



3<sup>rd</sup>

ANNUAL  
REPORT

2023-24



# CORPORATE INFORMATION

## Board of Directors

---

**Sanjiv Bajaj**

Chairman

**Ganesh Mohan**

Whole-time Director & CEO

**Malvika S Sinha**

Independent Director

**Sandesh Kirkire**

Independent Director

## Chief Financial Officer

---

**Nilesh Chonkar**

## Company Secretary

---

**Harish Iyer**

## 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,  
8<sup>th</sup> 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 Financial Statements of Bajaj Finserv Asset Management Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements, including a summary of material accounting policy information 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31 March 2024, and its Loss and Other Comprehensive Income, Changes in Equity and its Cash Flows for the year ended on that date.

#### 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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

#### 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards)

Rules, 2015, as amended and other accounting principles generally accepted in India. 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 of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Financial Statements, the Board of Directors 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 is 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 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 read with the relevant rules thereunder.
- 15.5. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 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, 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.

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

16.7. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule II(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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: 24 April 2024

## Annexure “A” to the Independent Auditor’s Report on the Financial Statements of Bajaj Finserv Asset Management Limited for the year ended 31 March 2024

(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, the Company does not hold any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, the provision of clause 3(i)(c) of the Order is not applicable to the Company.

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

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

- ii. (a) In our opinion and according to the information and explanations given to us, the Company is engaged in providing asset management services and does not have any physical inventory, hence physical verification of inventory and reporting under paragraph 3(ii)(a) of the Order is not applicable.

- (b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned any working capital limits at any point of time during the year, from banks or financial institutions. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.

- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, paragraphs 3(iii)(c), 3(iii)(d) and 3(iii)(e) of the Order are not applicable. Further, according to the information and explanation given to us, the Company has made investments during the year.

- (b) In our opinion and according to the information and explanations given to us, the investments made are, prima facie, not prejudicial to the Company’s interest. The Company has not provided any guarantees, given securities and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees. Accordingly, paragraph 3(iii)(b) is not applicable to that extent.

- (c) The Company has not granted any loans or advances in the nature of loans to Promoters/ Related Parties (as defined in section 2(76) of the Act which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, paragraph 3(iii)(f) is not applicable.

- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or given any guarantee or provided any securities as covered

under the provisions of sections 185 of the Act. In respect of the investments made by the Company, the provisions of sections 186 of the Act have been complied with.

- 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 Company is not required to maintain cost records under Section 148 (1) of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and hence reporting under paragraph 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.
- 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 2024 for a period of more than six months from the date they became payable.
- (b) We confirm that 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, 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 3(ix)(a) of the Order is not applicable to the Company.
- (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 outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company has not raised any loans on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, paragraph 3(ix)(e) and 3(ix)(f) of the Order are 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. Accordingly, reporting under paragraph 3(x)(a) of the Order is not applicable.
- (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 have been utilised for the purposes for which they were raised.
- 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. Accordingly, reporting under paragraph 3(xi) (a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, 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.
- 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 13<sup>th</sup> August 2020 of the Reserve Bank of India.
- xvii. According to the information and explanations given to us, the Company has incurred cash losses in the financial year and in the immediately preceding financial year. The amount of cash loss in the current year is Rs. 15,681.88 lakhs and in previous year is Rs.3,901.39 lakhs.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable / paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our

reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information and explanations given to us and based on our examination of the records of the Company, the provision of CSR is not applicable to the Company. Accordingly, provision of clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- xxi. The Company does not have any subsidiary, associate or joint venture company and is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

**Soorej Kombaht**

Partner

ICAI Membership No: 164366

UDIN: 23164366BGYKTJ3047

Place: Pune

Date: 24 April 2024

## Annexure 'B' to the Independent Auditors' report on the Financial Statements of Bajaj Finserv Asset Management Limited for the year ended 31 March 2024

(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 2024 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 2024, 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: 24 April 2024

## Balance Sheet as at 31 March 2024

(₹ In Lakh)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	46.00	30.58
Trade receivables	4	235.38	-
Investments	5	6,998.50	5,402.66
Other financial assets	6	166.95	37.93
		<b>7,446.83</b>	<b>5,471.17</b>
<b>Non-financial assets</b>			
Deferred tax assets (Net)	7	-	-
Property, plant and equipment	8A	1,656.60	676.08
Capital work-in-progress	8B	64.33	58.88
Other intangible assets	8C	924.25	167.31
Intangible assets under development	8D	225.38	173.17
Right-of-use-asset	9	1,470.88	194.90
Other non-financial assets	10	2,692.39	539.44
		<b>7,033.83</b>	<b>1,809.78</b>
<b>Total</b>		<b>14,480.66</b>	<b>7,280.95</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	11	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
Lease liabilities	12	1,611.66	208.62
Other financial liabilities	13	2,774.09	994.67
		<b>4,385.75</b>	<b>1,203.29</b>
<b>Non-financial Liabilities</b>			
Current tax liabilities (Net)		-	-
Provisions	14	683.62	150.40
Other non-financial liabilities	15	250.61	145.69
		<b>934.23</b>	<b>296.09</b>
<b>Equity</b>			
Equity share capital	17	30,000.00	10,000.00
Other equity	18	(20,839.32)	(4,218.43)
		<b>9,160.68</b>	<b>5,781.57</b>
<b>Total</b>		<b>14,480.66</b>	<b>7,280.95</b>

