



Bajaj Auto Limited,
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bajajauto.com



19 August 2024

To,
Corporate Relations Department
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P J Tower
Dalal Street, Mumbai 400 001
BSE Code: 532977

To,
Corporate Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor Plot No.C-1,
G Block Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
NSE Code: BAJAJ-AUTO

Sub: Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) – Voluntary Disclosure of the effect arising out of change in the applicable regulatory framework.

Dear Sir / Madam,

With reference to the captioned subject, please find enclosed herewith the disclosure in ‘Annexure I’ pursuant to the provisions of Regulation 30 of the Listing Regulations, 2015.

Please note that this disclosure is being made voluntarily by the Company resulting from the changes made pursuant to the recently enacted Finance (No. 2) Act, 2024, the impact of which on the financial statements of the Company is below the materiality threshold as stipulated in the Regulation 30 of the Listing Regulations, 2015.

Request you to kindly take the same on record.

Yours faithfully,
For Bajaj Auto Limited

Rajiv Gandhi
Company Secretary & Compliance Officer
ACS 11263

Encl.: As Above

Sr. No.	Particulars	Details
1.	Regulatory framework	The Finance (No. 2) Act, 2024 notified by the Ministry of Law and Justice (Legislative Department) on 16 August 2024.
2.	Details of change in regulatory framework	<p>The Company invests its surplus funds into a range of asset classes including debt mutual funds. In compliance with Ind AS 12, the Company was making accounting provisions for Deferred Tax as per applicable law (taking cognizance of the indexation impact) on fair value gains on these investments.</p> <p>The Finance (No. 2) Act, 2024 withdraws the indexation benefit on long-term capital gains on debt mutual funds which were purchased prior to 1 April 2023.</p> <p>Further, the tax rate with respect to long-term capital gains for the said asset class has been changed from 20% plus surcharge and cess (with indexation) to 12.5% plus surcharge and cess (without indexation).</p> <p>Due to withdrawal of the indexation benefit and change in tax rate, the accounting provision for Deferred Tax on Investment Income so created needs to be restated.</p>
3.	Impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible	<p>The current accounting provision for Deferred Tax created by the Company would need to be increased by Rs. 211 crores to recognise the aforesaid change. A provision in respect of this cumulative one-time impact will be made while computing the Profit After Tax and in reporting the financial results for Q2 of FY 2024-25.</p> <p>It is to be noted that only a provision is being made in the books of accounts at this point of time to record the Deferred Tax in line with the applicable accounting standards and the recently enacted tax change. The actual payment of tax would be made at the time of redemption of these Mutual Funds. The cash outgo towards tax could be different at the time of redemption depending on the actual gain and actual prevailing tax regime.</p> <p>The impact of this one-time change is on the provision for tax (deferred tax) insofar as it relates to the Other Income (as derived from Income from Investments) and is not related to the operating performance / profit of the Company.</p> <p>The aforesaid provision amount of Rs. 211 crores is below the materiality threshold as stipulated in Regulation 30 of the Listing Regulations, 2015.</p>