

CORPORATE INFORMATION

Board of Directors

Rakesh Bhatt
Chairman, non-executive Director
(ceased to be CEO w.e.f 1 March 2022)

Ajay Sathe

Ganesh Mohan

Sourabh Chatterjee

Sujith Sukumaran

Whole-time Director

(w.e.f. 1 November 2021)

Mayur Patwardhan

(from 28 March 2022)

Mayur Chokshi

(from 28 March 2022)

Chief Executive Officer

Ashishkumar Panchal

(from 1 March 2022)

Head Finance

Anshuman Mishra

Registered Office

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

Corporate Office

4th Floor, B2 Cerebrum IT Park,
Kalyani Nagar, Pune - 411 014

Corporate Identity Number:

U65923PN2014PLC150522

Auditors

S R B C & CO, LLP

(up to 27 October 2021)

KKC & Associates LLP

(earlier known as Khimji Kunverji &
Co LLP)

(w.e.f. 24 November 2021)

DIRECTORS' REPORT

Dear Shareholders,

Your directors take great pleasure in presenting the Eighth Annual Report along with the audited financial statements for FY2022.

Financial Results

The highlights of the financial results of the Company for the period ended 31 March 2022 are given below:

(Rs. in crore)

Particulars	For the year ended on 31 March 2022	For the year ended on 31 March 2021
Total Income from operations	207.34	101.63
Expenditure excluding depreciation	262.35	120.34
Depreciation	32.58	25.58
Profit / (Loss) before Tax	(87.59)	(44.29)
Provision for Tax - Current	-	-
Deferred	-	-
Profit / (Loss) After Tax	(87.59)	(44.29)
Other comprehensive income		
Actuarial gain/(losses)	0.91	3.38
Tax on above	-	-
Other comprehensive income for the year (net of tax)	-	3.38
Total comprehensive income / (Loss) for the year	(86.68)	(40.91)
Earnings per share (Nominal value per share Rs. 10)	(349.41)	(177.16)

During the period ended 31 March 2022, the Company incurred a loss of Rs. 86.68 crore.

Transfer to Reserves

No amount was required to be transferred to reserves during the year under review.

Dividend

The Board does not recommend any dividend for the period under review.

Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiary, associate company or a joint venture company. The Company is a subsidiary of Bajaj Finserv Limited (BFS).

Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the FY2022 and the date of this Report.

Operations

The Company operates as an exclusive, online, one-stop digital marketplace for all financial and lifestyle needs with customer centricity at the core of its operations. The Company has partnered with some of the most respected names in the industry to provide multiple financial product categories spanning across Unsecured and Secured Loans, Life Insurance and General Insurance, Investments, UPI payments and Credit Cards.

Future Outlook

The Company is focused on creating a One-Stop digital marketplace providing solutions for retail and SME customers across their life cycle, by offering multifarious financial products.

The Company aspires to create propositions and products tailored to the needs of vast customer franchise in the digital space across Lending, Insurance, Payments and Investment landscape.

Risk Management

The Company has put in place an adequate and effective risk reporting system. In the opinion of the Board, there are no residual risks, which would threaten the existence of the Company.

Directors and Key Managerial Personnel

Directors:

Appointment / Resignation:

During the year under review, following changes have taken place in the directorates:

1. The Board, at its meeting held on 19 July 2021, appointed Sujith Sukumaran an additional director of the Company w.e.f. 20 July 2021. Thereafter, the shareholders, at their Extra-ordinary General meeting (EGM) held on 24 November 2021, appointed him as a Whole-time Director for a period of three years from 1 November 2021 up to 31 October 2024.
2. Rakesh Bhatt resigned from the office of the Chief Executive Officer and Whole-time director of the Company with effect from close of business hours of 28 February 2022. Rakesh Bhatt continues to be a non-executive director of the Company.
3. Pursuant to provisions of section 149 (4) of the Companies Act 2013 and Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, every public company having paid-up share capital of ten crore rupees or more; or having turnover of one hundred crore rupees or more; or which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees is required to appoint at least two directors as independent directors. As the Company ceased to be a wholly owned subsidiary of Bajaj Finserv Limited after the infusion of Rs.62 lakh in equity share capital by Bajaj Finance Limited on 28 March 2022, Mayur Patwardhan and Mayur Chokshi were appointed as additional, non-executive and independent directors by the Board of directors vide circular resolution dated 28 March 2022, effective the said date.

Retirement by Rotation:

As per the provisions of the Act, Ajay Sathe retires by rotation this year and being eligible, offers himself for re-appointment. The information as required to be disclosed in case of re-appointment of the director is provided in the Notice of the ensuing annual general meeting (AGM).

Key Managerial Personnel:

The provisions of sections 2(51) and 203 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company. However pursuant to SEBI (Intermediaries) Regulations 2008, Sujith Sukumaran was appointed as a Whole-time Director of the Company for a period of three years with effect from 1 November 2021.

Consequent to Rakesh Bhatt stepping down as the CEO. Ashish Panchal has been appointed as CEO of the Company with effect from 1 March 2022.

Number of meetings of the Board

During the FY2022, the Board of Directors met five times, viz., 26 April 2021, 19 July 2021, 25 October 2021, 16 December 2021 and 17 January 2022. The time gap between any two consecutive meetings has been less than one hundred and twenty days.

Following table sets out the details of attendance of Directors at the Board meetings:

Sr.No.	Name of Director	Category	Number of Board Meetings held during FY2022 (5)	
			Entitled to attend	Attended
1.	Rakesh Bhatt	Chairman, non-executive director	5	5
2.	Ajay Sathe	Non-executive director	5	5
3.	Ganesh Mohan	Non-executive director	5	5
4.	Sourabh Chatterjee	Non-executive director	5	5
5.	Sujith Sukumaran*	Whole Time Director	3	3
6.	Mayur Patwardhan**	Additional, non-executive independent director	0	0
7.	Mayur Chokshi**	Additional, non-executive independent director	0	0

* Sujith Sukumaran was appointed as Whole-time Director w.e.f. 1 November 2021.

** Mayur Patwardhan and Mayur Chokshi were appointed vide Circular Resolution dated 28 March 2022.

Annual Return

A copy of the Annual Return as provided under section 92(3) read with section 134(3)(a) of the Act in the prescribed Form MGT-7 is available on the Company's website and can be accessed at <https://www.bajajfinservmarkets.in/legal-and-compliance/MGT-9.html>

Declaration by Independent Directors

The Independent Directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Act.

The independent directors have also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

Directors' responsibility statement

In accordance with the provisions of section 134(3)(c) of the Companies Act, directors, to the best of their knowledge and belief, state that:

- (i) in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for FY2022;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have overseen that the annual accounts have been prepared on a going concern basis; and
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that, to the best of their knowledge, such systems were adequate and were operating effectively.

Particulars of Loans, Guarantees and Investments

During FY2022, the Company has not granted any loans, or made any investments in, or provided any guarantees or securities under section 185 and 186 of the Act.

Deposits

During FY2022, your Company has not accepted any deposits within the meaning of sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014 as amended.

Share Capital

During the year under review, your Company issued and allotted 6,20,000 equity shares of Rs. 10/- each of the Company on Preferential Basis to Bajaj Finance Ltd at face value.

As on 31 March 2022, the authorised share capital of the Company was Rs. 35,000,000 divided into 35,00,000 equity shares of face value of Rs. 10/- while the issued, subscribed and paid-up equity share stood at Rs 3,12,00,000/- represented by 31,20,000 Equity Shares of Rs. 10/- each.

The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Employee Stock Option Scheme

Consequent to approval received from the shareholders of Bajaj Finserv Limited, holding company of the Company at 11th AGM held on 19 July 2018 and approval received from the shareholders of the Company at its 4th AGM held on 16 July 2018, the Company acts as a corporate trustee for the Bajaj Finserv Limited Employee Stock Option Scheme (BFS-ESOS). The employees of the Company are also covered under this Scheme.

The details of options granted, exercised by the employees of the Company, under the aforesaid scheme, during the year under review, are given in the financial statements which form part of the Annual Report.