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

On behalf of the Board of Directors

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

**Ganesh Mohan**  
Director  
DIN: 07985728

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Soorej Kombaht**  
Partner  
ICAI Membership Number: 164366

**Nilesh Chonkar**  
Chief Financial Officer

**Harish Iyer**  
Company Secretary

Pune: 24 April 2024

Pune: 24 April 2024

## Statement of Profit and Loss for the year ended 31 March 2024

(₹ In Lakh)			
Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Income</b>			
Fees & commission income	16	810.93	-
Net gain on fair value changes	19	584.59	334.61
<b>Total revenue from operations</b>		<b>1,395.52</b>	<b>334.61</b>
Other income	20	8.75	1.46
<b>Total income</b>		<b>1,404.27</b>	<b>336.07</b>
<b>Expenses</b>			
Finance cost	21	125.69	17.42
Employee benefits expenses	22	9,069.05	2,740.46
Depreciation, amortisation and impairment	23	875.57	132.70
Other expenses	24	8,038.44	1,247.55
<b>Total expenses</b>		<b>18,108.75</b>	<b>4,138.13</b>
<b>Profit/(loss) before tax</b>		<b>(16,704.48)</b>	<b>(3,802.06)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	6.21
<b>Total tax expense</b>	25	-	(6.21)
<b>Profit/(loss) for the period/year</b>		<b>(16,704.48)</b>	<b>(3,808.27)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gains/(losses) of defined benefit plans		83.59	(131.47)
Tax impacts on above		-	-
Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the period/year (net of tax)</b>		<b>83.59</b>	<b>(131.47)</b>
<b>Total comprehensive income for the year</b>		<b>(16,620.89)</b>	<b>(3,939.74)</b>
<b>Earnings per share</b>			
Basic and diluted Earnings/(Loss) per share (in ₹)	26	(7.88)	(4.98)
(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

On behalf of the Board of Directors

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

**Ganesh Mohan**  
Director  
DIN: 07985728

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Soorej Kombaht**  
Partner  
ICAI Membership Number: 164366  
Pune: 24 April 2024

**Nilesh Chonkar**  
Chief Financial Officer  
Pune: 24 April 2024

**Harish Iyer**  
Company Secretary

## Statement of Cash Flows for the year ended 31 March 2024

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(16,704.48)	(3,802.06)
Adjustments to reconcile profit before tax to net cash flows:		
Add/(Less) :		
Depreciation, amortisation and impairment	875.57	132.70
Interest on income-tax refund	0.03	-
Finance cost	125.69	17.42
Loss/(profit) on sale of fixed assets (net)	1.40	-
Profit on sale of current investments, net	(584.59)	(334.61)
	<b>418.10</b>	<b>(184.49)</b>
Cash from operations before working capital changes	(16,286.38)	(3,986.55)
Working capital changes		
Increase/(decrease) in provisions	616.81	18.93
Increase/(decrease) in other non-financial liabilities	104.92	114.14
Increase/(decrease) in other financial liabilities	1,779.42	936.46
(Increase)/decrease in trade Receivables	(235.38)	0.00
Increase/(decrease) in other non-financial assets	(2,071.66)	(436.82)
Increase/(decrease) in other financial assets	(129.02)	(17.27)
	<b>65.09</b>	<b>615.44</b>
Net cash from operating activities before income tax	(16,221.30)	(3,371.11)
Taxes paid (net of refunds)	(81.29)	-
<b>Net cash (used)/generated from operating activities</b>	<b>(16,302.59)</b>	<b>(3,371.11)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment and other intangible assets	(2,355.14)	(770.04)
Proceeds from sale of fixed assets	17.28	
Purchase under intangible assets under development & CWIP	(57.66)	(232.05)
Purchase of investments	(29,729.52)	(3,959.80)
Proceeds from sale of investments	28,718.26	4,410.81
<b>Net cash (used)/generated from investing activities</b>	<b>(3,406.78)</b>	<b>(551.08)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issues of shares	20,000.00	4,000.00
Principal payment towards lease liabilities	(275.20)	(57.72)
<b>Net cash (used)/generated from financing activities</b>	<b>19,724.80</b>	<b>3,942.28</b>
<b>Net change in cash and cash equivalents</b>	<b>15.44</b>	<b>20.09</b>
<b>Cash and cash equivalents as at the beginning of the year</b>	<b>30.58</b>	<b>10.49</b>
<b>Cash and cash equivalents as at the end of the year</b>	<b>46.02</b>	<b>30.58</b>

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

On behalf of the Board of Directors

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

**Ganesh Mohan**  
Director  
DIN: 07985728

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Soorej Kombaht**  
Partner  
ICAI Membership Number: 164366

**Nilesh Chonkar**  
Chief Financial Officer

**Harish Iyer**  
Company Secretary

Pune: 24 April 2024

Pune: 24 April 2024

## Statement of Changes in Equity for the year ended 31 March 2024

### A Equity share capital

(₹ In Lakh)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the period/year		10,000.00	6,000.00
Changes in equity share capital during the period/year		20,000.00	4,000.00
<b>Balance at the end of the period/year</b>	17	<b>30,000.00</b>	<b>10,000.00</b>

### B Other equity

(₹ In Lakh)

