2022	Deductions and Adjustments	For the Year	As at 31 March 2023	As at 31 March 2023
1	Leasehold improvements	102.17	76.54	-	178.71	0.95	-	24.03	24.98	153.73
2	Furniture	6.04	45.76	-	51.80	0.05	-	1.77	1.82	49.98
3	Office equipment	18.00	74.25	-	92.25	0.25	-	10.82	11.07	81.18
4	Computers & Network	30.71	291.09	-	321.80	1.12	-	30.15	31.27	290.53
5	Vehicle	-	105.40	-	105.40	-	-	4.74	4.74	100.66
	Total	**156.92**	**593.04**	**-**	**749.96**	**2.37**	**-**	**71.51**	**73.88**	**676.08**

Previous Year

(₹ In Lakh)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 18 October 2021	Additions	Deductions and Adjustments	As at 31 March 2022	As at 18 October 2021	Deductions and Adjustments	For the Year	As at 31 March 2022	As at 31 March 2022
1	Leasehold improvements	-	102.17	-	102.17	-	-	0.95	0.95	101.22
2	Furniture	-	6.04	-	6.04	-	-	0.05	0.05	5.99
3	Office equipment	-	18.00	-	18.00	-	-	0.25	0.25	17.75
4	Computers & Network	-	30.71	-	30.71	-	-	1.12	1.12	29.59
	Total	**-**	**156.92**	**-**	**156.92**	**-**	**-**	**2.37**	**2.37**	**154.55**

7B Other intangible assets

(₹ In Lakh)

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 1 April 2022	Additions	Deductions and Adjustments	As at 31 March 2023	As at 1 April 2022	Deductions and Adjustments	For the Year	As at 31 March 2023	As at 31 March 2023
1	Application software	-	177.00	-	177.00	-	-	9.69	9.69	167.31
	Total	**-**	**177.00**	**-**	**177.00**	**-**	**-**	**9.69**	**9.69**	**167.31**

Note: There were no intangible assets as on 31 March 2022.

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

7C Intangible assets under development

(₹ In Lakh)

Sr. no.	Intangible assets under development	As at March 31, 2023				
		Amount in CWIP for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
i	Projects in progress	173.17	-	-	-	173.17
	Total	**173.17**	**-**	**-**	**-**	**173.17**

Note: There were no intangible assets under development as at March 31, 2023, whose completion is overdue or has exceeded its cost compared to its original plan.

8 Right-of-use-assets

(₹ In Lakh)

Sr. no.	Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
i	**Cost**		
	As at the beginning of the period/year	257.70	-
	Additions	-	257.70
	Balance as the end of the period/year	257.70	257.70
ii	**Depreciation**		
	As at the beginning of the period/year	11.29	-
	Charged during the period/year	51.51	11.29
	Balance as the end of the period/year	62.80	11.29
iii	**Net book value as at the end of the period/year**	**194.90**	**246.41**

9 Other non-financial assets

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
GST receivable	313.82	38.49
Prepaid expenses	208.42	7.84
Capital advance (Unsecured, considered good)	58.88	56.29
Others	0.68	-
	581.80	**102.62**

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

10 Trade payables

(₹ In Lakh)

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

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.

11 Lease Liabilities

As a lessee

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

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Premises		
As at the beginning of the period/year	248.92	-
Addition during the period/year	-	257.70
Accretion of interest	17.42	3.95
Payments	(57.72)	(12.74)
	208.62	**248.92**

The maturity analysis of lease liabilities is disclosed in Note 28.

12 Other financial liabilities

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital creditors	55.23	54.77
Employee benefits payable	726.00	3.00
Other payable	213.44	0.45
	994.67	**58.22**

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

13 Provisions

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits (See note 30)		
Provision for compensated absences	50.27	-
Provision for gratuity	99.23	-
Provision for expenses	0.90	-
	150.40	**-**

14 Other non-financial liabilities

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Taxes and duties payable	124.53	30.19
Other payables	21.16	1.36
	145.69	**31.55**

15 Equity Share capital

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
20,00,00,000 (31 March 2022: 6,00,00,000) Equity shares of ₹ 10/- each	20,000.00	6,000.00
Issued, subscribed and fully paid-up shares		
10,00,00,000 (31 March 2022: 6,00,00,000) Equity shares of ₹ 10/- each	10,000.00	6,000.00
	10,000.00	**6,000.00**

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

Particulars	Nos.	(₹ In Lakh)
Equity shares of ₹ 10 each fully paid		
As at 18 October 2021	-	-
Add: Equity shares issued during the period	60,000,000	6,000.00
As at 31 March 2022	**60,000,000**	**6,000.00**
Add: Equity shares issued during the year	40,000,000	4,000.00
As at 31 March 2023	**100,000,000**	**10,000.00**

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

b. Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share held. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the 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 shareholder.