Related party transactions

All contracts/arrangement/transactions entered by the Company with related parties during the period under review were in compliance with the applicable provisions of the Act including on arm's length basis and in the ordinary course of business of the Company under the Act. None of the transactions required members' prior approval under the Act.

Details of transactions with related parties during the period under review are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this report.

Significant and material orders passed by the regulators or courts

During the year under review, no significant or material orders passed by any regulator or court or tribunal, impacting the going concern status and Company's operations in future.

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

The information pertaining to the conservation of energy and technology absorption in terms of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is stated as below:

(a) Conservation of Energy and Technology Absorption

The operations of the Company are not energy-intensive in nature. However, the Company implements various energy conservation measures across all its functions.

Further, being essentially a financial services Company, no particulars regarding technology absorption are required to be given in this Report.

(b) Foreign Exchange earnings and outgo during the year

During FY2022, the total foreign exchange earned by the company was NIL, as against NIL during the previous year.

Total foreign exchange outflow amounted to Rs. 2.19 crore, as against Rs 1.54 crore during the previous year.

Adequacy of Internal Financial Controls

Internal financial controls with reference to financial statements were adequate and operating effectively.

Audit Committee and Nomination and Remuneration Committee

The Company ceased to be a wholly owned subsidiary of Bajaj Finserv Limited on account of the infusion of Rs. 62 lakh in equity share capital by Bajaj Finance Limited on 28 March 2022. In terms of the provisions of Rule 6 of The Companies (Meetings of Board and its Powers) Rules, 2014 read with Rule 4 of The Companies (Meetings of Board and its Powers) Rules, 2014, the Company which is having outstanding loans, debentures and deposits, exceeding fifty crore rupees and which is not a wholly owned subsidiary is required to constitute Audit Committee and Nomination and Remuneration Committee.

The Company has an outstanding loan of Rs. 522.94 crore and Rs. 280.47 crore from BFS and BFL as on the date latest audited financial statements. In view of the same the Company is in the process of constituting the said Committees.

Corporate Social Responsibility

The provisions of section 135 of the Act relating to Corporate Social Responsibility are not applicable to the Company.

Registrar and Share Transfer Agent

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited) (KFin), acts as Registrar and Share Transfer Agent of the Company, which was appointed for seeking admission of equity shares of the Company in the depository system of NSDL.

Secretarial Standards

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA circulars granting exemptions in view of the Covid-19 pandemic.

Internal Audit

As a good measure of Corporate Governance and prudent practice, the Board, at its meeting held on 20 October 2020, appointed Yogesh Joshi, qualified Chartered Accountant, National Lead – Corporate Audit Services, Bajaj Finance Ltd. as internal auditor of the Company.

The objective of Internal Audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of Internal Audit are assurance on Controls, Governance and Compliance, Business Risk Assessment and its Mitigation and Process Optimization. At the beginning of each financial year, an audit plan is rolled out after approval of the Board. Internal Audit follows a systematic and disciplined approach to assess and contribute to the overall improvement in the standards of governance, risk management, and control processes.

The Internal Audit team has commenced its audit reviews of the Company. The Audit Plan and Internal Audit Report are placed before the Board of Directors for their perusal and approval.

Statutory Auditors

In terms of provisions of section 139 of the Act and rules made thereunder, the members at the third AGM of the Company held on 19 July 2017 appointed S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) as Statutory Auditors of the Company, to hold office from the conclusion of that AGM till the conclusion of the eighth AGM.

During the year under review, S R B C & CO. LLP, vide their letter dated 27 October 2021 had intimated their resignation as the Statutory Auditors of the Company with effect from the close of working hours.

Consequent to their resignation, the Board of Directors vide circular resolution dated 23 November 2021, appointed KKC & Associates LLP (earlier known as Khimji Kunverji & Co. LLP), Chartered Accountants, as Statutory Auditors of the Company to conduct the audit of accounts of the Company for the financial year ending 31 March 2022. Pursuant to the provisions of section 139(8)(i) of the Act, approval of the members was accorded at the Extra-ordinary General Meeting of the Company held on 24 November 2021 till the conclusion of the 8th AGM, to conduct audit of the accounts of the Company for the financial year ending 31 March 2022.

At the ensuing AGM, approval of the members is being sought for their appointment as Statutory Auditor for a term of four years i.e. from the conclusion of 8th AGM till the conclusion of 12th AGM.

The statutory audit report for the FY2022, is unmodified and does not contain any qualification, reservation or adverse remark or disclaimer by the Statutory Auditor.

Other Statutory Disclosures

- There was no change in the nature of the business of the Company.
- Disclosure pertaining to maintenance of cost records as required under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to your Company.
- There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year against the Company.
- There was no one-time settlement entered into with any Bank or financial institutions in respect of any loan taken by the Company.
- During the year under review, there were no frauds reported by the Statutory Auditors to the Board under section 143(12) of the Act.
- Details as required under section 197(12) of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed to this Report as Annexure - 1.
- Disclosure as required under section 197(14) of the Act for the Managing Director or Whole-time Director, for any remuneration or commission from any holding company or subsidiary company is not applicable to the Company.
- The provisions of section 177(9) & (10) of the Act, are not applicable to the Company. It was hence not required to establish any vigil mechanism during the year under review.
- The provisions of section 178 of the Act regarding annual performance evaluation are not applicable to the Company.
- Pursuant to the legislation 'The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013', the Company has a policy on

Prevention of Sexual Harassment at Workplace and has constituted an Internal Complaints Committee. No case was reported during the year under review.

Acknowledgements

The Board places its gratitude and appreciation for the support and co-operation from its members and other regulators.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the management and the employees in these trying times.

**On behalf of the Board of directors of
Bajaj Finserv Direct Ltd.**

**Sd/-
Rakesh Bhat
Chairman**

Pune: 25 April 2022

Annexure -1

STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Sr.No	Particulars	Input
(i)	Employee Name	Rakesh Bhatt
(ii)	Designation of the employee	Chairman
(iii)	Remuneration received (In Rs.)	42,943,052
(iv)	Nature of employment, whether contractual or otherwise	Whole-time Director upto 1 March 2022
(v)	Qualifications and experience of the employee	Masters in Computer Application
(vi)	Date of commencement of employment	14/11/2017
(vii)	The age of such employee	53
(viii)	The last employment held by such employee before joining the company	Bajaj Finserv Ltd.
(ix)	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above	Nil
(x)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager	NA

Khimji Kunverji & Co LLP

Chartered Accountants

Independent Auditor's Report

To
The Members of
Bajaj Finserv Direct Limited

Report on the audit of the Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of Bajaj Finserv Direct Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Other Information

4. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of this auditor's report
5. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Khimji Kunverji & Co LLP

Chartered Accountants

Management's responsibility for the Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ("Ind AS") specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 11.1. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 11.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - 11.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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

Other matters

15. The financial statements of the Company for the year ended March 31, 2021 were not audited by us. These financial statements have been audited by another auditor, whose report dated 26 April 2021 expressed an unmodified opinion on those financial statements. Our opinion on the Financial Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

16. 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.
17. As required by Section 143(3) of the Act, we report that:
 - 17.1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 17.2. 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.



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- 17.3. The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account.
- 17.4. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- 17.5. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- 17.6. 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".
- 17.7. 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.
18. 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:
 - 18.1. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Financial Statements – Refer Note 38 to the Financial Statements;
 - 18.2. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 18.3. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - 18.4. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.
 - 18.5. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.



Khimji Kunverji & Co LLP

Chartered Accountants

18.6. The Company has not paid and / or declared dividend during the year.

For **Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621



Vinit K Jain

Partner

ICAI Membership No: 145911

UDIN: 22145911AHTNYZ2861



Place: Mumbai

Date: 25 April 2022

Khimji Kunverji & Co LLP

Chartered Accountants

Annexure “B” to the Independent Auditors’ report on the Financial Statements of Bajaj Finserv Direct Limited for the year ended 31 March 2022

(Referred to in paragraph “17.6” 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.

