CORPORATE INFORMATION

Board of Directors

Rakesh Bhatt
Whole time Director & CEO

Ajay Sathe
Director

Ganesh Mohan
Director

Sourabh Chatterjee
Director

Head Finance

Anshuman Mishra

Auditors

S R B C & CO, LLP
Chartered Accountants

Registered under the Companies Act, 2013

Registered Office

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

CIN: U65923PN2014PLC150522

Corporate Office

4th Floor, B2 Cerebrum IT Park,
Kalyani Nagar, Pune,
Maharashtra
Pin 411014

Directors' Report

At the outset and before commencing the discussion on affairs of the Company, the Board of Directors humbly submits its commiseration to the families of all employees, shareholders and others who succumbed to this dreadful pandemic.

The Directors present their seventh annual report and audited financial statements for the financial year ended 31 March 2021.

Financial Results

Highlights

In Rs. Crore

Particulars	For the year ended on 31 March 2021	For the year ended on 31 March 2020
Income	101.63	126.98
Expenditure excluding depreciation	120.34	130.07
Depreciation	25.58	18.83
Profit / (Loss) before Tax	**(44.29)**	**(21.92)**
Provision for Tax – Current	-	-
Deferred	-	(0.01)
Profit / (Loss) After Tax	**(44.29)**	**(21.91)**
Other comprehensive income		
Actuarial gain/(losses)	3.38	(0.03)
Tax on above	-	0.12
Other comprehensive income for the year (net of tax)	3.38	0.09
Total comprehensive income / (Loss) for the year	**(40.91)**	**(21.82)**

Company's Operations

With customer-centricity at its core, the Company operates as an exclusive, online, one-stop digital marketplace-for all financial and lifestyle needs. 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

A passionate focus on customer centricity is driving the Company to create 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.

Registrar and Share Transfer Agent

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

Share Capital

The paid-up equity share capital as on 31 March 2021 was Rs. 2.50 crore. There was no public issue, rights issue, bonus issue or preferential issue etc. during the year. The Company has not issued shares with differential voting rights, sweat equity shares nor has it granted any stock options.

Dividend

Your Directors do not recommend any amount to be paid by way of Dividend for the year under review. In the previous year 2019-20 also, no dividend was declared.

Extract of Annual Return

A copy of the annual return as provided under section 92(3) of the Act, in the prescribed form (MGT-7) is hosted on the Company's website https://www.bajajfinservmarkets.in/legal-and-compliance.html.html

Particulars of Employees

The particulars under section 197(12) of the Act read with rules thereunder are provided by way of annexure to this report.

Number of meetings of the Board

During the financial year 2020-21, the Board of Directors met four times, viz., 18 May 2020, 15 July 2020, 20 October 2020, and 18 January 2021. 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:

Name of Director	Category	No. of meetings attended
Shri Rakesh Bhatt	Whole-time Director	4/4
Shri Ajay Sathe	Director	4/4
Shri Ganesh Mohan	Director	4/4
Shri Sourabh Chatterjee	Director	4/4

Material Changes and Commitments

During the year under review, the Company entered into MOU with Bajaj Finserv companies for inter-company services for FY 2021-22 and has entered into commercial agreement (MOU) including addendum to earlier agreement with Bajaj Finance Ltd. (BFL) listed fellow subsidiary of holding company of the Company for providing certain services.

The Company has also entered into corporate agency agreements with insurers under Company's Open Architecture Policy and also entered into an agreement with Bajaj Financial Securities Limited for opening of demat accounts.

Economic Times Innovation Awards 2020 in the Business Model Innovation category

The Company has won the highly coveted 'Economic Times Innovation Awards 2020' in the Business Model Innovation category. For the Company, it is a validation of the business model that was architected around two and half years back.

Conservation of Energy and Technology Absorption

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

Employee Stock Option Scheme

Consequent to approval received from the shareholders of the Company at its 4th Annual General Meeting (hereinafter referred to as '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.

Foreign Exchange Earnings and Outgo

Total foreign exchange earned by the Company was Rs. Nil during the year under review, as was during the previous year.

Total foreign exchange outflow during the year under review was Rs. 1.54 crore, as against Rs 1.57 crore during the previous year.

Particulars of Loans, Guarantees or Investments

Information regarding Loans, Guarantees and Investments covered under the provisions of section 186 of the Act are detailed in the Financial Statements.

Amounts transferred to general reserve

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

Related party transactions

All Related Party Transactions (RPTs) entered into by the Company during the financial year under review, were on arms' length basis and in the ordinary course of business and did not attract provisions of section 188 of the Act. A statement showing the disclosure of transactions with related parties as required under Ind AS 24 is set out separately in this Annual Report. There are no details to be disclosed in Form AOC- 2 in that regard.

Corporate Social Responsibility

The Company is not covered under the provisions of section 135 of the Act concerning Corporate Social Responsibility (CSR) and hence, there is no requirement for any disclosure to be made on CSR initiatives of the Company.

