

EIGHTH ANNUAL REPORT 2017-18

Bajaj Financial Securities Limited

CIN: U67120PN2010PLC136026

Regd. Office:

Bajaj Auto Limited Complex,

Mumbai-Pune Road,

Akurdi, Pune 411 035

Phone: (020) 30186403 Fax: (020) 30186364

NOTICE

Notice is hereby given that the eighth annual general meeting of the members of Bajaj Financial Securities Limited will be held on Friday, 16 July 2018 at 12.15 p.m. at the registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 to transact the following business:

1. To consider and adopt the financial statement of the Company for the financial year ended 31 March 2018 and the Directors' and the Auditors' reports thereon.
2. To appoint a director in place of S Sreenivasan (DIN 03206811) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.
3. To authorise Board of Directors to fix the remuneration of S R B C & CO LLP, Chartered Accountants, statutory auditors of the Company for the years 2018-19 onwards.

**By order of the Board of Directors
For Bajaj Financial Securities Limited**



**Anant Damle
Company Secretary
Place: Pune
Date: 14 May 2018**

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- 2) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
- 3) Brief details of S Sreenivasan, Director, who is seeking re-appointment, are annexed hereto as per requirements of the Companies Act, 2013.
- 4) Documents referred to in the notice and the statement shall be kept open for inspection by the members at the registered office of the Company from Monday to Friday from 10.00 a.m. to 12.00 noon, except holidays, upto the date of the meeting and also at the meeting.
- 5) The following statutory registers are open for inspection by members and others at the registered office of the Company as prescribed in the respective sections of the Companies Act, 2013 as specified below on all working days during business hours:
 - (a) Register of contracts or arrangements in which directors are interested under Section 301 of the Companies Act, 1956 and Register of contracts with related party and contracts and bodies etc. in which directors are interested under Section 189 of the Companies Act, 2013.
 - (b) Register of directors' shareholdings under Section 307 of the Companies Act, 1956 and Register of directors and key managerial personnel and their shareholding under Section 170 of the Companies Act, 2013.

The aforesaid registers shall also be kept open for inspection at the annual general meeting by any person entitled to attend the meeting.
- 6) Corporate members are requested to send in advance duly certified copy of board resolution/power of attorney authorising their representative to attend the annual general meeting.
- 7) Members/ proxies are requested to bring the attendance slip/proxy form duly filled and signed in for attending the Meeting. Proxies are requested to bring their ID proof at the meeting for the purpose of identification.
- 8) Route map of the venue of the meeting is annexed to this notice for convenience.

Annexure to the notice

BRIEF RESUME OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE COMPANIES ACT, 2013

S Sreenivasan, (DIN 03206811), aged 58 years is Director and Chairman of the Company, liable to retire by rotation. He is Director of the Company since 10 January 2012. He is a Chartered Financial Analyst, Chartered Accountant, Cost Accountant, B.Sc. and holds a PGDM from IIM Calcutta. He has around 30 years' experience in General Management, Finance, Accounting and Portfolio Management. He is working with Bajaj Group since 2003. Currently he is the Chief Financial Officer of Bajaj Finserv Limited.

S Sreenivasan is not related to any of the directors or key managerial personnel of the Company.

During FY 2017-18, S Sreenivasan attended all 5 Board meetings of the Company. During FY 2017-18, he was paid NIL remuneration.

As on 31 March 2018, he does not hold any shares in the Company.

LIST OF DIRECTORSHIPS:

Bajaj Allianz Financial Distributors Limited
Bajaj Allianz Staffing Solutions Limited

He is a member of Audit Committee and Nomination and Remuneration Committee of the Company.

PROXYFORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN : U67120PN2010PLC136026
Name of the Company : BAJAJ FINANCIAL SECURITIES LIMITED
Registered office : Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411035
Name of the member(s) :
Registered address :
E-mail ID :
Folio No/Client ID/DP ID :

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

- (1) Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
- (2) Name: _____ Address: _____
E-mail Id: _____ Signature: _____ or failing him
- (3) Name: _____ Address: _____
E-mail Id: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the eight annual general meeting of the Company, to be held on ~~Friday, 13~~ ^{Monday, 16} July 2018 at ~~12.15 p.m.~~ ^{10.30 a.m.} at the registered office of the Company at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune 411 035 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Ordinary Business
1	Adoption of financial statements for the year ended 31 March 2018 and the Directors' and Auditors' Reports thereon
2	Re-appointment of S Sreenivasan who retires by rotation
3	Authorisation to Board of Directors to fix the remuneration of S R B C & CO LLP, Statutory Auditors of the Company for the years 2018-19 onwards.