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

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Equity shares of ₹ 10 each fully paid		
Bajaj Finserv Ltd.		
Nos.	100,000,000	60,000,000
Holding %	100%	100%

d. Details of promoter shareholding

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
i Shares held by the promoter		
Bajaj Finserv Ltd.		
Nos.	100,000,000	60,000,000
Holding %	100%	100%

16 Other equity

(₹ In Lakh)

	Particulars	As at 31 March 2023	As at 31 March 2022
i	**Reserves and surplus :**		
a	**Surplus/(Deficit) in the Statement of Profit and Loss**		
	Balance as at the beginning of the period/year	(278.69)	-
	Profit/(loss) for the period/year	(3,808.27)	(278.69)
	Items of other comprehensive income recognised directly in retained earnings		
	Actuarial gains/losses of defined benefit plans	(131.47)	-
	Balance as at the end of the period/year	**(4,218.43)**	**(278.69)**

a Nature and purpose of Other Equity

i Retained earnings

Retained earnings represents the surplus/(deficit) in Profit and Loss Account and appropriations.

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

17 Interest income

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Unwinding of discount on security deposits	1.45	0.31
	1.45	**0.31**

18 Net gain on fair value changes

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Net gain/(loss) on financial instruments at fair value through profit or loss (FVTPL)		
Gain on valuation and realisation of mutual funds	334.61	26.63
Fair value changes:		
Realised	102.58	12.01
Unrealised	232.03	14.62
	334.61	**26.63**

19 Other income

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Interest on Income Tax refund	0.01	-
	0.01	**-**

20 Finance Cost

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Interest on lease liabilities	17.42	3.95
	17.42	**3.95**

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

21 Employee benefits expenses

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Salaries, wages and bonus to employees	2,546.56	38.73
Share based payments to employees (See note 31)	100.72	-
Contribution to provident and other funds	62.50	1.40
	2,709.78	**40.13**

22 Depreciation, amortisation and impairment

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Depreciation of right-of-use-assets	51.51	11.29
Depreciation on property, plant and equipment	71.50	2.37
Amortisation on intangible assets	9.69	-
	132.70	**13.66**

23 Other expenses

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Business support service expenses	749.28	150.08
Recruitment expenses	121.28	-
Legal and professional charges	52.72	33.76
Vehicle expenses	28.43	-
Communication expenses	36.01	-
Technology expenses	80.64	-
Rates and taxes	38.07	58.32
Site Maintenance Charges	51.37	-
Subscription charges	35.30	-
Repairs and maintenance charges	12.04	9.34
Marketing Expenses	27.32	-
Training and conference expenses	14.05	-
Electricity charges	11.72	-
Insurance	1.95	-
Directors' sitting fees	3.00	0.40

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

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Stamp duty on mutual fund	0.20	0.57
Auditor's remuneration	0.65	0.50
Rent	1.64	0.36
Miscellaneous expenses	12.56	0.77
	1,278.23	**254.10**
Auditor's remuneration		
Audit fees	0.50	0.50
Other services (certification fees)	0.15	-
	0.65	**0.50**

24 Tax expense

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Current tax		
Current tax on profits for the period	-	-
Deferred tax		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	6.21	(6.21)
Total deferred tax expenses/(benefit)	6.21	(6.21)
Tax expenses	**6.21**	**(6.21)**

25 Earnings per share

(₹ In Lakh)

Particulars	For the year ended 31 March 2023	For the period ended 18 October 2021 to 31 March 2022
Profit/(loss) for the period/year	(3,808.27)	(278.69)
Weighted average number of shares outstanding during the period/year (Nos)	76,493,151	6,630,548
Earnings per share (Basic and Diluted) (₹)	(4.98)	(4.20)
Face value per share (₹)	10.00	10.00