Particulars	Note No.	Reserves and surplus	Total other equity
		<b>Retained earnings</b>	
<b>Balance as at 31 March 2022</b>		(278.69)	(278.69)
Profit/(loss) for the period		(3,808.27)	(3,808.27)
Other comprehensive income (net of tax)		(131.47)	(131.47)
<b>Total comprehensive income for the year ended 31 March 2023</b>		<b>(3,939.74)</b>	<b>(3,939.74)</b>
<b>Balance as at 31 March 2023</b>	18	<b>(4,218.43)</b>	<b>(4,218.43)</b>
Profit/(loss) for the year		(16,704.48)	(16,704.48)
Other comprehensive income (net of tax)		83.59	83.59
<b>Total comprehensive income for the year ended 31 March 2023</b>		<b>(16,620.89)</b>	<b>(16,620.89)</b>
<b>Balance as at 31 March 2024</b>		<b>(20,839.32)</b>	<b>(20,839.32)</b>

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

On behalf of the Board of Directors

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

**Ganesh Mohan**  
Director  
DIN: 07985728

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Soorej Kombaht**  
Partner  
ICAI Membership Number: 164366

**Nilesh Chonkar**  
Chief Financial Officer

**Harish Iyer**  
Company Secretary

Pune: 24 April 2024

Pune: 24 April 2024



## Notes to financial statements for the year ended 31 March 2024

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 24 April 2024, the Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

## 2. Summary of material accounting policies

### 2.1 Preparation and presentation of financial statements

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 an accrual and going concern basis. The Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. 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 Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity is presented in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

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) with two decimals as permitted by Schedule III to the Act, except as otherwise indicated.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realize the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 2.2 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.

Accounting estimates and judgements are used in various line items in the financial statements:

- Fair value of financial instruments
- Impairment of assets
- Provision for tax expenses

## 2.3 Revenue recognition

### Rendering asset management service

The Company has been appointed as the investment manager of Bajaj Finserv Mutual Fund. The Company generates its revenue by providing asset management services to Bajaj Finserv Mutual Fund. The management fees is recognized on an accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations.

### Income from financial instruments

#### i) Dividend Income

Dividends are recognized in the Statement of Profit and Loss only when the right to receive the dividend is established, which is generally when shareholders approve the dividend.

#### ii) Gain/Loss on Investments

The realized 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 unrealized gains/losses from financial instruments at FVTPL represents the net change in unrealized gain on the underlying investments.

## 2.4 Property, plant and equipment, intangible assets and depreciation/ amortization

### Property, plant, and equipment

Property, plant and equipment are carried at cost of acquisition as the case may be, less accumulated depreciation and amortization.

PPE not ready for the intended use on the date of Balance Sheet are disclosed as 'Capital work-in-progress' and carried at cost.

### 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.

### Depreciation and amortization

#### i) Tangible assets

## Notes to financial statements for the year ended 31 March 2024 (Contd.)

Depreciation on tangible assets is provided on straight-line method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over the period of lease term.

## ii) 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.

**Impairment of non-financial asset**

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.

**2.5 Leases (as a lessee)**

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

**Right of Use Asset**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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.

**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.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

**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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 2.6 Financial assets

### Recognition and initial measurement

Financial assets are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognized initially at fair value. Further, all the transaction costs related to financial assets recorded at Fair Value through Profit & Loss (FVTPL) are recognized in P&L. 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.

The Company classifies its financial assets as FVTPL

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

For assets classified as 'measured at fair value', gain/(loss) will be recorded in profit or loss.

### Business model assessment

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

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

### The SPPI test (Solely Payments of Principal and Interest)

As a second step of its classification process the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

### Subsequently measured at FVTPL

## Notes to financial statements for the year ended 31 March 2024 (Contd.)

All the financial assets are measured at FVTPL e.g. investments in mutual funds. A gain/(loss) on a financial asset that is subsequently measured at FVTPL is recognized in profit or loss and presented net in the Statement of Profit and Loss with other gain/(loss) in the period in which it arises.

**Impairment of financial assets**

The Company assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

ECL impairment loss allowance (or reversal) is recognized during the period only if material and is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

**Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

**Derecognition of financial assets**

A financial asset is derecognized only when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets

**2.7 Financial liabilities**

Financial liabilities consist of trade and other payables. The same are recognized at transaction price. The Company derecognizes financial liability when the obligation under the liability is discharged, cancelled, or expired. Any gain or loss on derecognition is recognized in the Statement of Profit and Loss.

**2.8 Taxation****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). Current tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

**Deferred Tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted

## Notes to financial statements for the year ended 31 March 2024 (Contd.)

or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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.

### 2.9 Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

### 2.10 Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising 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 into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole.

### 2.11 Employee Benefits

#### Short-term employee benefits and defined contribution plan

Liabilities for salaries, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognized as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

The Company also recognizes a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The Company has made contributions to superannuation funds, provident fund, and pension schemes as per the scheme of the Company or to Government authority and the same is recognized in P&L as and when employee renders the services.

#### Defined Benefit Plans (Gratuity obligations)

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The Calculation includes assumptions with regard to discount rate, salary escalation rate,

## Notes to financial statements for the year ended 31 March 2024 (Contd.)

attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend.

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

Payment for present liability of future payment of gratuity is being made to approved gratuity fund viz, Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability.

### **Compensated absences**

Compensated absences entitlements are recognized as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability is recognized on the basis of an independent actuarial valuation. The compensated absences are calculated annually by actuaries using the projected unit credit method.

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

### **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 considers 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.