Signed this ____ day of _____ 2018



Signature of member

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Folio No./DP ID Client ID:

Name and address:

Name(s) of joint holder(s),if any :

No. of shares held :

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/We hereby record my/our presence at the eight annual general meeting of the Company on ^{Monday} ~~Friday~~,
16 July 2018 at ^{10.30 a.m.} ~~12.15 p.m.~~ at the registered office of the Company at Bajaj Auto Limited Complex,
Mumbai-Pune Road, Akurdi, Pune 411 035

Full name of proxy (in case of proxy)
holder/proxy

Signature of first

Signature of joint holder(s)

Notes:

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.

BAJAJ FINANCIAL SECURITIES LIMITED

DIRECTORS' REPORT

The Directors present their eighth annual report and the audited financial statements for the year ended 31 March 2018.

Particulars	FY2018	FY2017
Total income	88,872,745	5,749,757
Finance cost	348,228	-
Net interest income	-	-
Operating expenses	531,587	354,179
Pre-provision operating profit	87,992,930	5,395,578
Loan losses and provisions	-	-
Profit before taxation	87,992,930	5,395,578
Tax expense	17,395,691	570,000
Profit for the year after taxation	70,597,239	4,825,578
Balance brought forward from previous year	14,151,523	18,977,101
Profit available for appropriations	56,445,716	14,151,523
Appropriations:		
Transfer to Reserve Fund	-	-
Balance carried to Balance Sheet	56,445,716	14,151,523

Operations

During FY2018 the Company did not have any business operations

Subsidiary

The Company does not have any subsidiary.

Dividend

Directors do not recommend any dividend for consideration for members at the ensuing annual general meeting.

Extract of annual return

The extract of annual return as provided under section 92(3) the Companies Act, 2013, in the prescribed Form MGT-9 is annexed to this Report as Annexure-1.

Number of meetings of the Board

The Board of Directors met five times during the year on 12 May 2017, 11 July 2017, 13 October 2017, 12 January 2018 and 23 March 2018.

Directors' responsibility statement

In compliance of Section 134(5) of the Companies Act, 2013, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) the directors have 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 of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by independent directors

The independent directors have submitted declaration of independence, as required under section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013.

Policy on directors' appointment and remuneration

The Company has a Board approved remuneration policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and independence of Directors. A copy of the remuneration policy has been annexed to this report as Annexure 2.

Particulars of Loans, Guarantees or Investments

Information regarding Loans, Guarantees and Investments, if any, covered under the provisions of Section 186 of the Companies Act, 2013 is detailed in the Financial Statements.

Related Party Transactions

During the year under review there were no transactions with any related party.



Material changes and commitments

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

Conservation of energy and technology absorption

The Company does not have any manufacturing activity. The Directors, therefore, have nothing to report on 'conservation of energy and technology absorption', pursuant to provisions of Rule 8(3) of the Companies (Accounts) Rules, 2014.

Foreign exchange earnings and outgo

During FY2018, the Company did not have any foreign exchange earnings and outgo.

Risk Management

The Company has a Board approved risk management policy which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company.

Corporate Social Responsibility

As the Company is not covered under Section 135 of the Companies Act, 2013 relating to corporate social responsibility, the directors have nothing to report on the same.

Independent Directors' Meeting

Details on the evaluation carried out by the independent directors at their meeting held on 23 March 2018 have been furnished below.

- reviewed the performance of non-independent director and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of non-executive directors; and
- assessed the quantity, quality and timely flow of information between Management and the Board to be of the high quality.

All independent directors were present at the meeting and elected J Sridhar as Chairman for the meeting. The Independent directors found the assessment of all the points stated above satisfactory.

Directors and Key Managerial Personnel

According to the provisions of the Companies Act, 2013, S Sreenivasan, Director (DIN 03206811) retires from the Board by rotation this year and being eligible, has offered his candidature for re-appointment at this annual general meeting for the approval of the members.

Brief details of S Sreenivasan (DIN 03206811), director who is seeking re-appointment have been given in the notice of annual general meeting.



There was no change in the Directors and Key Managerial Personnel during FY2018.

Significant and material orders

During the year under 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.

Audit Committee

The Audit Committee consisting of J Sridhar as Chairman of the Committee, S Sreenivasan and Sanjay Bhargava, as members met three times during the year on 12 May 2017, 11 July 2017, 13 October 2017. In terms of the amendment in Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, which exempted, *inter alia*, a wholly owned subsidiary from the requirement of the constitution of Audit Committee.

The Board at its meeting held on 13 October 2017 has disbanded Audit Committee.

Presentation of financial results

The financial results of the Company for the year ended 31 March 2018 have been disclosed as per Schedule III to the Companies Act, 2013.