Internal Audit

While none of the criteria for appointment of internal auditor as per section 138 of the Act, are triggered, as a good measure of Corporate Governance and prudent practice, internal auditor was appointed by the Board at its meeting held on 20 October 2020.

The Internal Audit team has commenced its audit reviews of the Company from the financial year 2020-21 onwards. Audit Plan and Internal Audit Report are placed before the Board of Directors for their perusal and approval.

Directors' responsibility statement

As required under clause (c) of sub-section (3) of section 134 of the Act, directors, to the best of their knowledge and belief, state that:

i. in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. the directors had prepared the annual accounts on a going concern basis;

v. the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and

vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details in respect of frauds reported by auditors under section 143(12)

During the year under review, there were no frauds reported by the Statutory Auditors to the Board under section 143(12) of the Act.

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

Section 177 and Section 178 of the Act relating to Constitution of an Audit Committee and Nomination and Remuneration Committee are not applicable to the Company, since the Company falls under the exemption from Rule 4(2) of Companies (Appointment and Qualification of Directors) Rule, 2014, being unlisted public company and wholly owned subsidiary of Bajaj Finserv Limited.

Risk Management Policy

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.

Fixed Deposits

The Company has not accepted any fixed deposits from the public.

Cost records

The Company is not required to maintain cost records pursuant to section 148 of the Act read with rules thereunder.

Directors

During the year under review, the Board, at its meeting held on 18 January 2021, appointed Shri Rakesh Induprasad Bhatt (earlier non-executive director) as a whole-time director of the Company, with effect from 1 January 2021 considering the valuable contribution made by him and his knowledge, expertise and capabilities. The said appointment was also approved by the shareholders at its fifth extraordinary general meeting held on 18 January 2021.

As per the provisions of the Act, Sourabh Chatterjee retires from the Board 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 AGM.

There was no other change in the Directors during the year under review, except as above.

Presentation of financial statements

The financial statements of the Company for the year ended 31 March 2021 have been disclosed as per Schedule III to the Act and Ind AS.

A Cash Flow Statement and Profit & Loss Account for the year 2020-21 are attached to the balance sheet.

Significant and Material Orders passed by the Regulators or Courts

During the year in review, there were no significant and material orders passed by the Regulators or Courts or tribunals, which may impact the going concern status of the Company and its operations in future.

Other disclosures

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 of Women at Workplace and has constituted of Internal Complaints Committee.

There was no case reported during the year under review under the said policy.

The details, as prescribed under section 134 of the Act and Rules made thereunder, applicable to the Company, have been specifically given in this Report, wherever applicable.

Secretarial standards of ICSI

Pursuant to the approval given on 10 April 2015, by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI), the Secretarial Standards on Meetings of the Board of Directors (SS-1) AND General Meetings (SS-2) came into effect from 1 July 2015. The said standards were amended with effect from 1 October 2017. The Company is in compliance with the same.

Auditors

Pursuant to the provisions of section 139 of the Act, the members at the 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 from the conclusion of Third AGM till the conclusion of Eighth AGM, covering one term of five consecutive years.

The statutory auditors have confirmed they are not disqualified from continuing as auditors of the Company.

The statutory audit report for the year 2020-21, is unmodified, does not contain any qualification, reservation or adverse remark or disclaimer by the statutory auditor.

On behalf of Board of Directors,
For Bajaj Finserv Direct Limited

Place: Pune
Date: 26 April 2021

Rakesh Bhatt
Director
(DIN: 02531541)

Ajay Sathe
Director
(DIN: 05166137)

S R B C & CO LLP
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel: +91 20 6603 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Finserv Direct Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bajaj Finserv Direct Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, as amended ("the 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 March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the financial statements.

Other Information

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

S R B C & CO LLP, a Limited Liability Partnership with LLP Identity No. AAB-4318
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata 700 016

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

S R B C & CO LLP CHARTERED ACCOUNTANTS

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

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Vaibhav Gupta

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935
UDIN: 21213935AAAABU1843

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Pune
April 26, 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Bajaj Finserv Direct Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities. The provisions relating to employees' state insurance are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting on the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

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(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable Indian accounting standards. The provisions 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABU1843

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Pune
April 26, 2021

Annexure 2 referred to in paragraph 2 (f) under the heading "Report on other legal and regulatory requirements" of our report of even date

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to the financial statements of Bajaj Finserv Direct Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these 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 these 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.

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 these financial statements.