### **2.12 NFO expenses**

New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company and recognized in the Statement of Profit and Loss as and when incurred.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

**3 Cash and cash equivalents**

(₹ In Lakh)

Particulars	As at	As at
	31 March 2024	31 March 2023
Balances with Banks	46.00	30.58
	<b>46.00</b>	<b>30.58</b>

**4 Trade receivable**

(₹ In Lakh)

Particulars	As at	As at
	31 March 2024	31 March 2023
Asset Management fees receivable	235.38	-
	<b>235.38</b>	<b>-</b>

**Trade Receivables aging schedule**

(₹ In Lakh)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	1-2 Years	2-3 years	
(i) Undisputed Trade receivables – considered good	235.4	-	-	-	-	235.4
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>235.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>235.38</b>

**5 Investments**

(₹ In Lakh)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Investments carried at fair value through profit and loss</b>		
In mutual funds	6,963.25	5,402.66
Equity share	35.25	-
<b>Total</b>	<b>6,998.50</b>	<b>5,402.66</b>

All investments above are within India.

**6 Other financial assets**

(₹ In Lakh)

Particulars	As at	As at
	31 March 2024	31 March 2023
Security deposit (Unsecured, considered good)	159.12	22.11
Other advances	7.83	15.82
	<b>166.95</b>	<b>37.93</b>



Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 7 Deferred tax assets (net)

### Unrecognised deferred tax assets

Particulars	Balance Sheet		Statement of Profit and Loss	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Deferred tax liabilities</b>				
On account of timing difference in				
Changes in fair value of financial asset carried at FVTPL	-	58.40	-	54.72
Property, plant and equipment	103.33	17.22	86.11	14.68
Other temporary differences				
<b>Deferred tax assets</b>				
On account of timing difference in				
Changes in fair value of financial asset carried at FVTPL	(37.00)	-	(95.40)	-
Other temporary differences	(37.09)	0.64	(31.97)	11.79
Recognised to the extent of deferred tax liability	(29.23)	(76.26)	41.27	(74.98)
<b>Deferred tax assets (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.21</b>

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. 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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

### 8A Property, plant and equipment Current Year

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 1 April 2023	Additions	Deductions and Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions and Adjustments	For the Year	As at 31 March 2024	As at 31 March 2024
1	Leasehold improvements	178.71	222.26	-	400.97	24.98	-	62.53	87.51	313.46
2	Furniture	51.80	33.83	-	85.63	1.82	-	6.28	8.10	77.53
3	Office equipment	92.26	78.11	-	170.37	11.07	-	31.11	42.18	128.19
4	Computers & Network	321.79	879.55	-	1,201.34	31.27	-	216.83	248.10	953.24
5	Vehicle	105.40	128.03	20.38	213.05	4.74	1.70	25.84	28.88	184.17
	<b>Total</b>	<b>749.96</b>	<b>1,341.78</b>	<b>20.38</b>	<b>2,071.36</b>	<b>73.88</b>	<b>1.70</b>	<b>342.59</b>	<b>414.77</b>	<b>1,656.59</b>
<b>Previous Year</b>										
Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01 April 2022	Additions	Deductions and Adjustments	As at 31 March 2023	As at 01 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
	<b>Total</b>	<b>156.92</b>	<b>593.04</b>	<b>-</b>	<b>749.96</b>	<b>2.37</b>	<b>-</b>	<b>71.51</b>	<b>73.88</b>	<b>676.08</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

**8C Other intangible assets**  
Current Year

Sr. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
		As at 01 April 2023	Additions	Deductions and Adjustments	As at 31 March 2024	As at 01 April 2023	Deductions and Adjustments	For the Year	As at 31 March 2024	As at 31 March 2024
1	Application software	177.00	1,013.36	-	1,190.36	9.69	-	256.41	266.10	924.26
	<b>Total</b>	<b>177.00</b>	<b>1,013.36</b>	<b>-</b>	<b>1,190.36</b>	<b>9.69</b>	<b>-</b>	<b>256.41</b>	<b>266.10</b>	<b>924.26</b>
<b>Previous Year</b>										
Sr. No.	Particulars	GROSS BLOCK			AMORTISATION			NET BLOCK		
		As at 01 April 2022	Additions	Deductions and Adjustments	As at 31 March 2023	As at 01 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
	<b>Total</b>	<b>-</b>	<b>177.00</b>	<b>-</b>	<b>177.00</b>	<b>-</b>	<b>-</b>	<b>9.69</b>	<b>9.69</b>	<b>167.31</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 8D Intangible assets under development

(₹ In Lakh)

Sr. no.	Intangible assets under development	As at March 31, 2024				
		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	225.38	-	-	-	225.38
	<b>Total</b>	<b>225.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225.38</b>

**Note:** There were no intangible assets under development as at March 31, 2024, whose completion is overdue or has exceeded its cost compared to its original plan

## 8B Capital work-in-progress

(₹ In Lakh)

Sr. no.	CWIP	As at March 31, 2024				
		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	64.33	-	-	-	64.33
	<b>Total</b>	<b>64.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.33</b>

**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.

## 9 Right-of-use-assets

(₹ In Lakh)

Sr. no.	Particulars	For the year ended	For the year ended
		31 March 2024	31 March 2023
<b>i</b>	<b>Cost</b>		
	As at the beginning of the period/year	257.70	257.70
	Additions	1,552.55	-
	Balance as the end of the period/year	1,810.25	257.70
<b>ii</b>	<b>Depreciation</b>		
	As at the beginning of the period/year	62.80	11.29
	Charged during the period/year	276.57	51.51
	Balance as the end of the period/year	339.37	62.80
<b>iii</b>	<b>Net book value as at the end of the period/year</b>	<b>1,470.88</b>	<b>194.90</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 10 Other non-financial assets

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
GST receivable	1,646.23	313.82
Prepaid expenses	916.36	208.42
TDS receivable	81.97	0.68
Other vendor advances	47.83	16.52
	<b>2,692.39</b>	<b>539.44</b>

## 11 Trade payables

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
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 2024 and 31 March 2023 and hence no disclosures have been made in this regard.