Statutory disclosures

- There are no details which are required to be disclosed under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- During the year under review, the Company has not accepted any deposits.
- During the year under review, there was no fraud reported by the auditors to the Audit Committee, pursuant to the provisions of the Companies Act, 2013.
- The directors' responsibility statement as required by section 134(5) of the Companies Act, 2013 is given in a preceding paragraph.
- Cash Flow Statement for FY2018 is attached to the Balance Sheet.

Secretarial Standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has, on 14 June 2017, revised the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 October 2017. The Company is compliant with the same.



Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, S R B C & CO LLP, Chartered Accountants, were appointed as statutory auditors of the Company at the 7th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 12th AGM subject to ratification of their appointment by the members at every AGM held thereafter.

The Ministry of Corporate Affairs, vide its notification dated 7 May 2018, has brought into effect certain provisions of the Companies (Amendment) Act, 2017, thereby amending provisions of Companies Act, 2013 including section 139 of the Companies Act, 2013, whereby the requirement of ratification of appointment of statutory auditors at every annual general meeting has been done away with.

However, pursuant to the provisions of Companies Act, 2013, a resolution to delegate the authority to the Board of Directors to fix the remuneration of statutory auditors of the Company for the years 2018-19 onwards is proposed in the notice of the ensuing AGM for the approval of the members.

The Audit Report submitted by S R B C & CO LLP, for FY2018 does not contain any qualification, reservation or adverse remark or disclaimer.

On behalf of the Board of Directors



**S Sreenivasan
Chairman**

**Place: Pune
Pune: 14 May 2018**



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31 March 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr. No.	Particulars	Details
1	CIN	U67120PN2010PLC136026
2	Registration date	07/04/2010
3	Name of the Company	Bajaj Financial Securities Limited
4	Category/ Sub-category of the Company	Public Company, Limited by shares
5	Address of the registered office and contact details	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune- 411035 Tel: 020 3018 6403
6	Whether listed company	No
7	Name, Address and Contact details of the Registrar and Transfer Agent, if any	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NIL	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Bajaj Housing Finance Limited Address: Bajaj Auto Ltd. Complex, Mumbai - Pune Road, Akurdi - 411 035	L65923PN2007PLC130075	Holding	100	Section 2(46)

a) Bodies Corp.	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	14,000,000	14,000,000	100	0	14,000,000	14,000,000	100	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (1 April 2017)			Shareholding at the end of the year (31 March 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Bajaj Housing Finance Limited	*14,000,000	100	0	14,000,000	100	0	0
	Total	14,000,000	100	0	14,000,000	100	0	0

Note: *Out of the total number of shares held, 600 shares are held jointly (100 shares jointly with six individuals each)

iii) Change in Promoters' Shareholding (please specify, if there is no change)- No change

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs): There are no shareholders of the Company apart from Promoters.

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.		Shareholding at the beginning of the year (1 April 2016)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(i)	Shri J Sridhar (Director) jointly with Bajaj Housing Finance Limited				
	At the beginning of the year	100	0.00	100	0.00
	At the end of the year	100	0.00		

V. INDEBTEDNESS: NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: **NIL**

B. REMUNERATION TO OTHER DIRECTORS: **NIL**

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: **NIL**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

BAJAJ FINANCIAL SECURITIES LIMITED

REMUNERATION POLICY

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director

1. Qualifications of Independent Director:-

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, operations or other disciplines related to the company's business.

2. Positive attributes of Independent Directors:-

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

3. Independence of Independent Directors:-

An Independent director should meet the requirements of the Companies Act, 2013 concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees

A. NON-EXECUTIVE DIRECTORS (NEDs)

NEDs may be paid a sitting fee for every meeting of the board or committee thereof attended by them as member, and/or commission at such rate as may be decided by the board.

Additional commission, apart from commission referred to above, may be paid to non-executive directors as may be decided by the board of directors of the company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the non-executive directors.

The company has no stock options plans for directors and no payment by way of bonus, pension, incentives etc. shall be paid.

B. MANAGER & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.

The Remuneration to Manager, if any shall take into account the Company's overall performance, Manager's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Remuneration to Directors, Key Managerial Personnel, Senior Management and other employees will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Since the Key Managerial Personnel of the company are also the Key Managerial Personnel of Bajaj Finance Limited, which is holding company of Bajaj Housing Finance Limited, holding company of the company and they are in receipt of the remuneration from Bajaj Finance Limited, the holding company, no remuneration is being paid by the company at present.

The above criteria and policy are subject to review by the Nomination and Remuneration committee and the Board of Directors of the Company.

FOR BAJAJ FINANCIAL SECURITIES LIMITED

**Pune
14 January 2015**

CHAIRMAN