Meaning of Internal Financial Controls with Reference to these financial statements

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

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Inherent Limitations of Internal Financial Controls with Reference to financial statements

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 control 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.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

Vaibhav Kumar Gupta

per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABU1843

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Pune
April 26, 2021

BAJAJ FINSERV DIRECT LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

In ₹ crore

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	10.80	14.13
Intangible assets	3	66.86	66.26
Intangible assets under development	3	0.78	-
Other financial assets	5	1.36	1.36
		79.80	**81.75**
Current assets			
Financial assets			
Investments	4	21.09	21.27
Trade receivables	7	40.87	7.60
Cash and cash equivalents	8	2.60	2.51
Current tax assets (net)		1.56	4.25
Other current assets	6	10.18	10.47
		76.30	**46.10**
Total assets		**156.10**	**127.85**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	2.50	2.50
Instruments entirely equity in nature	10	176.10	125.00
Other equity	11	(69.38)	(29.45)
Total equity		**109.22**	**98.05**
Non-current liabilities			
Financial liabilities			
Other financial liabilities	14	2.56	4.59
Provisions	12	-	1.63
Deferred tax liabilities (net)	13	-	-
		2.56	**6.22**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.23	0.04
Total outstanding dues of creditors other than micro enterprises and small enterprises		4.34	5.31
Other financial liabilities	14	17.55	16.54
Other current liabilities	15	21.83	1.31
Provisions	12	0.37	0.38
		44.32	**23.58**
Total equity and liabilities		**156.10**	**127.85**

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 S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

S R B C & CO LLP CHARTERED ACCOUNTANTS

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935

Pune: 26 April 2021

On behalf of the Board of Directors

Rakesh Bhatt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance

Bajaj Finserv Direct Limited Pune

BAJAJ FINSERV DIRECT LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

In ₹ crore

	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
(I)	Revenue from contracts with customers	16	100.30	125.66
(II)	Other income	17	1.33	1.32
(III)	**Total income (I+II)**		**101.63**	**126.98**
(IV)	**Expenses**			
	Employee benefits expense	18	66.76	74.92
	Finance costs	19	0.56	0.73
	Depreciation and amortisation expense	20	25.58	18.83
	Other expenses	21	53.02	54.42
	Total expense		**145.92**	**148.90**
(V)	**Profit/ (loss) before tax (III-IV)**		**(44.29)**	**(21.92)**
(VI)	**Tax expense**			
	Current tax		-	-
	Deferred tax		-	(0.01)
	Total tax expense	22	-	(0.01)
(VII)	**Profit/ (loss) for the year (V-VI)**		**(44.29)**	**(21.91)**
(VIII)	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	-Remeasurement gains/(losses) on defined benefit plans		3.38	(0.03)
	-Tax impact on above		-	0.12
(IX)	**Other comprehensive income for the year (net of tax) (VII+VIII)**		**3.38**	**0.09**
	Total comprehensive income for the year		**(40.91)**	**(21.82)**
(X)	Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	23	(177.16)	(87.64)

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 S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935

Pune: 26 April 2021

On behalf of the Board of Directors

Rakesh Bhatt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance

BAJAJ FINSERV DIRECT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

in ₹ crore

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
I. Operating activities				
Profit/ (loss) before tax		(44.29)		(21.92)
Adjustments for:				
Depreciation and amortisation	(25.58)		(18.83)	
Remeasurement (gain)/loss on defined benefit plans	(3.38)		0.03	
Net gain/ (loss) on sale of assets	0.07		(0.05)	
Net gain/ (loss) on sale of financial instruments	0.65		0.95	
Interest expense on fair valuation of deposits	(0.10)		(0.12)	
Interest on lease liabilities	(0.56)		(0.73)	
Share based payments reserve	(2.67)		(1.35)	
Net gain/ (loss) on financial instruments at fair value through profit or loss	(0.07)		0.10	
		(31.64)		(20.00)
Cash from operation before working capital changes		(12.65)		(1.92)
Working capital changes				
(Increase)/decrease in trade receivables	(33.27)		2.56	
(Increase)/decrease in loans and advances	(1.51)		2.13	
(Increase)/decrease in trade payables	(0.78)		(1.97)	
Increase/(decrease) in current financial liabilities	0.91		4.57	
Increase/(decrease) in other current liabilities	20.52		(0.66)	
Increase/(decrease) in provisions	(1.64)		0.66	
		(15.77)		7.29
Income-tax paid including tax deducted at source (net of refunds)		2.70		(1.69)
Net cash (used)/generated in operating activities (A)		**(25.72)**		**3.68**
Carried forward		(25.72)		3.68

BAJAJ FINSERV DIRECT LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

in ₹ crore

Particulars	For the year ended 31 March 2021		31 March 2020	
Brought forward		(25.72)		3.68
II. Investing activities				
Purchases of property, plant and equipment	(2.89)		(2.74)	
Sales proceeds of property, plant and equipment	0.57		0.29	
Purchases/internal development to intangibles	(21.40)		(36.51)	
Sale of current investments	117.71		166.02	
Purchase of current and long-term investments	(116.95)		(181.13)	
Net cash generrated from/ (used in) investing activities (B)		**(22.96)**		**(54.07)**
III. Financing activities				
Loan from holding company	51.10		55.00	
Payment of lease liability	(2.33)		(2.31)	
Net cash generated from financing activities (C)		**48.77**		**52.69**
Net increase in cash and cash equivalents (A+B+C)		**0.09**		**2.30**
Cash and cash equivalents as at the beginning of the year		2.51		0.21
Cash and cash equivalents as at the end of the year [Refer note 8]		2.60		2.51
		-		-