## 12 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 2024	As at 31 March 2023
<b>Premises</b>		
As at the beginning of the year	208.62	248.92
Addition during the year	1,553.98	
Accretion of interest	125.69	17.42
Payments	(276.63)	(57.72)
	<b>1,611.66</b>	<b>208.62</b>

The maturity analysis of lease liabilities is disclosed in Note 29.

## 13 Other financial liabilities

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Capital creditors	234.80	55.23
Employee benefits payable	1,991.79	726.00
Other payable	547.50	213.44
	<b>2,774.09</b>	<b>994.67</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 14 Provisions

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits (See note 30)		
Provision for compensated absences	130.99	50.27
Provision for gratuity	65.25	99.23
Provision for expenses	487.38	0.90
	<b>683.62</b>	<b>150.40</b>

## 15 Other non-financial liabilities

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Taxes and duties payable	207.55	124.53
Other payables	43.06	21.16
	<b>250.61</b>	<b>145.69</b>

## 16 Fees & commission income

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
Asset management services	810.93	-
	<b>810.93</b>	<b>-</b>

## 17 Equity Share capital

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised</b>		
30,00,00,000 (31 March 2023: 20,00,00,000) Equity Shares of ₹10/- each	30,000.00	20,000.00
20,00,00,000 (31 March 2023: Nil) 6% Compulsorily Convertible Preference Shares of ₹10/- each	20,000.00	-
	<b>50,000.00</b>	<b>20,000.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
30,00,00,000 (31 March 2023: 10,00,00,000) Equity shares of ₹10/- each	30,000.00	10,000.00
	<b>30,000.00</b>	<b>10,000.00</b>

**Note:** The Company has issued 6% Compulsorily Convertible Preference Shares for Rs. 50 Crore on 05<sup>th</sup> April 2024 to its holding company Bajaj Finserv Limited

Notes to financial statements for the year ended 31 March 2024 (Contd.)

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

Particulars	Nos.	(₹ In Lakh)
<b>Equity shares of ₹ 10 each fully paid</b>		
As at 31 March 2023	10,00,00,000	10,000.00
Add: Equity shares issued during the period	-	-
<b>As at 31 March 2023</b>	<b>10,00,00,000</b>	<b>10,000.00</b>
Add: Equity shares issued during the year	20,00,00,000	20,000.00
<b>As at 31 March 2024</b>	<b>30,00,00,000</b>	<b>30,000.00</b>

**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**

Particulars	(₹ In Lakh)	
	As at 31 March 2024	As at 31 March 2023
Equity shares of ₹ 10 each fully paid		
<b>Bajaj Finserv Ltd.</b>		
Nos.	30,00,00,000	10,00,00,000
Holding %	100%	100%

**d. Details of promoter shareholding**

Particulars	(₹ In Lakh)	
	As at 31 March 2024	As at 31 March 2023
i Shares held by the promoter		
<b>Bajaj Finserv Ltd.</b>		
Nos.	30,00,00,000	10,00,00,000
Holding %	100%	100%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 18 Other equity

(₹ In Lakh)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>i Reserves and surplus :</b>		
<b>a Surplus/(Deficit) in the Statement of Profit and Loss</b>		
Balance as at the beginning of the period/year	(4,218.43)	(278.69)
Profit/(loss) for the period/year	(16,704.48)	(3,808.27)
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	83.59	(131.47)
<b>Balance as at the end of the period/year</b>	<b>(20,839.32)</b>	<b>(4,218.43)</b>

### a Nature and purpose of Other Equity

#### i Retained earnings

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

## 19 Net gain on fair value changes

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Net gain/(loss) on financial instruments at fair value through profit or loss (FVTPL)		
Gain on valuation and realisation of mutual funds	584.59	334.61
Fair value changes:		
Realised	731.62	102.58
Unrealised	(147.03)	232.03
	<b>584.59</b>	<b>334.61</b>

## 20 Other income

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on Income Tax refund	0.03	0.01
Unwinding of discount on security deposits	8.72	1.45
	<b>8.75</b>	<b>1.46</b>



Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 21 Finance Cost

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on lease liabilities	125.69	17.42
	<b>125.69</b>	<b>17.42</b>

## 22 Employee benefits expenses

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus to employees	8,129.94	2,557.23
Share based payments to employees (See note 32)	384.28	100.72
Contribution to provident and other funds	341.20	80.26
Staff welfare expenses	213.63	2.25
	<b>9,069.05</b>	<b>2,740.46</b>

## 23 Depreciation, amortisation and impairment

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of right-of-use-assets	276.57	51.51
Depreciation on property, plant and equipment	342.59	71.50
Amortisation on intangible assets	256.41	9.69
	<b>875.57</b>	<b>132.70</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 24 Other expenses