Opinion

1. We have audited the internal financial controls with reference to the Financial Statements of Bajaj Finserv Direct Limited (“the Company”) as at 31 March 2022 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 2022, 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 (“SA”), 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.



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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 **Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621

Vinit K Jain

Partner

ICAI Membership No: 145911

UDIN: 22145911AHTNYZ2861



Place: Mumbai

Date: 25 April 2022

Khimji Kunverji & Co LLP

Chartered Accountants

Annexure "A" to the Independent Auditor's Report on the Financial Statements of Bajaj Finserv Direct Limited for the year ended 31 March 2022

(Referred to in paragraph 16 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 every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all PPE were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company is in business of distribution of financial products through digital means and does not have any physical inventories. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable to it.
- (b) In our opinion and according to the information and explanations given to us, the Company does not have sanctioned working capital limits from banks or financial institutions which are secured on the basis of any security. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.
- iii. In our opinion and according to the information and explanations given to us, the Company has not made investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year including other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii)(a) to (f) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us the Company has not granted any loans covered, made any investments or provided any guarantees and securities under Section 185 and Section 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.



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Chartered Accountants

- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited by the Company with the appropriate authorities in all cases during the year
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) In our opinion and according to the information and explanations given to us, there are no dues of Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, which have not been deposited to/with the appropriate authority on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion, the Company did not have any outstanding loans or other borrowings to financial institutions, banks, government and dues to debenture holders.
- (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 wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans, during the year.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates or joint ventures. Accordingly, the provision of clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (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 whistle blower complaints received by the Company during the year.



Khimji Kunverji & Co LLP

Chartered Accountants

- 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 by the management, transactions with the related parties are in compliance with Sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The provision of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act. Accordingly, the provision of clause 3(xiv)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company. and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a CIC as defined in the regulations made by Reserve Bank of India.
- (d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CIC's) (Reserve Bank) Directions, 2016) there are 16 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CIC's are unregistered CICs as per Para 9.1 of Notification No. RBI/2020-21/24 dated 13th August 2020 of the Reserve Bank of India.
- xvii. The Company has incurred cash losses in the financial year and in the immediately preceding financial year. The amount of cash loss is Rs. 55.01 crore (preceeding financial year Rs.18.71 crore).
- xviii. During the year, M/s S R B C & Co LLP, the Statutory auditors of the Company have resigned with effect from 27 October, 2021. As informed, there have been no issues, objections or concerns raised by the said outgoing auditors.
- 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.



Khimji Kunverji & Co LLP

Chartered Accountants

- xx. (a) 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, the provision of clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. Reporting under clause xxi of the Order is not applicable.

For **Khimji Kunverji & Co LLP**

Chartered Accountants

Firm Registration Number: 105146W/W100621

Vinit K Jain

Partner

ICAI Membership No: 145911

UDIN: 22145911AHTNYZ2861



Place: Mumbai

Date: 25 April 2022

BAJAJ FINSERV DIRECT LIMITED

BALANCE SHEET

AS AT
31 MARCH 2022

AND

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED
31 MARCH 2022

BAJAJ FINSERV DIRECT LIMITED
BALANCE SHEET AS AT 31 MARCH 2022

In ₹ crore

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	31.60	10.80
Intangible assets	3	72.91	66.86
Intangible assets under development	3	0.35	0.78
Other financial assets	5	2.46	1.36
Other non-current assets	6	3.82	1.33
		111.14	81.13
Current assets			
Financial assets			
Investments	4	527.56	21.09
Trade receivables	7	32.62	40.87
Cash and cash equivalents	8	38.08	2.60
Other financial assets	5	1.37	-
Current tax assets (net)		2.74	1.56
Other current assets	6	17.74	8.85
		620.11	74.97
Total assets		731.25	156.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	3.12	2.50
Instruments entirely equity in nature	10	803.41	176.10
Other equity	11	(153.56)	(69.38)
Total equity		652.97	109.22
Non-current liabilities			
Financial liabilities			
Lease liabilities	15	14.21	2.56
Deferred tax liabilities (net)	13	-	-
		14.21	2.56
Current liabilities			
Financial liabilities			
Lease liabilities	15	6.42	2.06
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		2.34	0.23
Total outstanding dues of creditors other than micro enterprises and small enterprises		6.34	4.34
Other financial liabilities	15	39.40	15.49
Other current liabilities	16	8.82	21.83
Provisions	12	0.75	0.37
		64.07	44.32
Total equity and liabilities		731.25	156.10

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Khimji Kunverji & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 105146W/W100621



Vinit K Jain
Partner

ICAI Membership Number: 145911



On behalf of the Board of Directors




Rakesh Bhatt
Director



Ashish Panchal
CEO



Ajay Sathe
Director



Anshuman Mishra
Head Finance

BAJAJ FINSERV DIRECT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

In ₹ crore

	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
(I)	Revenue from operations	17	203.13	100.30
(II)	Other income	18	4.21	1.33
(III)	Total income (I+II)		207.34	101.63
(IV)	Expenses			
	Employee benefits expense	19	125.50	66.76
	Finance costs	20	1.26	0.56
	Depreciation and amortisation expense	21	32.58	25.58
	Other expenses	22	135.59	53.02
	Total expenses		294.93	145.92
(V)	Profit/ (loss) before tax (III-IV)		(87.59)	(44.29)
(VI)	Tax expense			
	Current tax		-	-
	Deferred tax		-	-
	Total tax expense	23	-	-
(VII)	Profit/ (loss) for the period (V-VI)		(87.59)	(44.29)
(VIII)	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement gains/(losses) on defined benefit plans		0.91	3.38
	Tax impact on above		-	-
(IX)	Other comprehensive income for the period (net of tax) (VII+VIII)		0.91	3.38
	Total comprehensive income for the period		(86.68)	(40.91)
(X)	Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	24	(349.41)	(177.16)

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

For Khimji Kunverji & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 105146W/W100621



Vinit K Jain

Partner

ICAI Membership Number: 145911



On behalf of the Board of Directors



Rakesh Bhatt
Director



Ajay Sathe
Director



Ashish Panchal
CEO



Anshuman Mishra
Head Finance

MUMBAI · 25 April 2022

PUNE

BAJAJ FINSERV DIRECT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

In ₹ crore

Particulars	For the year ended	
	31 March 2022	31 March 2021
I. Operating activities		
Profit/ (loss) before tax	(87.59)	(44.29)
<u>Adjustments for:</u>		
Depreciation and amortisation	(32.58)	(25.58)
Remeasurement (gain)/loss on defined benefit plans	(0.91)	(3.38)
Net gain/ (loss) on sale of assets	0.06	0.07
Net gain/ (loss) on sale of financial instruments	3.51	0.65
Interest expense on fair valuation of deposits	(0.18)	(0.10)
Interest on lease liabilities	(1.26)	(0.56)
Securities premium reserve	(2.07)	-
Share based payments reserve	(5.42)	(2.67)
Net gain/ (loss) on financial instruments at fair value through profit or loss	0.31	(0.07)
	<u>(38.54)</u>	<u>(31.64)</u>
Cash from operation before working capital changes	(49.05)	(12.65)
<u>Working capital changes</u>		
(Increase)/decrease in trade receivables	8.25	(33.27)
(Increase)/decrease in loans and advances	(19.02)	(1.51)
(Increase)/decrease in trade payables	4.11	(0.78)
Increase/(decrease) in current financial liabilities	23.91	0.91
Increase/(decrease) in other current liabilities	(13.01)	20.52
Increase/(decrease) in provisions	0.38	(1.64)
	<u>4.62</u>	<u>(15.77)</u>
Income-tax paid including tax deducted at source (net of refunds)	(1.19)	2.70
Net cash (used)/generated in operating activities (A)	<u>(45.62)</u>	<u>(25.72)</u>
Carried forward	(45.62)	(25.72)