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

26 Fair value measurement

(i) Financial instruments by category

(₹ In Lakh)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Fair Value			Fair Value		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Mutual funds	5,402.66	-	-	5,519.06	-	-
Cash and cash equivalents	-	-	30.58	-	-	10.49
Other financial assets	-	-	54.45	-	-	20.66
Total Financial assets	**5,402.66**	**-**	**85.03**	**5,519.06**	**-**	**31.15**
Financial liabilities						
Trade payables	-	-	-	-	-	-
Lease liabilities	-	-	208.62	-	-	248.92
Other financial liabilities	-	-	994.67	-	-	58.22
Total Financial liabilities	**-**	**-**	**1,203.29**	**-**	**-**	**307.13**

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are-

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard, which are explained herein below.

Fair value of cash and cash equivalents, bank balances, trade & other receivables, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to current maturities of these instruments. Accordingly, fair value hierarchy for these financial instruments have not been presented above.

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

(₹ In Lakh)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL		-	-	-	-
Liquid mutual funds	4	5,402.66	-	-	5,402.66
Total financial assets		**5,402.66**	**-**	**-**	**5,402.66**

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

Financial assets measured at fair value - recurring fair value measurements at 31 March 2022

(₹ In Lakh)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL		-	-	-	-
Liquid mutual funds	4	5,519.06	-	-	5,519.06
Total financial assets		**5,519.06**	**-**	**-**	**5,519.06**

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.

Valuation method used to determine fair value

Open ended mutual funds' NAV published on AMFI website

27 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.

Credit risk

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, financial assets measured at FVTPL and trade receivables.

Credit risk management

In regard to trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limit and continuously monitoring the credit worthiness of customers to whom credit is extended (substantially through debt securities) in the normal course of business.

With regards to financial assets represented substantially by 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 Company reviews the creditworthiness of these counterparties on an on-going basis. Counter party exposure limits maybe updated as and when required, subject to approval of Board of Directors.

Liquidity risk

The Company's principal sources of liquidity are 'cash and cash equivalents, investments in money market instruments' 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.

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

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

Other risk (Market Risk)

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

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

28 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled:

(₹ In Lakh)

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
Assets						
Financial assets						
Cash and cash equivalents	30.58	-	30.58	10.49	-	10.49
Investments	5,402.66	-	5,402.66	5,519.06	-	5,519.06
Other financial assets	32.34	22.11	54.45	-	20.66	20.66
Non-financial assets						
Deferred tax assets (net)	-	-	-	-	6.21	6.21
Property, plant and equipment	-	676.08	676.08	-	154.55	154.55
Other intangible assets	-	167.31	167.31	-	-	-
Intangible assets under development	-	173.17	173.17	-	-	-
Right-of-use-asset	-	194.90	194.90	-	246.41	246.41
Other non-financial assets	431.03	150.77	581.80	46.33	56.29	102.62
Total	**5,896.61**	**1,384.34**	**7,280.95**	**5,575.88**	**484.12**	**6,060.00**
Liabilities						
Financial liabilities						
Lease liabilities	16.62	192.00	208.62	57.72	191.20	248.92
Other financial liabilities	994.67	-	994.67	58.22	-	58.22
Non-financial liabilities						
Provisions	103.46	46.95	150.41	-	-	-
Other non-financial liabilities	145.69	-	145.69	31.55	-	31.55
Total	**1,260.44**	**238.95**	**1,499.39**	**147.49**	**191.20**	**338.69**

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

29 Disclosure of transactions with related parties as required by the Ind AS 24

A Transactions with Related Parties

(₹ In Lakh)