As per our report of even date

For S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935

Pune: 26 April 2021

On behalf of the Board of Directors

Rakesh Bhatt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bajaj Finserv Direct Limited Pune

BAJAJ FINSERV DIRECT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

In ₹ crore

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
At the beginning of the year		2.50	2.50
Changes in equity share capital during the year		-	-
Balance as at 31 March 2021	9	**2.50**	**2.50**

B. Instruments entirely equity in nature

In ₹ crore

Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
At the beginning of the year		125.00	70.00
Addition during the year		51.10	55.00
Balance as at 31 March 2021	10	**176.10**	**125.00**

C. Other equity

Current year

In ₹ crore

Particulars	Note No.	Reserves and surplus		Total other equity
		Retained earnings	Share based payments reserve	
Retained earnings				
At the beginning of the year		**(30.79)**	**1.34**	**(29.45)**
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)**

Previous year

Particulars	Note No.	Reserves and surplus		Total other equity
		Retained earnings	Share based payments reserve	
Retained earnings				
At the beginning of the year		**(8.97)**	-	**(8.97)**
Profit/ (loss) for the year		(21.91)	-	(21.91)
Recognition of share based payments to employees		-	1.34	1.34
Other comprehensive income (net of tax)		0.09	-	0.09
Balance as at 31 March 2020	11	**(30.79)**	**1.34**	**(29.45)**

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 S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935

Pune: 26 April 2021

On behalf of the Board of Directors

Rakesh Bhatt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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. 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 26 April 2021.

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.

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Bajaj Finserv Direct Limited Pune

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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 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.

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Bajaj Finserv Direct Limited Pune

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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.

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Bajaj Finserv Direct Limited Pune

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

(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.

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Notes to financial statements for the year ended 31 March 2021

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

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Bajaj Finserv Direct Limited Pune

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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

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Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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

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Bajaj Finserv Direct Limited Pune

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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.

Bajaj Finserv Direct Limited

Notes to financial statements for the year ended 31 March 2021

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.

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Notes to financial statements for the year ended 31 March 2021

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.

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Notes to financial statements for the year ended 31 March 2021

3 Property, plant and equipment

Current year

In ₹ crore

	Gross block				Accumulated depreciation				Net Block
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 Mar 2021	As at 1 April 2020	For the year	Deductions	As at 31 Mar 2021	As at 31 Mar 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/equipments	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 :									
Building (Refer Note 34)	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**

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

Previous year

In ₹ crore

	Gross block				Accumulated depreciation				Net Block
	As at 1 April 2019	Additions	Deductions / adjustments	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020	As at 31 March 2020
Leasehold improvements	4.05	-	-	4.05	1.01	1.35	-	2.36	1.69
Computers	0.77	1.30	0.23	1.84	0.09	0.41	0.01	0.49	1.35
Electric fittings	0.46	-	-	0.46	0.06	0.08	-	0.14	0.32
Furniture	0.91	0.04	-	0.95	0.06	0.09	-	0.15	0.80
Office equipment	1.70	0.06	-	1.76	0.25	0.34	-	0.59	1.17
Vehicles	2.38	1.34	0.16	3.56	0.27	0.67	0.04	0.90	2.66
B. Leased Assets :									
Building (Refer Note 34)	-	8.13	-	8.13	-	1.99	-	1.99	6.14
Total	**10.27**	**10.87**	**0.39**	**20.75**	**1.74**	**4.93**	**0.05**	**6.62**	**14.13**
Intangible assets :									
Website	48.78	36.51	-	85.29	5.13	13.90	-	19.03	66.26
Total	**48.78**	**36.51**	**-**	**85.29**	**5.13**	**13.90**	**-**	**19.03**	**66.26**
Intangible assets under development	-	-	-	-	-	-	-	-	-

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

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Notes to financial statements for the year ended 31 March 2021

4 Investments

	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Investment in Mutual Funds		
Investments at Fair value through profit and loss		
NIL (31 March 2020 :24141.311) Kotak Liquid Mutual Fund	-	9.69
NIL (31 March 2020 :15401.313) HDFC Liquid Mutual Fund	-	6.02
NIL (31 March 2020 :17874.347) SBI Liquid Mutual Fund	-	5.56
84838.892 (31 March 2020 :NIL) IDFC Liquid Mutual Fund	21.09	-
	21.09	**21.27**
Aggregate book value of quoted investments	**21.09**	**21.27**
All investments mentioned above are within India		

5 Other financial assets

(Unsecured, good, unless stated otherwise)