BAJAJ FINSERV DIRECT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

In ₹ crore

Particulars	For the year ended	
	31 March 2022	31 March 2021
Brought forward	(45.62)	(25.72)
II. Investing activities		
Purchases of property, plant and equipment	(10.63)	(2.89)
Sales proceeds of property, plant and equipment	1.09	0.57
Purchases/internal development to intangibles	(30.10)	(21.40)
Sale of current investments	365.30	117.71
Purchase of current and long-term investments	(867.93)	(116.95)
Net cash generated from/ (used in) investing activities (B)	(542.27)	(22.96)
III. Financing activities		
Loan from holding company	627.31	51.10
Proceeds from issue of share capital	0.61	-
Payment of lease liability	(4.55)	(2.33)
Net cash generated from financing activities (C)	623.37	48.77
Net increase in cash and cash equivalents (A+B+C)	35.48	0.09
Cash and cash equivalents as at the beginning of the year	2.60	2.51
Cash and cash equivalents as at the end of the year [Refer note 8]	38.08	2.60

As per our report of even date

On behalf of the Board of Directors

For Khimji Kunverji & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 105146W/W100621




Vinit K Jain
Partner
ICAI Membership Number: 145911



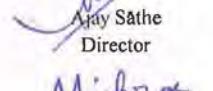

Rakesh Bhatt
Director



Anshuman Panchal
CEO



Ajay Sathé
Director



Anshuman Mishra
Head Finance

MUMBAI: 25 April 2022

PUNE

BAJAJ FINSERV DIRECT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

A. Equity share capital

in ₹ crore			
Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
At the beginning of the year		2.50	2.50
Changes in equity share capital during the year		0.62	-
Balance as at 31 March 2022	9	3.12	2.50

B. Instruments entirely equity in nature

in ₹ crore			
Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
At the beginning of the year		176.10	125.00
Addition during the year		627.31	51.10
Balance as at 31 March 2022	10	803.41	176.10

C. Other equity

Current year

Particulars	Note No.	Reserves and surplus			Total other equity
		Securities premium	Retained earnings	Share based payments reserve	
Retained earnings					
At the beginning of the year		-	(71.70)	2.32	(69.38)
Received during the year		2.07	-	-	2.07
Profit/ (loss) for the year		-	(87.59)	-	(87.59)
Recognition of share based payments to employees		-	-	0.43	0.43
Other comprehensive income (net of tax)		-	0.91	-	0.91
Balance as at 31 March 2022	11	2.07	(158.38)	2.75	(153.56)

Previous year

Particulars	Note No.	Reserves and surplus			Total other equity
		Securities premium	Retained earnings	Share based payments reserve	
Retained earnings					
At the beginning of the year		-	(30.79)	1.34	(29.45)
Received during the year		-	-	-	-
Profit/ (loss) for the year		-	(44.29)	-	(44.29)
Recognition of share based payments to employees		-	-	0.98	0.98
Other comprehensive income (net of tax)		-	3.38	-	3.38
Balance as at 31 March 2021	11	-	(71.70)	2.32	(69.38)

Summary of significant accounting policies followed by the Company

2

The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

In terms of our report of even date

For Khimji Kunverji & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 105146W/W100621



Vinit K Jain
Partner
ICAI Membership Number: 145911



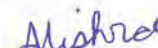


Rakesh Bhatt
Director

Ashish Panchal
CEO



Ajay Sathe
Director


Anshuman Mishra
Head Finance

MUMBAI: 25 April 2022

PUNE

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2022

1 Corporate information

Bajaj Finserv Direct Limited (the "Company") is a public company limited by shares, domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on 7 February 2014 and started commercial operation on 1 July 2018. The Company is engaged in business of distribution of financial products through digital means. The Company is registered with Insurance Regulatory and Development Authority of India (IRDAI) as a composite Corporate Agent for distributing life insurance and general insurance products in India and also is a Registered Investment Advisor (RIA) under SEBI regulations. The Company's registered office is at Bajaj Auto Limited Complex, Mumbai-Pune road, Pune, Maharashtra, India. The parent of the Company is Bajaj Finserv Ltd (hereinafter referred to as "Holding Company" or "parent").

The financial statements were approved for issue in accordance with a resolution of the directors on 25 April 2022.

2 Summary of significant accounting policies followed by the Company

Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities which have been measured at fair value or amortized book value.

The financial statements are presented in ₹, which is also the Company's functional currency and all the values are rounded off to the nearest crore, except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1) Use of estimates, judgements and assumptions

Estimates and assumptions used in the preparation of these financial statements and disclosures made therein 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. The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates is included in the relevant notes together with information about basis of calculation for each affected line item in the financial statements:

- a) Provision for employee benefits
- b) Provision for tax expenses
- c) Residual value and useful life of property, plant and equipment
- d) Valuation of investments.



2) **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

a) **Revenue from sale of services**

- i) **Income from distribution of financial products**
Income from distribution of financial products is earned by selling of services and products of other entities under distribution arrangements. The income so earned is recognised on successful sales on behalf of other entities subject to there being no significant uncertainty of its recovery.
- ii) **Income from manpower supply services**
Income from manpower supply services is recognized as and when services are rendered and it becomes due on contractual terms with the parties.
- iii) **Income from providing software services**
Income from providing software services is recognized after the services are rendered and they become due on contractual terms.
- iv) **Income from sale of value added services**
The Company recognizes Income from sale of value added services on rendering of services.

b) **Other income**

The Company recognises income on accrual basis.

3) **Property, plant and equipment and depreciation / amortisation**

A. **Property, plant and equipment**

- i) Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.



- ii) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.
- iii) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.

B. Depreciation and amortisation methods, estimated useful lives and residual value

- i. a. Depreciation is provided on a pro rata basis on straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.
b. Where a significant component (in terms of cost) of an asset has an estimated economic useful life shorter than that of its corresponding asset, the component is depreciated over its shorter life.
- ii. Depreciation on additions is being provided on pro rata basis from the month of such additions.
- iii. Depreciation on assets sold, discarded or demolished during the year is being provided upto the month in which such assets are sold, discarded or demolished.

C. Intangible assets and amortization thereof

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment.

Expenditure incurred on development of internally generated intangible assets, is recognised as an intangible asset, if and only if the future economic benefits attributable to the use of such know-how are probable to flow to the Company and the costs/expenditure can be measured reliably.

The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

4) Investments and financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

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



(ii) Measurement

Initial Measurement

At initial recognition, the Company measures a financial asset at its fair value including, in the case of “a financial asset not at fair value through profit or loss”, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at “fair value through profit or loss” are expensed in the Statement of Profit and Loss.

Subsequent Measurement

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

Subsequently measured at amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

Subsequently measured at fair value through profit or loss: Financial assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

The Company has designated investments in mutual funds as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost for e.g., loans, debt securities, deposits, trade receivables and bank balances. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.



Notes to financial statements for the year ended 31 March 2022

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost and revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(iv) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset or the rights to receive cash flows from the financial asset have expired. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

5) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, and in case of loans and borrowings, payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of



such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

6) Impairment of non-financial assets

Assets are tested for impairment at each reporting date and also whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses of continuing operations, are recognised in the statement of profit and loss

7) Employee benefits

a) Privilege leave entitlements

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. The liability for accumulated leave which can be availed and/or encashed at any time during the tenure of employment is recognized using the projected unit credit method at the actuarially determined value by an appointed actuary. The liability for accumulated leave which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

b) Gratuity

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

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the



Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2022

projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

c) Employee stock option scheme

The fair value of options granted under the Bajaj Finserv Limited -Employee Stock Option Scheme (BFS-ESOS) is recognised as an employee benefits expenses with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance conditions (e.g., continuance of an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions

The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

d) Defined contribution plans

The Company contributes to two defined contribution plans for its employees:

- Contribution to provident fund is made to Government Provident Fund Authority
- Contribution to Employees Pension Scheme 1995 is made to Government Provident Fund Authority

The Company recognises contribution payable to these fund/ schemes as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

8) Taxes

- a) Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961; and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b) Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which



Notes to financial statements for the year ended 31 March 2022

applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

- c) Deferred tax is provided on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

9) Provisions and contingent liabilities

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

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

10) Leases

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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



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Notes to financial statements for the year ended 31 March 2022

The right-of-use assets are also subject to impairment. Refer to the accounting policies in para 6. Impairment of non-financial assets.

ii) 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 include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

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

11) Cash and cash equivalents

For the purpose of presentation in the Balance Sheet and the Statement of Cash Flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

12) Earnings per share

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

13) Foreign currency translation

Functional and presentational currency

The financial statements are presented in ₹ which is also functional currency of the company.