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Advertisement & Publicity	3,923.81	27.32
Software and technology expenses	1,930.71	80.64
Business support service expenses	459.85	749.28
Rates and taxes	210.43	38.07
Travelling and conveyance	267.11	-
Recruitment expenses	175.48	121.28
Subscription charges	178.58	35.30
Legal and professional charges	188.43	52.72
Operations related expenses	279.44	-
Rent	88.14	1.64
Training and conference expenses	75.30	14.05
Repairs and maintenance	108.40	63.41
Communication costs	32.74	36.01
Insurance	17.55	1.95
Electricity charges	22.90	11.72
Directors fees and travelling expenses	4.80	3.00
Auditor's remuneration	2.07	0.65
Miscellaneous expenses	72.70	10.51
	<b>8038.44</b>	<b>1,247.55</b>
<b>Auditor's remuneration</b>		
Audit fees	2.00	0.50
Reimbursement of expenses	0.07	0.15
	<b>2.07</b>	<b>0.65</b>

## 25 Tax expense

(₹ In Lakh)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Current tax</b>		
Current tax on profits for the period	-	-
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	-	-
(Decrease)/increase in deferred tax liabilities	-	6.21
Total deferred tax expenses/(benefit)	-	6.21
<b>Tax expenses</b>	<b>-</b>	<b>6.21</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 26 Earnings per share

(₹ In Lakh)

Particulars	For the year ended	For the year ended
	31 March 2024	31 March 2023
Profit/(loss) for the period/year	(16,704.48)	(3,808.27)
Weighted average number of shares outstanding during the period/year (Nos)	21,18,85,246	7,64,93,151
Earnings per share (Basic and Diluted) (₹)	(7.88)	(4.98)
Face value per share (₹)	10.00	10.00

## 27 Fair value measurement

### (i) Financial instruments by category

(₹ In Lakh)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Fair Value			Fair Value		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Mutual funds	6,963.25	-	-	5,402.66	-	-
Equity share	35.25	-	-	-	-	-
Trade receivables	-	-	235.38	-	-	-
Cash and cash equivalents	-	-	46.00	-	-	30.58
Other financial assets	-	-	166.95	-	-	37.93
<b>Total Financial assets</b>	<b>6,998.50</b>	<b>-</b>	<b>448.33</b>	<b>5402.66</b>	<b>-</b>	<b>68.51</b>
<b>Financial liabilities</b>						
Trade payables	-	-	-	-	-	-
Lease liabilities	-	-	1,611.66	-	-	208.62
Other financial liabilities	-	-	2,774.09	-	-	994.67
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,385.75</b>	<b>-</b>	<b>-</b>	<b>1,203.29</b>

### ii) Fair value hierarchy

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

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

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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

**Financial assets measured at fair value - recurring fair value measurements at 31 March 2024**

(₹ In Lakh)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>	5	-	-	-	-
Mutual fund		6,963.25	-	-	6,963.25
Equity Instrument		-	-	35.25	35.25
<b>Total financial assets</b>		<b>6,963.25</b>	<b>-</b>	<b>35.25</b>	<b>6,998.50</b>

**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
<b>Financial investments at FVTPL</b>		-	-	-	-
Liquid mutual funds	5	5,402.66	-	-	5,402.66
<b>Total financial assets</b>		<b>5,402.66</b>	<b>-</b>	<b>-</b>	<b>5,402.66</b>

**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 and in case of unlisted equity, based on the latest available valuation report.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 28 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.

### **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.

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.

Notes to financial statements for the year ended 31 March 2024 (Contd.)

## 29 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:

Particulars	(₹ In Lakh)					
	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	46.00	-	46.00	30.58	-	30.58
Trade receivables	235.38	-	235.38			
Investments	6,963.25	35.25	6,998.50	5,402.66	-	5,402.66
Other financial assets	7.83	159.12	166.95	15.82	22.11	37.93
<b>Non-financial assets</b>						
Deferred tax assets (net)	-	-	-	-	-	-
Property, plant and equipment	-	1,656.60	1,656.60	-	676.08	676.08
Capital work-in-progress	64.33	-	64.33		58.88	58.88
Other intangible assets	-	924.25	924.25	-	167.31	167.31
Intangible assets under development	-	225.38	225.38	-	173.17	173.17
Right-of-use-asset	398.08	1,072.80	1,470.88	-	194.90	194.90
Other non-financial assets	2,416.62	275.68	2,692.30	447.55	91.89	539.44
<b>Total</b>	<b>10,131.48</b>	<b>4,349.08</b>	<b>14,480.56</b>	<b>5,896.61</b>	<b>1,384.34</b>	<b>7,280.95</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Lease liabilities	490.95	1,120.72	1,611.66	16.62	192.00	208.62
Other financial liabilities	2,774.09	-	2,774.09	994.67	-	994.67
<b>Non-financial liabilities</b>						
Provisions	487.38	196.24	683.62	103.46	46.95	150.41
Other non-financial liabilities	250.61	-	250.61	145.69	-	145.69
<b>Total</b>	<b>4,003.03</b>	<b>1,316.96</b>	<b>5,319.98</b>	<b>1,260.44</b>	<b>238.95</b>	<b>1,499.39</b>
<b>Net</b>	<b>6,128.46</b>	<b>3,032.12</b>	<b>9,160.58</b>	<b>4,636.17</b>	<b>1,145.39</b>	<b>5,781.56</b>

Notes to financial statements for the year ended 31 March 2024 (Contd.)