	Non-current As at 31 Mar 2021 In ₹ crore	Non-current As at 31 March 2020 In ₹ crore
Security deposit	1.36	1.36
	1.36	**1.36**

6 Other assets

(Unsecured, good, unless stated otherwise)

	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Advances recoverable in cash or kind		
Advances to related parties	1.16	0.23
Unsecured considered good	0.08	0.02
Doubtful	-	-
	1.24	0.25
Provision for doubtful advances	-	-
	1.24	0.25
GST input tax credit	0.47	4.24
Gratuity (refer note 26)	0.45	-
Other receivable	8.02	5.98
	10.18	**10.47**

7 Trade receivables

(Unsecured, considered good, unless stated otherwise)

	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Receivables		
- towards distribution of third party products	7.40	6.45
- towards manpower supply services	2.41	0.52
- towards sale of value added services	30.91	-
- others	0.15	0.63
	40.87	**7.60**

Contract balances	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Trade receivables	40.87	7.60

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.

8 Cash and cash equivalents

	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Balances with banks		
on current accounts	2.60	2.51
	2.60	**2.51**

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Notes to financial statements for the year ended 31 March 2021

9 Equity share capital

	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Authorised		
25,00,000 equity shares of ₹ 10 each	2.50	2.50
Issued, subscribed and fully paid-up shares		
25,00,000 equity shares of ₹ 10 each	2.50	2.50
	2.50	**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**

	As at 31 Mar 2021		As at 31 March 2020	
Equity shares of ₹ 10 each fully paid	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Ltd	2,500,000	100.00%	2,500,000	100.00%

10 Instruments entirely equity in nature

	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Balance as at the beginning of the year	125.00	70.00
Add: Addition during the year	51.10	55.00
Closing balance	**176.10**	**125.00**

Represents loan amount received by the Company from Bajaj Finserv Limited. 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 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
a **Reserves and surplus :**		
Retained earnings		
Balance as at the beginning of the year	(30.79)	(8.97)
Profit/(loss) for the year	(44.29)	(21.91)
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gains/losses of defined benefit plans	3.38	0.09
Less: Appropriations	-	-
Balance in retained earnings	(71.70)	(30.79)
Share based payments reserve		
Balance as at the beginning of the year	1.34	-
Recognition of share based payments to employees	0.98	1.34
Balance in share based payment reserve	2.32	1.34
	(69.38)	**(29.45)**

b **Nature and purpose of reserve :**

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

	Non-current As at 31 Mar 2021 In ₹ crore	Non-current As at 31 March 2020 In ₹ crore	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Provision for employee benefits [See note 26]				
Provision for gratuity	-	1.63	-	-
Provision for compensated absences	-	-	0.37	0.38
	-	**1.63**	**0.37**	**0.38**

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Notes to financial statements for the year ended 31 March 2021

13 Deferred tax liabilities (net)

	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Deferred tax liabilities		
On account of timing difference in		
Retiral and other benefits :		
Defined benefit plans provisions - OCI	0.94	0.11
Financial instruments :		
Fair valuation of mutual funds including FMP	0.02	0.04
Gross deferred tax liabilities	0.96	0.15
Deferred tax assets		
Recognized to the extent of Deferred tax liability	0.96	0.15
Gross deferred tax assets	0.96	0.15
	-	-

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 ₹ 68.91 crores (net of exceptions if any) (March 31, 2020: ₹ 33.38 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 Other financial liabilities

	Non-current As at 31 Mar 2021 In ₹ crore	Non-current As at 31 March 2020 In ₹ crore	Current As at 31 Mar 2021 In ₹ crore	Current As at 31 March 2020 In ₹ crore
Lease liability [See note 34]	2.56	4.59	2.06	1.96
Employee benefits payable	-	-	4.30	5.17
Other payables*	-	-	11.19	9.41
	2.56	**4.59**	**17.55**	**16.54**

Refer note 31 for financial liabilities measured at amortised cost.
*Other payables comprises of liability for expenses, salary payable and income received in advance.

15 Other current liabilities

	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Statutory dues payable	21.83	1.31
	21.83	**1.31**

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Notes to financial statements for the year ended 31 March 2021

16 Revenue from contract with customers

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Revenue from contract with customers		
Type of Services		
Income from distribution of third party products		
Related parties*	51.33	77.38
Others	0.85	4.44
Manpower supply services	27.12	37.81
Sale of value added services	21.00	3.03
Other Miscellaneous income	-	3.00
Total revenue from contract with customers	**100.30**	**125.66**

* Includes insurance income ₹ 2.62 crore (31 March 2020 : ₹3.01 crore)

	31 Mar 2021	31 March 2020
Geographical markets		
India	99.33	125.66
Outside India	0.97	-
Total revenue from contract with customers	**100.30**	**125.66**
Timing of revenue recognition		
Services transferred at a point in time	99.33	125.66
Services transferred over time	0.97	-
Total revenue from contract with customers	**100.30**	**125.66**