Notes to financial statements for the year ended 31 March 2022

Transactions and balances

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

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

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

14) Fair value measurement

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

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

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company has set policies and procedures for both recurring and non-recurring fair value measurement of financial assets, which includes valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



3 Property, plant and equipment

Current year

	Gross block				Accumulated depreciation				In ₹ crore	
	As at 1 April 2021	Additions	Deductions / adjustments	As at 31 March 2022	As at 1 April 2021	For the year	Deductions	As at 31 March 2022	Net Block As at 31 March 2022	
A. Own Assets :										
Leasehold improvements	4.05	-	-	4.05	3.71	0.13	-	3.84	0.21	
Computers	2.83	4.31	0.47	6.67	1.09	1.59	0.28	2.40	4.27	
Electric fittings/equipments	0.46	0.05	-	0.51	0.22	0.08	-	0.30	0.21	
Furniture	0.95	0.02	-	0.97	0.25	0.10	-	0.35	0.62	
Office equipment	1.92	0.50	-	2.42	0.95	0.44	-	1.39	1.03	
Vehicles	4.52	5.75	1.64	8.63	1.69	1.62	0.80	2.51	6.12	
B. Leased Assets :										
Right of Use asset [Building (Refer Note 35)]	7.97	19.30	-	27.27	3.99	4.14	-	8.13	19.14	
Total	22.70	29.93	2.11	50.52	11.90	8.10	1.08	18.92	31.60	
Intangible assets :										
Website	105.91	30.53	-	136.44	39.05	24.48	-	63.53	72.91	
Total	105.91	30.53	-	136.44	39.05	24.48	-	63.53	72.91	
Intangible assets under development	0.78	0.61	1.04	0.35	-	-	-	-	0.35	

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.35	-	-	-	0.35

(a) Refer Note 2 clause 3) A , B and C of summary of significant accounting policies

Previous year

	Gross block				Accumulated depreciation				In ₹ crore	
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	For the year	Deductions	As at 31 March 2021	Net Block As at 31 March 2021	
A. Own Assets :										
Leasehold improvements	4.05	-	-	4.05	2.36	1.35	-	3.71	0.34	
Computers	1.84	1.25	0.26	2.83	0.49	0.71	0.11	1.09	1.74	
Electric fittings	0.46	-	-	0.46	0.14	0.08	-	0.22	0.24	
Furniture	0.95	-	-	0.95	0.15	0.10	-	0.25	0.70	
Office equipment	1.76	0.16	-	1.92	0.59	0.36	-	0.95	0.97	
Vehicles	3.56	1.48	0.52	4.52	0.90	0.96	0.17	1.69	2.83	
B. Leased Assets :										
Right of Use asset [Building (Refer Note 35)]	8.13	-	0.16	7.97	1.99	2.00	-	3.99	3.98	
Total	20.75	2.89	0.94	22.70	6.62	5.56	0.28	11.90	10.80	
Intangible assets :										
Website	85.29	20.62	-	105.91	19.03	20.02	-	39.05	66.86	
Total	85.29	20.62	-	105.91	19.03	20.02	-	39.05	66.86	
Intangible assets under development	-	0.78	-	0.78	-	-	-	-	0.78	

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.78	-	-	-	0.78

(a) Refer Note 2 clause 3) A , B and C of summary of significant accounting policies



Notes to financial statements for the year ended 31 March 2022

4 Investments

Current	
As at	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Investment in Mutual Funds

Investments at Fair value through profit and loss

223479 467 (31 March 2021 :NIL) Nippon India Liquid Fund	116.36	-
360299 462 (31 March 2021 :NIL) L&T Mutual Fund	105.03	-
309096 564 (31 March 2021 :NIL) SBI Liquid Mutual Fund	103.02	-
260545 234 (31 March 2021 :NIL) UTI Liquid Cash Plan	90.88	-
133063 669 (31 March 2021 :NIL) Kotak Liquid Mutual Fund	57.26	-
213955 477 (31 March 2021 :84838 892) IDFC Liquid Mutual Fund	55.01	21.09
	527.56	21.09

Aggregate book value of quoted investments

All investments mentioned above are within India

527.56 21.09

5 Other financial assets

(Unsecured, good, unless stated otherwise)

Non-current		Current	
As at		As at	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
In ₹ crore	In ₹ crore	In ₹ crore	In ₹ crore
Security deposit	2.46	1.36	1.37
	2.46	1.36	1.37

6 Other assets

(Unsecured, good, unless stated otherwise)

Non-Current		Current	
As at		As at	
31 March 2022	31 March 2021	31 March 2022	31 March 2021
In ₹ crore	In ₹ crore	In ₹ crore	In ₹ crore
Advances recoverable in cash or kind	-	-	-
Advances to related parties	-	1.85	1.16
Unsecured considered good	-	0.06	0.08
Doubtful	-	-	-
Provision for doubtful advances	-	1.91	1.24
	-	1.91	1.24
GST input tax credit	-	-	0.47
Gratuity (refer note 27)	-	1.47	0.45
Other receivable	3.82	1.33	14.36
	3.82	1.33	8.85

Note: Advances to related parties contribute to 96.86% of total advances as on March 31, 2022 (March 31, 2021: 93.55%)

7 Trade receivables

(Unsecured, considered good, unless stated otherwise)

Current	
As at	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Receivables

- towards distribution of third party products

- towards sale of software services

- towards manpower supply services

- others

18.26 9.75

8.57 28.56

4.79 2.41

1.00 0.15

32.62 40.87**Contract balances**

Trade receivables

As at

31 March 2022 31 March 2021

In ₹ crore In ₹ crore

32.62 40.87

Accounts receivable are recognised when the right to consideration becomes unconditional. Contract liability relates to payments received in advance of performance under the contract.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables ageing schedule

	Not due	Outstanding for following periods from due date of payment			Total
		Less than 6 months	6 months - 1 year	More than 1 year	
31 March 2022					
Undisputed trade receivables — considered good	32.22	0.40	-	-	32.62
Unbilled dues	-	-	-	-	-
31 March 2021					
Undisputed trade receivables — considered good	35.41	5.46	-	-	40.87
Unbilled dues	-	-	-	-	-

8 Cash and cash equivalents

Current	
As at	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Balances with banks
on current accounts

38.08 2.60

38.08 2.60

Notes to financial statements for the year ended 31 March 2022

9 Equity share capital

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Authorised 35,00,000 equity shares of ₹ 10 each (31 March 2021: 25,00,000 equity shares of ₹ 10 each)	3.50	2.50
Issued, subscribed and fully paid-up shares 31,20,000 equity shares of ₹ 10 each (31 March 2021: 25,00,000 equity shares of ₹ 10 each)	3.12	2.50
	3.12	2.50

a Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors and the dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity shares of ₹ 10 each fully paid	As at 31 March 2022		As at 31 March 2021	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd.	25,00,000	80.13%	25,00,000	100.00%
Bajaj Finance Ltd.	6,20,000	19.87%	-	-

c Details of promoter shareholding

Shares held by promoters at the end of the year
Promoter name

Promoter name	As at 31 March 2022			As at 31 March 2021		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Bajaj Finserv Ltd.	25,00,000	80.13%	-19.87%	25,00,000	100.00%	-

10 Instruments entirely equity in nature

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Balance as at the beginning of the year	176.10	125.00
Add: Addition during the year	627.31	51.10
Closing balance	803.41	176.10

Represents loan amount received by the Company from Bajaj Finserv Limited ₹ 522.94 crore and Bajaj Finance Limited ₹ 280.47 crore. Any loan amount which is outstanding at the end of the loan tenure is compulsorily convertible into equity shares.