Sr. No.	Name of related party	Nature of transaction	2022-23		2021-22	
			Transaction Value	Outstanding amount	Transaction Value	Outstanding amount
[a]	**Holding Company**					
	Bajaj Finserv Limited (BFS)	Share of the Company held by BFS (10,00,00,000 shares (Previous year 6,00,00,000 shares) of ₹ 10 each)	4,000.00	(10,000.00)	6,000.00	(6,000.00)
		Business support services received	640.47	(164.63)	137.44	-
		Revenue expenses reimbursement paid	5.50	-	-	-
		Reimbursement for share based payments paid	194.30	-	58.32	-
		Transfer of Fixed Assets	40.07	-	-	-
[b]	**Fellow subsidiaries**					
	Bajaj Finance Limited	Business Support Service received	1.17	-	-	-
	Bajaj Allianz General Insurance Company Limited	Insurance expense	3.02	15.82	-	-
		Purchase of plant property & equipment	-	-	15.64	-
	Bajaj Finserv Direct Limited	Website development and other allied activities	125.00	-	-	-
[c]	**Other entities**					
	Bajaj Holdings & Investment Limited	Business support services received	102.88	-	12.64	-
		Revenue expenses reimbursement paid	38.09	-	-	-
	Bajaj Allianz Staffing Solutions Limited	Business support service received	4.78	(2.17)	-	-
	Bajaj Auto Senior Staff Group	Gratuity contribution	50.00	-	-	-
[d]	**Key management personnel (KMP)**					
	Ganesh Mohan (CEO)	Short term employee benefits (See note vi)	556.65	-	-	-
		Post employment benefits	22.40		-	
		Share based payment (See note iv)	248.56		-	
	Sandesh Madhukar Kirkire	Sitting fees	1.40	-	0.20	-
	Malvika S Sinha	Sitting fees	1.60	-	0.20	-

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

Notes:

i Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties.

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

iii The company has a capital commitment towards Bajaj Finserv Direct Limited of ₹ 252 lakh. The Company has paid ₹ 125 lakh during the year and ₹ 127 lakh is outstanding as capital commitment as at 31 March 2023.

iv Cross charged by Bajaj Finserv Ltd towards business support services as the same pertains to his employment with Bajaj Finserv Ltd. Accordingly, the same is disclosed under business support services expenses in Note 23.

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

vi Certain portion of this is charged through business support services by BFS.

30 Employee Benefits

a) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss, which are included under "Contribution to Provident fund and other funds":

(₹ In Lakh)

Particulars	31 March 2023	31 March 2022
Employer's contribution to Provident Fund	56.27	1.32
Employer's contribution to Pension Fund	5.60	0.08
Employer's contribution to National Pension System	0.63	-
Total	**62.50**	**1.40**

b) Funded Schemes

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.

I Gratuity

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972. 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 Lakh)

Particulars	31 March 2023
Amount recognised in Balance Sheet	
Present value of funded defined benefit obligation	212.26
Fair value of plan assets	113.04
Net funded obligation	**99.23**

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

(₹ In Lakh)

Particulars	31 March 2023
Expense recognised in the Statement of Profit and Loss	
Current service cost	11.29
Interest on net defined benefit liability/(asset)	4.77
Total expense charged to Statement of Profit and Loss	**16.06**
Amount recorded as Other Comprehensive Income	
Opening amount recognised in OCI outside Statement of Profit and Loss	-
Remeasurements during the period due to	-
- Changes in financial assumptions	-
- Experience adjustments	134.05
- Actual return on plan assets less interest on plan assets	(2.58)
Closing amount recognised in OCI outside Statement of Profit and Loss	**131.47**
Reconciliation of net liability/(asset)	
Opening net defined benefit liability/(asset)	-
Expense charged to Statement of Profit and Loss	16.06
Amount recognised outside Statement of Profit and Loss	131.47
Employer contributions	(48.31)
Closing net defined benefit liability/(asset)	**99.23**
Movement in Benefit Obligations	
Opening of defined benefit obligation	-
Current service cost	11.29
Interest on net defined benefit obligation	4.77
Remeasurements during the period due to	-
- Changes in financial assumptions	-
- Experience adjustments	134.05
Benefits paid	-
Liabilities assumed/ (settled) *	62.15
Liabilities extinguished on settlement	-
Closing of defined benefit obligation	**212.26**
Movement in Plan Assets	
Opening fair value of plan assets	-
Employer contributions	48.31
Interest on plan assets	-
Remeasurements during the period due to	-
- Actual return on plan assets less interest on plan assets	2.58
Benefits paid	-
Liabilities assumed/ (settled) *	62.15
Liabilities extinguished on settlement	-
Closing fair value of plan assets	**113.04**

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

(₹ In Lakh)

Particulars	31 March 2023
Disaggregation of assets	
Category of assets	
Insurer managed funds	113.04
Others	-
Total	**113.04**

* On account of intergroup transfer

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.