17 Other income

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Interest on income tax refund	0.13	-
Gain on valuation and gain on realisation of mutual funds measured at FVTPL	0.57	1.04
Others	0.18	0.11
Provision no longer required	0.45	0.17
	1.33	**1.32**

18 Employee benefits expense

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Salaries, wages and bonus to employees	59.00	69.13
Contribution to provident and other funds [See note 26]	3.84	3.76
Share based payment to employees [See note 33]	2.67	1.35
Staff welfare expenses	1.25	0.68
	66.76	**74.92**

19 Finance costs

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Interest on lease liabilities [See note 34]	0.56	0.73
	0.56	**0.73**

20 Depreciation and amortisation expense

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Depreciation on property, plant and equipment	5.56	4.93
Amount amortised against intangible assets [See note 3]	20.02	13.90
	25.58	**18.83**

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Notes to financial statements for the year ended 31 March 2021

21 Other expenses

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Sales promotion expenses	17.67	29.75
Information Technology expenses	17.13	12.83
Business support charges	9.16	-
Dealer incentive	4.45	5.51
Travelling expenses	0.26	1.94
Professional and legal consultancy	0.80	1.33
Repairs and maintenance	0.77	0.84
Power, fuel, water and consumables	0.56	0.68
Insurance	0.65	0.59
Training and conference	0.09	0.16
Subscription and fees	0.30	0.19
Payment to auditor	0.02	0.02
Rent [See note 34]	-	-
Miscellaneous expenses	1.16	0.58
	53.02	**54.42**

Payment to auditor

	For the year ended 31 Mar 2021	For the year ended 31 March 2020
As auditor		
Audit fee	0.01	0.01
Other services (certification fees and other matters)	0.01	0.01
Reimbursement of expenses (31 March 2020: ₹ 37,998)	-	0.00
	0.02	**0.02**

22 Tax expense

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 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	(0.96)	(0.04)
(Decrease)/increase in deferred tax liabilities	0.96	0.03
Total deferred tax expenses/(benefit)	-	(0.01)
Tax expenses	-	**(0.01)**
(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	(44.29)	(21.92)
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	-	(0.01)
Tax expense	-	**(0.01)**

23 Earnings Per Share (EPS)

		For the year ended 31 Mar 2021	For the year ended 31 March 2020
a.	Profit for the year (₹)	(44.29)	(21.91)
	Weighted average number of shares outstanding during the year (Nos)	2,500,000	2,500,000
b.	Earnings per share (Basic and Diluted) ₹	(177.16)	(87.64)
	Face value per share ₹	10	10

24 Capital commitments

	As at 31 Mar 2021 In ₹ crore	As at 31 March 2020 In ₹ crore
Capital commitments		
- towards acquisition of Intangibles	3.02	1.80
- towards acquisition of Property, plant and equipments	0.18	0.14
	3.20	**1.94**

25 Expenditure in foreign currency

	For the year ended 31 Mar 2021 In ₹ crore	For the year ended 31 March 2020 In ₹ crore
Information technology expenses	1.54	1.57

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Notes to financial statements for the year ended 31 March 2021

26 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	As at 31 Mar 2021 Gratuity	As at 31 Mar 2020 Gratuity
Present value of funded defined benefit obligation	5.42	5.18
Fair value of plan assets	(5.89)	(3.55)
Net funded obligation	**(0.47)**	**1.63**
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	**(0.45)**	

Expense recognized in the Statement of profit and loss		
Current service cost	1.64	1.42
Interest on net defined benefit liability / (asset)	0.09	0.03
Total expense charged to statement of profit and loss	**1.73**	**1.45**

Amount recorded as Other Comprehensive Income		
Opening amount recognized in OCI outside statement of profit and loss	(0.40)	(0.44)
Remeasurements during the period due to		
Changes in financial assumptions	0.36	0.76
Changes in demographic assumptions	(2.52)	-
Experience adjustments	(1.18)	(0.73)
Actual return on plan assets less interest on plan assets	(0.06)	-
Adjustment to recognize the effect of asset ceiling	0.02	-
Closing amount recognized in OCI outside statement of profit and loss	**(3.80)**	**(0.41)**

Reconciliation of net liability / (asset)	As at 31 Mar 2021	As at 31 Mar 2020
Opening net defined benefit liability / (asset)	1.63	0.60
Expense charged to statement of profit and loss	1.73	1.45
Amount recognized outside statement of profit and loss	(3.38)	0.03
Employer contributions	(0.42)	(0.16)
Impact of liability assumed or (settled)*	-	(0.29)
Closing net defined benefit liability / (asset)	(0.44)	1.63