11 Other equity

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
a Reserves and surplus :		
Securities premium		
Balance as at the beginning of the year	-	-
Add: Received during the year	2.07	-
Balance in securities premium reserve	2.07	-
Retained earnings		
Balance as at the beginning of the year	(71.70)	(30.79)
Profit/(loss) for the year	(87.59)	(44.29)
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	0.91	3.38
Less: Appropriations	-	-
Balance in retained earnings	(158.38)	(71.70)
Share based payments reserve		
Balance as at the beginning of the year	2.32	1.34
Recognition of share based payments to employees	0.43	0.98
Balance in share based payments reserve	2.75	2.32
	(153.56)	(69.38)

b Nature and purpose of reserve :**Securities premium**

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

Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability/(asset).

Share based payments reserve

Share based payments reserve is created as required by Ind AS 102 – 'Share Based Payments' on the Employee Stock Option Scheme.

12 Provisions

	Current	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Provision for employee benefits [See note 27]	0.75	0.37
Provision for compensated absences	0.75	0.37



13 Deferred tax liabilities (net)

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Deferred tax liabilities		
On account of timing difference in Retiral and other benefits :		
Defined benefit plant provisions - OCI	0.26	0.91
Financial instruments :		
Fair valuation of mutual funds including FMP	0.10	0.02
Gross deferred tax liabilities	0.36	0.96
Deferred tax assets		
Recognized to the extent of Deferred tax liability	0.36	0.96
Gross deferred tax assets	0.36	0.96
	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement 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.

The Company has ₹ 151.63 crores (net of exceptions if any) (March 31, 2021: ₹ 70.47 crores) tax losses brought forward. These losses relate to brought forward business losses and unabsorbed depreciation. The Company neither has any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognise deferred tax assets on the tax losses brought forward.

14 Trade payables

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Total outstanding dues of micro enterprises and small enterprises	2.34	0.23
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.34	4.34
	8.68	4.57

Trade payables ageing schedule

Particulars	Not due	Undisputed outstanding for following periods from due date of payment			Total
		Less than 1 year	1-2 years	2-3 years	
31 March 2022					
MSME	2.34	-	-	-	2.34
Others	6.03	0.31	-	-	6.34
31 March 2021					
MSME	0.23	-	-	-	0.23
Others	4.28	0.06	-	-	4.34

15 Other financial liabilities

	Non-current		Current	
	As at		As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Lease liability [See note 35]	14.21	2.56	6.42	2.06
Employee benefits payable	-	-	14.38	4.30
Other payables*	-	-	25.02	11.19
	14.21	2.56	45.82	17.55

Refer note 32 for financial liabilities measured at amortised cost.

*Other payables comprises of liability for expenses, salary payable and income received in advance.

16 Other current liabilities

	As at	
	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Statutory dues payable	8.82	21.83
	8.82	21.83



Notes to financial statements for the year ended 31 March 2022

17 Revenue from operations

Revenue from operations

Type of Services

Income from distribution of third party products

Related parties*
Others

Revenue from software services

Manpower supply services

Sale of value added services

Total revenue from operations

* Includes insurance income ₹ 2.32 crore (31 March 2021 : ₹ 2.62 crore)

Geographical markets

India

Outside India

Total revenue from operations

Timing of revenue recognition

Services transferred at a point in time

Services transferred over time

Total revenue from operations

For the year ended	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Income from distribution of third party products		
Related parties*	101.33	51.33
Others	0.75	0.85
Revenue from software services	62.37	19.59
Manpower supply services	37.29	27.12
Sale of value added services	1.39	1.41
Total revenue from operations	203.13	100.30
Geographical markets		
India	203.13	100.30
Outside India	-	-
Total revenue from operations	203.13	100.30
Timing of revenue recognition		
Services transferred at a point in time	201.74	99.33
Services transferred over time	1.39	0.97
Total revenue from operations	203.13	100.30

18 Other income

Interest on income tax refund

Gain on valuation and gain on realisation of mutual funds measured at FVTPL

Others

Provision no longer required

For the year ended	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Interest on income tax refund	0.10	0.13
Gain on valuation and gain on realisation of mutual funds measured at FVTPL	3.82	0.57
Others	0.29	0.18
Provision no longer required	-	0.45
Total other income	4.21	1.33

19 Employee benefits expense

Salaries, wages and bonus to employees

Contribution to provident and other funds

Share based payment to employees [See note 34]

Staff welfare expenses

For the year ended	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Salaries, wages and bonus to employees	112.78	59.00
Contribution to provident and other funds	4.83	3.84
Share based payment to employees [See note 34]	5.42	2.67
Staff welfare expenses	2.47	1.25
Total employee benefits expense	125.50	66.76

20 Finance costs

Interest on lease liabilities [See note 35]

For the year ended	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Interest on lease liabilities [See note 35]	1.26	0.56
Total finance costs	1.26	0.56

21 Depreciation and amortisation expense

Depreciation on property, plant and equipment

Amount amortised against intangible assets

[See note 3]

For the year ended	
31 March 2022	31 March 2021
In ₹ crore	In ₹ crore

Depreciation on property, plant and equipment	8.10	5.56
Amount amortised against intangible assets	24.48	20.02
Total depreciation and amortisation expense	32.58	25.58



Notes to financial statements for the year ended 31 March 2022

22 Other expenses

	For the year ended	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
Advertisement, branding and sales promotion	65.44	17.67
Information Technology expenses	35.11	17.13
Dealer incentive	10.23	4.45
Outsourcing / back office expenses	10.58	0.69
Business support charges	5.24	9.16
Professional and legal consultancy	2.00	0.80
Subscription and fees	1.64	0.30
Insurance	1.18	0.65
Travelling expenses	0.85	0.26
Repairs and maintenance	0.89	0.77
Power, fuel, water and consumables	0.64	0.56
Training and conference	0.15	0.09
Payment to auditor	0.11	0.02
Miscellaneous expenses	1.53	0.47
	135.59	53.02

Payment to auditor

	For the year ended	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
As auditor		
Audit fee	0.10	0.01
Other services (certification fees and other matters)	0.01	0.01
	0.11	0.02

23 Tax expense

	For the year ended	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
(a) Tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
Deferred tax		
Decrease/(increase) in deferred tax assets	(0.36)	(0.96)
(Decrease)/increase in deferred tax liabilities	0.36	0.96
Total deferred tax expenses/(benefit)	-	-
Tax expenses	-	-
(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	(87.59)	(44.29)
Tax at the Indian tax rate of 26% (Previous year - 26%)	-	-
Tax effect of amounts which are deductible (non taxable) in calculating taxable income:		
- Income from fair valuation of mutual funds	-	-
Tax expense	-	-

24 Earnings Per Share (EPS)

	For the year ended	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
a Profit / (loss) for the year (₹ crore)	(87.59)	(44.29)
Weighted average number of shares outstanding during the year (Nos) (Basic)	25,06,795	25,00,000
Weighted average number of shares outstanding during the year (Nos) (Diluted)	21,22,39,908	16,52,78,904
b Earnings per share		
Basic and Diluted ₹	(349.41)	(177.16)
Face value per share ₹	10	10

The Company has outstanding loan which is compulsorily convertible into equity shares. Since the potential equity shares are anti-dilutive in nature, they are not considered for the calculation of Diluted Earnings per share.