(₹ In Lakh)

Particulars	31 March 2023	
	Discount rate	Salary escalation rate
Senior Staff		
Impact of increase in 50 bps on DBO	(5.97%)	6.24%
Impact of decrease in 50 bps on DBO	6.43%	(5.86%)
Junior Staff		
Impact of increase in 50 bps on DBO	(8.91%)	9.71%
Impact of decrease in 50 bps on DBO	10.00%	(8.75%)

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 the plan next year is ₹ 21 lakh.

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

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:

(₹ In Lakh)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2023					
Senior staff	-	3.34	6.63	528.55	538.52
Junior staff	-	0.24	0.68	82.24	83.16
Weighted average duration of defined benefit obligation (in years)					
31 March 2023					
Senior staff					12.38
Junior staff					18.87

Principal actuarial assumptions (expressed as weighted averages)

(₹ In Lakh)

Particulars	As at 31 March 2023
Discount rate (p.a.)	7.45%
Salary escalation rate (p.a.) - Senior staff	10.00%
Salary escalation rate (p.a.) - Junior staff	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.

c) Unfunded schemes

I Compensated Absences

The Company's liability towards accumulated compensated absences, is accounted for on the basis of an independent actuarial valuation. The accumulated leaves can be availed and/or encashed at any time during the tenure of employment subject to the rules framed by the Company.

(₹ In Lakh)

Particulars	As at 31 March 2023
Present value of unfunded obligations	50.27
Expense recognised in the Statement of Profit and Loss	50.27
Amount recorded as Other Comprehensive Income	-
Discount rate (p.a.)	7.45%
Salary escalation rate (p.a.)	10.00%

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

31 Share-based payments

Bajaj Finserv Limited ("Holding Company") has established Employees stock options plan, 2018 (ESOP Scheme) for employees of the company. The employee stock option plan, designed to provide incentives to the employees of the company and to deliver long-term returns and is an equity settled plan. Under the scheme, the company has granted 41,990 shares on various dates of ₹1 each to some of its employees.

Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the company may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable over period of eight years from the date of vesting or such period as may be decided by the company at its sole discretion from time to time. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share.

Summary of the options granted under the plan to employees of the Company is as follows:

(₹ In Lakh)

Particulars	31 March 2023 No. of options
Opening balance at the beginning of the year	-
Granted during the year	41,990
Exercised during the year	-
Forfeited during the year	-
Closing balance at the end of the year	41,990
Vested and exercisable at the end of the year	-

Weighted average fair value of options granted during the year:

(₹ In Lakh)

Particulars	Grant Date	No. of options granted	Weighted average fair value per option (₹)
ESOP 2022	28/Apr/22	4,090	509.4
ESOP 2022	28/Apr/22	5,650	376.8
ESOP 2022	2/Aug/22	7,960	378.4
ESOP 2022	2/Aug/22	3,300	508.1
ESOP 2022	13/Sep/22	20,990	501.6

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

32 Capital Management

Objectives, policies and processes of capital management

i The Company is cash surplus and has no capital other than Equity. As per SEBI (Mutual Fund) Regulations,1996, asset management company shall maintain net worth of not less than rupees fifty crores.

ii The cash surpluses are currently invested in debt mutual funds depending on economic conditions in line with the guidelines set out 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.

(₹ In Lakh)

Particulars	31 March 2023	31 March 2022
Equity	5,781.57	5,721.31
Less: Tangible and other assets	1,002.85	152.05
Deferred tax assets (net)	-	6.21
Working capital	(623.93)	44.00
Investments in debt and similar investments	**5,402.66**	**5,519.06**

33 Capital and other commitments

(₹ In Lakh)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital commitments, net of capital advances	127.00	18.01
	127.00	**18.01**

34 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.

f. Previous year figures have been regrouped/ reclassified wherever necessary, in order to make them comparable.

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

35 Events after reporting date

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

The accompanying notes are an integral part of these financial statements

As per our report of even date

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

Soorej Kombaht
Partner
ICAI Membership Number: 164366

Pune: 19 April 2023

On behalf of the Board of Directors

Ganesh Mohan
Director
DIN: 07985728

Sanjiv Bajaj
Chairman
DIN: 00014615

S Sreenivasan
Chief Financial Officer

Uma Shende
Company Secretary

Pune: 19 April 2023

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BAJAJ ASSET MANAGEMENT