Movement in benefit obligation	As at 31 Mar 2021	As at 31 Mar 2020
Opening of defined benefit obligation	5.18	4.28
Current service cost	1.63	1.42
Interest on defined benefit obligation	0.35	0.33
Remeasurements due to:	-	-
Actuarial loss / (gain) arising from change in financial assumptions	0.36	0.76
Actuarial loss / (gain) arising from change in demographic assumptions	(2.52)	-
Actuarial loss / (gain) arising on account of experience changes	(1.18)	(0.73)
Benefits paid	(0.03)	(0.15)
Liabilities assumed / (settled)*	1.63	(0.73)
Closing of defined benefit obligation	5.42	5.18

* On account of business combination or inter group transfer

Movement in plan assets	As at 31 Mar 2021	As at 31 Mar 2020
Opening fair value of plan assets	3.55	3.69
Employer contributions	0.42	0.16
Interest on plan assets	0.26	0.30
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.06	-
Benefits paid	(0.03)	(0.15)
Assets acquired / (settled)*	1.63	(0.45)
Closing fair value of plan assets	5.89	3.55

* On account of business combination or inter group transfer

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Notes to financial statements for the year ended 31 March 2021

Disaggregation of assets	As at 31 Mar 2021	As at 31 Mar 2020
Category of assets		
Quoted value		
Non quoted value		
Insurer managed funds	5.89	3.55
Grand Total	5.89	3.55

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 Mar 2021		As at 31 Mar 2020	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	-7.63%	8.06%	-7.73%	8.26%
Impact of decrease in 50 bps on DBO	8.35%	-7.45%	8.48%	-7.60%
Junior staff				
Impact of increase in 50 bps on DBO	-9.54%	10.37%	-9.55%	10.47%
Impact of decrease in 50 bps on DBO	10.75%	-9.32%	10.76%	-9.40%

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 Mar 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
31 March 2020					
Senior staff	0.02	0.03	0.10	8.97	9.12
Junior staff	0.01	0.02	0.10	10.78	10.91

Weighted average duration of defined benefit obligation (in years)	As at 31 Mar 2021	As at 31 Mar 2020
Senior Staff	6.96	16.01
Junior Staff	7.52	20.25

Principal Actuarial Assumptions (Expressed as Weighted Averages)		
Discount rate (p.a.)	6.80%	6.80%
Salary escalation rate (p.a.) - senior staff	11.77%	10.00%
Salary escalation rate (p.a.) - junior staff	9.60%	10.00%

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

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 calender year is provided for at prevailing salary rate for the entire unavailed leave balance as at the balance sheet date

₹

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Compensated absences expected to be settled	0.37	0.38

Provident fund

₹

Particulars	As at 31 Mar 2021	As at 31 Mar 2020
Provident fund paid to government authorities	1.24	1.40
Pension fund paid to government authorities	0.68	0.67

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27 **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 ie. domestic. Accordingly there is only one reportable business segment, hence segment reporting does not apply to the Company.

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Notes to financial statements for the year ended 31 March 2021

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

In ₹ crore

	Name of related party and nature of relationship	Nature of transaction	31 March 2021 Transaction Value	31 March 2021 Outstanding amounts carried in the Balance Sheet	31 March 2020 Transaction Value	31 March 2020 Outstanding amounts carried in the Balance Sheet
A	**Holding company:**					
	Bajaj Finserv Ltd (Holding company)	Contribution to equity (25,00,000 shares of ₹ 10 each)	-	2.50	-	2.50
		Manpower supply services	-	-	0.05	-
		Loan received	51.10	176.10	55.00	125.00
		Trademark royalty paid (₹ 6066, 31 March 2020 : NIL)	-	-	-	-
		Business support charges	12.49	-	-	-
B	**Subsidiaries and fellow subsidiary:**					
	Bajaj Allianz General Insurance Co. Ltd. (Fellow subsidiary)	Insurance premium paid towards employee and asset insurance	1.21	0.68	1.85	-
		Insurance commission received	2.14	0.23	1.31	0.16
		Advances for insurance agency arrangement	-	0.21	-	0.13
		Insurance Claim received	0.08	0.14	-	-
	Bajaj Allianz Life Insurance Co. Ltd (Fellow subsidiary)	Insurance premium paid towards group term life insurance	2.16	0.04	0.48	-
		Insurance commission received	0.22	0.01	1.70	0.06
		Advances for insurance agency arrangement	-	0.37	-	0.11
	Bajaj Finance Ltd (Fellow subsidiary)	Income from distribution of third party products	38.76	6.67	58.38	3.30
		Manpower supply services	27.04	2.41	38.51	0.52
		Disbursal towards Value added services	-	2.35	4.13	0.63
		Income from Tech Platform	24.21	28.56	-	-
		Subvention expense	0.07	0.01	0.31	0.03
		Property, plants and equipments purchased	0.14	0.03	0.03	0.01
		Business support charges	1.07	-	-	-
		Property, plants and equipments sold	0.09	-	-	-
	Bajaj Housing Finance Ltd (Subsidiary of Fellow subsidiary, Bajaj Finance Ltd)	Income from distribution of third party products	0.09	-	3.61	0.13
		Manpower supply services	-	-	1.31	-
		Leave encashment payable	-	-	0.13	-
		Property, plants and equipments sold (31 March 21: ₹ 28,658)	-	-	0.23	0.14
		Property, plants and equipments purchased (31 March 21: ₹ 6,500)	-	-	0.15	-
		Reimbursement	0.07	-	-	-
C	**Individuals controlling voting power / exercising significant influence and their relatives:**					
	Rakesh Induprasad Bhatt (Director)	Remuneration	2.90	0.74	-	-

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

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Notes to financial statements for the year ended 31 March 2021

29 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.