**30 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	FY 2023-24		FY 2022-23	
			Transaction Value	Outstanding amount	Transaction Value	Outstanding amount
<b>[a] Holding Company</b>						
	Bajaj Finserv Limited (BFS)	Share of the Company held by BFS (30,00,00,000 shares (Previous year 10,00,00,000 shares) of ₹ 10 each)	20,000.00	(30,000.00)	4,000.00	(10,000.00)
		Business support services received	231.43	-	640.47	(164.63)
		Revenue expenses reimbursement paid	12.90	-	5.50	-
		Reimbursement for share based payments paid	724.81	-	194.30	-
		Transfer of Fixed Assets	-	-	40.07	-
<b>[b] Fellow subsidiaries</b>						
	Bajaj Finance Limited	Rent payment	1.74	-	1.17	-
		Asset sales/ purchases	4.23	-	-	-
	Bajaj Allianz General Insurance Company Limited	Insurance expense	27.59	0.68	3.02	15.82
	Bajaj Finserv Direct Limited	Website development and other allied activities	726.08	(3.70)	125.00	-
		Revenue expenses reimbursement payments	0.73	-	-	-
<b>[c] Other entities</b>						
	Bajaj Holdings & Investment Limited	Rent payment	164.59	62.74	102.88	-
		Revenue expenses reimbursement paid	100.13	-	38.09	-
	Bajaj Allianz Staffing Solutions Limited	Business support service received	205.40	-	4.78	(2.17)
		Revenue expenses reimbursement receipts	9.14	-	-	-
	Bajaj Allianz Life Insurance Co. Ltd.	Insurance premium payment	18.48	2.98	-	-
	Bajaj Finserv Health Ltd.	Business support services received	4.28	-	-	-
	Hind Musafir Agency Limited	Business support services received	206.45	(2.77)	-	-
	Mukand Limited	Rent Payment	24.19	11.70	-	-
	Bajaj Auto Senior Staff Group	Gratuity contribution	50.00	-	50.00	-
<b>[d] Key management personnel (KMP)</b>						
	Ganesh Mohan (CEO)	Short term employee benefits (See note vi)	733.63	-	556.65	-
		Post employment benefits	25.18	-	22.40	-
		Share based payment (See note iv)	287.70	-	248.56	-
	Sandesh Madhukar Kirkire	Sitting fees	2.40	-	1.40	-
	Malvika S Sinha	Sitting fees	2.40	-	1.60	-

## Notes to financial statements for the year ended 31 March 2024 (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 had a capital commitment of ₹ 423.64 lakh. The Company has paid ₹ 228.43 lakh during the year and ₹ 195.21 lakh is outstanding as capital commitment as at 31 March 2024
- iv In FY23, 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 24.
- 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 In FY23, certain portion of this is charged through business support services by BFS.

**31 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":

Particulars	(₹ In Lakh)	
	31 March 2024	31 March 2023
Employer's contribution to Provident Fund	173.42	56.27
Employer's contribution to Pension Fund	48.71	5.60
Employer's contribution to National Pension System	19.47	0.63
<b>Total</b>	<b>241.59</b>	<b>62.50</b>

**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.

Particulars	(₹ In Lakh)	
	31 March 2024	31 March 2023
<b>Amount recognised in Balance Sheet</b>		
Present value of funded defined benefit obligation	254.87	212.26
Fair value of plan assets	189.62	113.04
<b>Net funded obligation</b>	<b>65.25</b>	<b>99.23</b>
<b>Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	93.00	11.29
Interest on net defined benefit liability/(asset)	6.61	4.77
<b>Total expense charged to Statement of Profit and Loss</b>	<b>99.61</b>	<b>16.06</b>



## Notes to financial statements for the year ended 31 March 2024 (Contd.)

(₹ In Lakh)

Particulars	31 March 2024	31 March 2023
<b>Amount recorded as Other Comprehensive Income</b>		
Opening amount recognised in OCI outside Statement of Profit and Loss	131.47	-
Remeasurements during the period due to	-	-
- Changes in financial assumptions	(31.51)	-
Changes in demographic assumption	(154.71)	-
- Experience adjustments	104.24	134.05
- Actual return on plan assets less interest on plan assets	(1.61)	(2.58)
<b>Closing amount recognised in OCI outside Statement of Profit and Loss</b>	<b>47.88</b>	<b>131.47</b>
<b>Reconciliation of net liability/(asset)</b>		
Opening net defined benefit liability/(asset)	99.23	-
Expense charged to Statement of Profit and Loss	99.61	16.06
Amount recognised outside Statement of Profit and Loss	(83.59)	131.47
Employer contributions	(50.00)	(48.31)
<b>Closing net defined benefit liability/(asset)</b>	<b>65.25</b>	<b>99.23</b>
<b>Movement in Benefit Obligations</b>		
Opening of defined benefit obligation	212.26	-
Current service cost	93.00	11.29
Interest on net defined benefit obligation	15.75	4.77
Remeasurements during the period due to	-	-
- Changes in financial assumptions	(31.51)	-
Changes in demographic assumption	(154.71)	-
- Experience adjustments	104.24	134.05
Benefits paid	-	-
Liabilities assumed/ (settled) *	15.83	62.15
Liabilities extinguished on settlement	-	-
<b>Closing of defined benefit obligation</b>	<b>254.87</b>	<b>212.26</b>
<b>Movement in Plan Assets</b>		
Opening fair value of plan assets	113.04	-
Employer contributions	50.00	48.31
Interest on plan assets	9.14	-
Remeasurements during the period due to	-	-
- Actual return on plan assets less interest on plan assets	1.61	2.58
Benefits paid	-	-
Liabilities assumed/ (settled) *	15.83	62.15
Liabilities extinguished on settlement	-	-
<b>Closing fair value of plan assets</b>	<b>189.62</b>	<b>113.04</b>