25 Capital commitments

	As at	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
Capital commitments		
- towards acquisition of Intangibles	8.09	3.02
- towards acquisition of Property, plant and equipments	0.10	0.18
	8.19	3.20

26 Expenditure in foreign currency

	For the year ended	
	31 March 2022	31 March 2021
	In ₹ crore	In ₹ crore
Information technology expenses	2.19	1.54



Notes to financial statements for the year ended 31 March 2022

27 Employee benefits

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

Funded schemes

Gratuity :

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

Amount recognized in Balance Sheet	(In ₹ crore)	
	As at 31 March 2022	As at 31 March 2021
	Gratuity	Gratuity
Present value of funded defined benefit obligation	5.93	5.42
Fair value of plan assets	(7.40)	(5.89)
Net funded obligation	(1.47)	(0.47)
Present value of unfunded defined benefit obligation	-	-
Amount not recognized due to asset limit	-	0.02
Net defined benefit liability / (asset) recognized in balance sheet	(1.47)	(0.45)

Expense recognized in the Statement of profit and loss		
Current service cost	1.11	1.63
Interest on net defined benefit liability / (asset)	(0.05)	0.09
Total expense charged to statement of profit and loss	1.06	1.72

Amount recorded as Other Comprehensive Income		
Opening amount recognized in OCI outside statement of profit and loss	(3.78)	(0.40)
Remeasurements during the period due to:		
Changes in financial assumptions	0.01	0.36
Changes in demographic assumptions	(0.80)	(2.52)
Experience adjustments	(0.36)	(1.18)
Actual return on plan assets less interest on plan assets	0.05	(0.06)
Adjustment to recognize the effect of asset ceiling	(0.02)	0.02
Closing amount recognized in OCI outside statement of profit and loss	(4.89)	(3.78)

Reconciliation of net liability / (asset)		
	As at 31 March 2022	As at 31 March 2021
Opening net defined benefit liability / (asset)	(0.45)	1.63
Expense charged to statement of profit and loss	1.06	1.72
Amount recognized outside statement of profit and loss	(0.81)	(3.38)
Employer contributions	(1.48)	(0.42)
Impact of liability assumed or (settled)*	0.29	-
Closing net defined benefit liability / (asset)	(1.47)	(0.45)

Movement in benefit obligation		
	As at 31 March 2022	As at 31 March 2021
Opening of defined benefit obligation	5.42	5.18
Current service cost	1.11	1.63
Interest on defined benefit obligation	0.35	0.35
Remeasurements due to:		
Actuarial loss / (gain) arising from change in financial assumptions	0.01	0.36
Actuarial loss / (gain) arising from change in demographic assumptions	(0.80)	(2.52)
Actuarial loss / (gain) arising on account of experience changes	(0.38)	(1.18)
Benefits paid	(0.29)	(0.03)
Liabilities assumed / (settled)*	0.29	1.63
Closing of defined benefit obligation	5.93	5.42

* On account of business combination or inter group transfer

Movement in plan assets		
	As at 31 March 2022	As at 31 March 2021
Opening fair value of plan assets	5.89	3.55
Employer contributions	1.46	0.42
Interest on plan assets	0.40	0.26
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(0.06)	0.08
Benefits paid	(0.29)	(0.03)
Assets acquired / (settled)*	-	1.63
Closing fair value of plan assets	7.40	5.89

* On account of business combination or inter group transfer



Notes to financial statements for the year ended 31 March 2022

	As at 31 March 2022	As at 31 March 2021
Disaggregation of assets		
Category of assets		
Quoted value		
Non quoted value		
Insurer managed funds	7.40	5.89
Grand Total	7.40	5.89

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 summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.				
	As at 31 March 2022		As at 31 March 2021	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	-3.19%	3.20%	-3.38%	3.40%
Impact of decrease in 50 bps on DBO	3.36%	-3.07%	3.58%	-3.25%
Junior staff				
Impact of increase in 50 bps on DBO	-3.21%	3.28%	-3.65%	3.76%
Impact of decrease in 50 bps on DBO	3.39%	-3.13%	3.68%	-3.57%

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 analyses.

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 an insurance company. The insurance company in turn manages 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 ₹ 5000000.	

Projected plan cash flow					
The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan:					
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 20					
Senior staff	0.42	0.45	1.30	4.34	6.51
Junior staff	0.21	0.28	0.85	2.59	3.93
31 March 2021					
Senior staff	0.30	0.30	1.18	4.75	6.53
Junior staff	0.13	0.15	0.61	2.22	3.11
Weighted average duration of defined benefit obligation (in years)				As at 31 March 2022	As at 31 March 2021
Senior Staff				6.54	6.96
Junior Staff				6.80	7.52

Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount rate (p.a.)		7.25%
Salary escalation rate (p.a.) - senior staff		12.00%
Salary escalation rate (p.a.) - junior staff		10.50%

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.

Compensated absences

The compensated absences cover the Company's liability for casual and earned leave.

The liability for accumulated leave which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date.

	(In ₹ crore)	
Particulars	As at 31 March 2022	As at 31 March 2021
Compensated absences expected to be settled	0.75	0.37

Provident fund

	(In ₹ crore)	
Particulars	As at 31 March 2022	As at 31 March 2021
Provident fund paid to government authorities	2.39	1.24
Pension fund paid to government authorities	0.99	0.68



28 Segment information

The Company operates in only one operating business segment viz. Distribution of financial products. The Company is operating in only one geographical area i.e. domestic. Accordingly there is only one reportable business segment, hence segment reporting does not apply to the Company.



Name of related party and nature of relationship	Nature of transaction	31 March 2022		31 March 2021	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
Part-I					
A Holding company:					
Bajaj Finserv Ltd (Holding company)	Contribution to equity (25,00,000 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity contribution	346.94	522.94	51.10	176.10
	Protection fee for brand usage paid (31 March 2022 : NIL; 31 March 2021 : ₹ 6066)	-	-	-	-
	Propertv. plants and equipments purchased	0.34	-	-	-
	Business support charges	13.46	0.05	12.49	-
B Subsidiaries and fellow subsidiarv:					
Bajaj Allianz General Insurance Co Ltd (Fellow subsidiary)	Insurance premium paid towards personal accident and asset insurance	1.54	0.95	1.21	0.89
	Insurance commission received	1.44	-	2.14	0.23
	Insurance Claim received	-	0.02	0.08	0.14
Bajaj Allianz Life Insurance Co Ltd (Fellow subsidiary)	Insurance premium paid towards group term life insurance	5.68	0.90	2.16	0.41
	Insurance commission received	0.32	0.03	0.22	0.01
Bajaj Finance Ltd (Fellow subsidiary)	Contribution to equity (6,20,000 shares of ₹ 10 each)	0.62	0.62	-	-
	Deemed equity contribution	280.47	280.47	-	-
	Income from distribution of third party products	69.97	11.02	38.76	9.02
	Manpower supply services	36.68	4.79	27.04	2.41
	Income from Tech Platform	75.47	8.57	24.21	28.56
	Subvention expense	-	-	0.07	0.01
	Propertv. plants and equipments purchased	0.06	-	0.14	0.03
	Business support charges	1.32	-	1.07	-
	Propertv. plants and equipments sold	0.33	0.33	0.09	-
	Other reimbursement	0.06	0.68	-	-
Bajaj Housing Finance Ltd (Subsidiary of Fellow subsidiary, Bajaj Finance Ltd)	Income from distribution of third party products	1.09	0.68	0.09	-
	Propertv. plants and equipments purchased (31 March 22: ₹ 12,970, 31 March 21: ₹ 6,500)	-	-	-	-
	Reimbursement	-	-	0.07	-
Bajaj Holding and Investment Ltd (Fellow subsidiary)	Other reimbursement	0.01	-	-	-
Bajaj Finserv Health Ltd (Fellow subsidiary)	Business support charges received	0.24	-	-	-
C Individuals controlling voting power / exercising significant influence and their relatives:					
Rakesh Induprasad Bhatt (Director)	Remuneration	4.43	-	2.90	0.74

All above transactions are in the ordinary course of business and on arms' length basis



Notes to financial statements for the year ended 31 March 2022

30 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.

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

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

A. 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 fair value through profit or loss and trade receivables.

Credit Risk Management

In regard to Trade receivables, which are typically unsecured, credit risk is managed through continuously monitoring the credit worthiness of customers in the normal course of business. Trade receivables consist of regulated entities with stringent regulation on solvency which significantly mitigates credit risk.

For other financial assets 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.

B. Liquidity Risk

The Company's principal sources of liquidity are funds infusion from holding company, 'cash and cash equivalents' and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period.

C. Other risk (Market Risk)

The Company has deployed its surplus funds in debt instruments (including through mutual funds) and money market instruments. The Company is exposed to price risk on such investments; which arises on account of movement in interest rates, liquidity and credit quality of underlying securities. The Company has invested its surplus funds primarily in debt instruments mutual funds with AAA & STABLE A1+ rating and thus the Company does not have significant risk exposure here.