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Notes to financial statements for the year ended 31 March 2021

30 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 summerizes the net capital position of the Company:

	31 Mar 2021 In ₹ crore	31 March 2020 In ₹ crore
Equity	109.22	98.05
Less: Tangible and other assets	77.24	75.53
Working capital	10.89	1.25
Investments	**21.09**	**21.27**

Notes to financial statements for the year ended 31 March 2021

31 Fair value measurement

i) Financial instruments by category

In ₹ crore

	31-Mar-21			31-Mar-20		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments						
- Liquid mutual funds	21.09	-	-	21.27	-	-
Trade receivables	-	-	40.87	-	-	7.60
Other financial assets	-	-	1.36	-	-	1.36
Cash and cash equivalents	-	-	2.60	-	-	2.51
Total financial assets	**21.09**	-	**44.83**	**21.27**	-	**11.47**
Financial liabilities						
Lease liability	-	-	4.62	-	-	6.55
Trade payables	-	-	4.57	-	-	5.35
Other financial liabilities	-	-	15.49	-	-	14.58
Total financial liabilities	-	-	**24.68**	-	-	**26.48**

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Bajaj Finserv Direct Limited Pune

Notes to financial statements for the year ended 31 March 2021

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 2021					
Particulars	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial investments at FVTPL					
- Liquid mutual funds	4	21.09	-	-	21.09
Total financial assets		**21.09**	-	-	**21.09**

In ₹ crore

Financial assets measured at fair value - recurring fair value measurements at 31 March 2020					
Particulars	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial investments at FVPL					
- Liquid mutual funds	4	21.27	-	-	21.27
Other financial assets		-	-	-	-
Total financial assets		**21.27**	-	-	**21.27**

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

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Notes to financial statements for the year ended 31 March 2021

32 Maturity analysis of assets and liabilities

In ₹ crore

	As at			
	31 Mar 2021		31 March 2020	
Particulars	**Within 12 months**	**After 12 months**	**Within 12 months**	**After 12 months**
Assets				
Non-current assets				
Property, plant and equipment	-	10.80	-	14.13
Intangible assets	-	67.64	-	66.26
Other financial assets	-	1.36	-	1.36
Current assets				
Financial assets				
Investments	21.09	-	21.27	-
Trade receivables	40.87	-	7.60	-
Cash and cash equivalents	2.60	-	2.51	-
Other current assets	10.18	-	10.47	-
Total	74.74	79.80	41.85	81.75
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	-	2.56	-	4.59
Provisions	-	-	-	1.63
Deferred tax liabilities (net)	-	-	-	-
Current liabilities				
Financial liabilities				
Trade payables	4.57	-	5.35	-
Other financial liabilities	17.55	-	16.54	-
Other current liabilities	21.83	-	1.31	-
Provisions	0.37	-	0.38	-
Total	44.32	2.56	23.58	6.22
Net	30.42	77.24	18.27	75.53

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Notes to financial statements for the year ended 31 March 2021

33 Share-based payments (Employee option plan)

The Company has adopted the employees stock options plan, 2018 (ESOP Scheme) formulated by its Holding company, for its employees and employees of is 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 the Board. Participation in the plan is at the Boards'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 parent company amounting to Rs. 4.40 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 2021 Number of options	31 March 2020 Number of options
Opening balance	12,850	-
Granted during the year	27,550	18,800
Excercised during the year	-	-
Forfeited during the year	1,225	5,950
Closing balance	39,175	12,850
Vested and excercisable	-	-

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.

The model inputs for options granted are as under :

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

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.

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Notes to financial statements for the year ended 31 March 2021

34 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 ₹ 2.33 crore (previous year ₹ 2.32 crore), the Company has recognized ₹ 0.56 crore (previous year ₹ 0.73 crore) as Finance costs and ₹ 2.00 crore (previous year ₹ 1.99 crore) amortization of Right to use assets.

35 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.

36 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 S R B C & Co LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Vaibhav Kumar Gupta
Partner
Membership Number: 213935

Pune: 26 April 2021

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Bajaj Finserv Direct Limited
Pune

On behalf of the Board of Directors

Rakesh Bhatt
Director

Ajay Sathe
Director

Anshuman Mishra
Head Finance