## Notes to financial statements for the year ended 31 March 2024 (Contd.)

(₹ In Lakh)

Particulars	31 March 2024	31 March 2023
<b>Disaggregation of assets</b>		
Category of assets		
Insurer managed funds	189.62	113.04
Others	-	-
<b>Total</b>	<b>189.62</b>	<b>113.04</b>

\* 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 2024		31 March 2023	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
<b>Senior Staff</b>				
Impact of increase in 50 bps on DBO	(3.05%)	3.16%	(5.97%)	6.24%
Impact of decrease in 50 bps on DBO	3.20%	(3.04%)	6.43%	(5.86%)
<b>Junior Staff</b>				
Impact of increase in 50 bps on DBO	(3.76%)	3.95%	(8.91%)	9.71%
Impact of decrease in 50 bps on DBO	4.00%	(3.75%)	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 ₹ 40 lakh.

## Notes to financial statements for the year ended 31 March 2024 (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	31 March 2024		31 March 2023	
	Senior staff	Junior staff	Senior staff	Junior staff
<b>Maturity Profile</b>				
Expected benefits for year 1	22.53	4.10	1.59	0.07
Expected benefits for year 2	20.67	4.32	1.76	0.17
Expected benefits for year 3	19.72	4.27	1.95	0.19
Expected benefits for year 4	21.56	6.94	2.04	0.21
Expected benefits for year 5	20.10	9.66	2.63	0.28
Expected benefits for year 6	23.04	8.86	2.65	0.31
Expected benefits for year 7	21.39	8.13	3.93	0.34
Expected benefits for year 8	20.23	7.45	4.58	0.36
Expected benefits for year 9	18.90	6.83	5.18	0.40
Expected benefits for year 10 and above	132.43	62.04	512.22	80.83
<b>Weighted average duration of defined benefit obligation (in years)</b>	<b>6.25</b>	<b>7.76</b>	<b>12.38</b>	<b>18.87</b>

**Principal actuarial assumptions (expressed as weighted averages)**

(₹ In Lakh)

Particulars	As at	As at
	31 March 2024	31 March 2023
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.) - Senior staff	8.00%	10.00%
Salary escalation rate (p.a.) - Junior staff	8.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

**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	As at
	31 March 2024	31 March 2023
Present value of unfunded obligations	130.99	50.27
Expense recognised in the Statement of Profit and Loss	130.99	50.27
Amount recorded as Other Comprehensive Income	-	-
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.)	8.00%	10.00%

Notes to financial statements for the year ended 31 March 2024 (Contd.)

### 32 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 2,07,790 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:

Particulars	(₹ In Lakh)	
	31 March 2024	31 March 2023
	No. of options	No. of options
Opening balance at the beginning of the year	41,990	-
Granted during the year	1,65,800	41,990
Exercised during the year	-	-
Forfeited during the year	-	-
Closing balance at the end of the year	2,07,790	41,990
Vested and exercisable at the end of the year	24,024	-

Weighted average fair value of options granted during the year:

Particulars	Grant Date	No. of options granted	(₹ In Lakh)
			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
ESOP 2023	27-Apr-23	1,65,800	437.2

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 2024 (Contd.)

### 33 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.

Particulars	(₹ In Lakh)	
	31 March 2024	31 March 2023
Equity	9,160.68	5,781.57
Less: Tangible and other assets	2,729.77	1,061.73
Working capital	(567.60)	(682.81)
<b>Investments in debt and similar investments</b>	<b>6,998.51</b>	<b>5,402.65</b>

### 34 Capital and other commitments

Particulars	(₹ In Lakh)	
	As at 31 March 2024	As at 31 March 2023
Capital commitments, net of capital advances	195.21	127.00
	<b>195.21</b>	<b>127.00</b>

### 35 Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2024 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 2024 (Contd.)

### 36 Events after reporting date

- a. There have been no events after the reporting date that require disclosure in these financial statements except as mentioned in note 17

#### 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: 24 April 2024

#### On behalf of the Board of Directors

**Ganesh Mohan**  
Director  
DIN: 07985728

**Sanjiv Bajaj**  
Chairman  
DIN: 00014615

**Nilesh Chonkar**  
Chief Financial Officer

**Harish Iyer**  
Company Secretary

Pune: 24 April 2024

Visit to explore more



[partners@bajajamc.com](mailto:partners@bajajamc.com)



+91 8007736666  
+91 9765296666



[@bajajfinservmf](#)



[@bajajfinservmf](#)



[@bajaj.finservmf](#)



[@bajajfinservmf](#)



**BAJAJ FINSERV ASSET MANAGEMENT LIMITED**  
8th Floor, E-Core, Solitaire Business Hub,  
Viman Nagar, Pune – 411014 | [www.bajajamc.com](http://www.bajajamc.com)