Notes to financial statements for the year ended 31 March 2022

31 Capital management

Risk management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments 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.

The following table summarizes the net capital position of the Company:

	31 March 2022 In ₹ crore	31 March 2021 In ₹ crore
Equity	652.97	109.22
Less: Tangible and other assets	96.93	78.57
Working capital	28.48	9.56
Investments	527.56	21.09



Notes to financial statements for the year ended 31 March 2022

32 Fair value measurement

i) Financial instruments by category

In ₹ crore

	31 March 2022			31 March 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Liquid mutual funds	527.56	-	-	21.09	-	-
Trade receivables	-	-	32.62	-	-	40.87
Other financial assets	-	-	3.83	-	-	1.36
Cash and cash equivalents	-	-	38.08	-	-	2.60
Total financial assets	527.56	-	74.53	21.09	-	44.83
Financial liabilities						
Lease liability	-	-	20.63	-	-	4.62
Trade payables	-	-	8.68	-	-	4.57
Other financial liabilities	-	-	39.40	-	-	15.49
Total financial liabilities	-	-	68.71	-	-	24.68



Notes to financial statements for the year ended 31 March 2022

ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

In ₹ crore

Financial assets measured at fair value - recurring fair value measurements at 31 March 2022					
Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
- Liquid mutual funds	4	527.56	-	-	527.56
Total financial assets		527.56	-	-	527.56

In ₹ crore

Financial assets measured at fair value - recurring fair value measurements at 31 March 2021					
Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVPL					
- Liquid mutual funds	4	21.09	-	-	21.09
Other financial assets		-	-	-	-
Total financial assets		21.09	-	-	21.09

There have been no transfers between Level 1 and Level 2
The value of other financial assets is same as their fair value.

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation Techniques used to determine fair value

Valuation Techniques used to determine fair value include

- Open ended mutual funds at NAV's/rates declared and/or quoted
- Close ended mutual funds at NAV's declared by AMFI



Notes to financial statements for the year ended 31 March 2022

33 Maturity analysis of assets and liabilities

In ₹ crore

Particulars	As at			
	31 March 2022		31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Non-current assets				
Property, plant and equipment	-	31.60	-	10.80
Intangible assets	-	73.26	-	67.64
Other financial assets	-	2.46	-	1.36
Other non-current assets	-	3.82	-	1.33
Current assets				
Financial assets				
Investments	527.56	-	21.09	-
Trade receivables	32.62	-	40.87	-
Cash and cash equivalents	38.08	-	2.60	-
Other financial assets	1.37	-	-	-
Other current assets	17.74	-	8.85	-
Total	617.37	111.14	73.41	81.13
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	6.42	14.21	2.06	2.56
Provisions	-	-	-	-
Deferred tax liabilities (net)	-	-	-	-
Current liabilities				
Financial liabilities				
Trade payables	8.68	-	4.57	-
Other financial liabilities	39.40	-	15.49	-
Other current liabilities	8.82	-	21.83	-
Provisions	0.75	-	0.37	-
Total	64.07	14.21	44.32	2.56
Net	553.30	96.93	29.09	78.57



Notes to financial statements for the year ended 31 March 2022

34 Share-based payments (Employee option plan)

The Company has adopted the employees stock options plan, 2018 (ESOP Scheme) formulated by its Holding company, Bajaj Finserv Ltd., for its employees and employees of its subsidiaries, pursuant to the special resolution passed by shareholders at the annual general meeting held on 16 July 2018. The employee stock option plan is designed to provide incentives to the employees of the company to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Board. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than four years from the date of grant of the options. The Board of the company has approved grant with related vesting conditions. 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 Board may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met. Fair value of options is reimbursed to the Holding company amounting to Rs. 9.54 crs. which is amortised over the vesting period.

Once vested, the options remain exercisable for a period of one year. 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 of the Holding company.

Set out below is a summary of options granted under the plan:

Particulars	31 March 2022	31 March 2021
	Number of options	Number of options
Opening balance	39,175	12,850
Granted during the year	-	27,550
Exercised during the year	19,888	-
Forfeited during the year	3,976	1,225
Closing balance	15,311	39,175
Vested and exercisable	-	-

No options expired during the year.

Fair value of options granted**Tranche I**

The fair value at grant date of options granted on 16 May 2019 was ₹ 1,771 per option. 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.

Tranche II

The fair value at grant date of options granted on 21 May 2020 was ₹ 1,597 per option. 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.

Tranche III

The fair value at grant date of options granted on 28 April 2021 was ₹ 3,542 per option. 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.

The model inputs for options granted are as under:

	Tranche I	Tranche II	Tranche III
a) options are granted for no consideration and vesting period is:	4 years	4 years	4 years
b) exercise price:	₹ 7,454.70 per option	₹ 4,702.05 per option	₹ 10,091.35 per option
c) grant date:	16 May 2019	21 May 2020	28 April 2021
d) expiry date:	15 May 2023	20 May 2024	28 April 2025
e) share price at grant date:	₹ 7,617.45	₹ 4,702.05	₹ 10,091.35
f) expected price volatility of the Company's shares:	30.40%	35.56%	36.77%
g) expected dividend yield:	0.02%	0.05%	0.05%
h) risk-free interest rate:	7.56%	6.35%	6.62%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.



35. Lease

As a lessee

Ind AS 116 - Leases, had become applicable effective annual reporting period beginning April 1, 2019. The Company had adopted the standard beginning April 1, 2019, using the modified retrospective approach for transition. Further, as against lease payments of ₹ 4.55 crore (previous year ₹ 2.33 crore), the Company has recognized ₹ 1.26 crore (previous year ₹ 0.56 crore) as Finance costs and ₹ 4.14 crore (previous year ₹ 2.00 crore) amortization of Right to use assets.



36 Additional Regulatory Requirements**D) Ratios**

Ratio	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% Variance	Explanation
(a) Current Ratio	Current Assets	Current Liabilities	9.68	1.89	472%	Increase in investments has resulted in the improvement of the ratio
(b) Return on Equity Ratio	Net Income	Shareholder's Equity	(0.13)	(0.41)	-67%	Increase in losses has led to the decline in the ratio
(c) Trade receivables turnover ratio	Revenue	Average accounts receivable	5.53	4.14	34%	Better recovery of dues has resulted in the improvement of the ratio
(d) Trade payables turnover ratio	Purchases of services and other expenses	Average accounts payable	20.47	10.69	91%	Better utilisation of credit period has resulted in the improvement of the ratio
(e) Net capital turnover ratio	Revenue	Working Capital	0.37	3.27	-89%	Increase in working capital due to increased investments in mutual funds has led to decline in the ratio
(f) Net profit ratio	Net profit	Net sales	(0.43)	(0.44)	-2%	
(g) Return on Capital employed	Earning before interest and tax	Capital employed (Total Assets - Current Liabilities)	(0.13)	(0.39)	-67%	Increase in losses has led to the decline in the ratio
(h) Return on investment	Earning before interest and tax	Average Operating assets	(0.12)	(0.30)	-60%	Increase in losses has led to the decline in the ratio

Debt Equity, Debt Service and Inventory Turnover ratios are not applicable to the Company, hence not included the aforesaid disclosure

II) Relationship with struck off companies**Current year**

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company
NIL			

Previous year

Name of struck off Company	Nature of transactions with struck-off company	Balance outstanding	Relationship with the struck off company
NIL			



37 Social Security Code

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

38 Contingent liabilities

Claims against the Company not acknowledged as debts

The Company has received a letter from legal metrology department, alleging non-compliance to Legal Metrology rules. The Company has contended to the authorities that the aforesaid rules are duly followed.

As at	
31 March 2022	31 March 2021
in ₹ crore	in ₹ crore
0.02	-

39 There are no proceedings which have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

40 Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation/classification.

In terms of our report of even date

For Khimji Kunverji & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 105146W/W100621



Vinit K Jain
Partner
ICAI Membership Number: 145911



MUMBAI : 25 April 2022

On behalf of the Board of Directors



Rakesh Bhutt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance

Ashish Panchal
CEO

PUNE