

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 seventh annual general meeting of the members of Bajaj Financial Securities Limited will be held on Tuesday, 11 July 2017 at 09.00 a.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 audited financial statements for the financial year ended 31 March 2017 and the Directors' and the Auditors' reports thereon.
2. To appoint a director in place of S Sreenivasan (DIN 03206811), Chairman 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 consider and, if thought fit, to pass, the following resolution, with or without modifications, as an ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, S R B C & CO LLP, Chartered Accountants, with firm registration number 324982E/E300003 be and are hereby appointed as the Statutory Auditors of the Company in place of relinquishing auditor, Dalal & Shah LLP, Chartered Accountants, to hold office of the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the 12th Annual General Meeting, subject to ratification, by members at every Annual General Meeting to be held thereafter, on a remuneration of ₹ 50,000 (Rupees fifty thousand only) plus service tax thereon and reimbursement of travelling expenses and other out-of-pocket expenses for the year 2017-18. "

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



**Anant Damle
Company Secretary**

**Place: Pune
Date: 12 May 2017**

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, Chairman, 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 explanatory statement shall be kept open for inspection by the members at the registered office and corporate office ext. 3rd Floor, Panchshil Tech Park, Plot 43/1, 43/2, 44/2, Viman Nagar, Pune 411014 of the Company from Monday to Friday from 10.00 a.m. to 1.00 p.m., 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 57 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 2016-17, S Sreenivasan attended all 5 Board meetings of the Company. During FY 2016-17, he was paid NIL remuneration.

As on 31 March 2017, he does not hold any shares in the Company.

LIST OF DIRECTORSHIPS:

Bajaj Allianz Financial Distributors Limited
Bajaj Financial Holdings Limited
Bajaj Allianz Staffing Solutions Limited

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

Item No. 3 of the notice relating to appointment of statutory auditors

As regards appointment of Statutory Auditors referred to in Item No. 3 of the notice, following disclosures are made for the information of the shareholders:

The current Auditors were last re-appointed by the Members at their Annual General Meeting held on 16 July 2014 to hold the office of Statutory Auditors from the conclusion of the Fourth Annual General Meeting till the conclusion of this ninth Annual General Meeting.

The current auditor of the Company, Dalal & Shah LLP, Chartered Accountants, have resigned from the office of Statutory auditor from the conclusion of 7th Annual General Meeting.

The Board of Directors at its meeting held on 12 May 2017, based on the recommendation of the Audit Committee has recommended the appointment of S R B C & CO LLP, Chartered Accountants, firm registration number 324982E/E300003, as the Statutory Auditors of the Company for approval by the members at the ensuing annual general meeting.

S R B C & CO LLP, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3) (g) of the Act and that they are not disqualified to be appointed as Statutory Auditors of the Company.

S R B C & CO LLP, Chartered Accountants will be appointed as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 12th Annual General Meeting, subject to ratification of their appointment by the members at every Annual General Meeting on a remuneration, as may be decided by the Board in consultation with the Auditors from year to year.

Brief profile of the Auditors is as under:

"S R B C & CO LLP (FRN 324982E/E300003), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Audit Firm was established in the

year 2002 and is a limited liability partnership firm ("LLP") incorporated in India. It has registered office at 22, Camac Street, Kolkata and has 11 branch offices in various cities in India.

The Audit Firm has valid Peer Review certificate and is part of S.R. Batliboi & Affiliates network of audit firms. It is primarily engaged in providing audit and assurance services to its clients."

The Board recommends passing of the ordinary resolution set out in item no. 3 of this notice.

None of the directors, key managerial personnel of the Company and their relatives are, concerned or interested, in this resolution, except to the extent of their respective shareholding, if any, in 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 seventh annual general meeting of the Company, to be held on the Tuesday 11 July 2017 at 9.00 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 2017 and the Directors' and Auditors' Reports thereon
2	Re-appointment of S Sreenivasan, Chairman, who retires by rotation
3	Appointment of S R B C CO & LLP, Chartered Accountants, as auditors and fixing their remuneration

Signed this ____ day of _____ 2017



Signature of member holder(s)

Signature of Proxy

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.
2. Notwithstanding the above the proxies can vote on such other items which may be tabled at the meeting by the members present.

ATTENDANCE SLIP

Folio No./DP

ID/Client ID: Name &

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 seventh annual general meeting of the Company on Tuesday, 11 July 2017 at 9.00 a.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

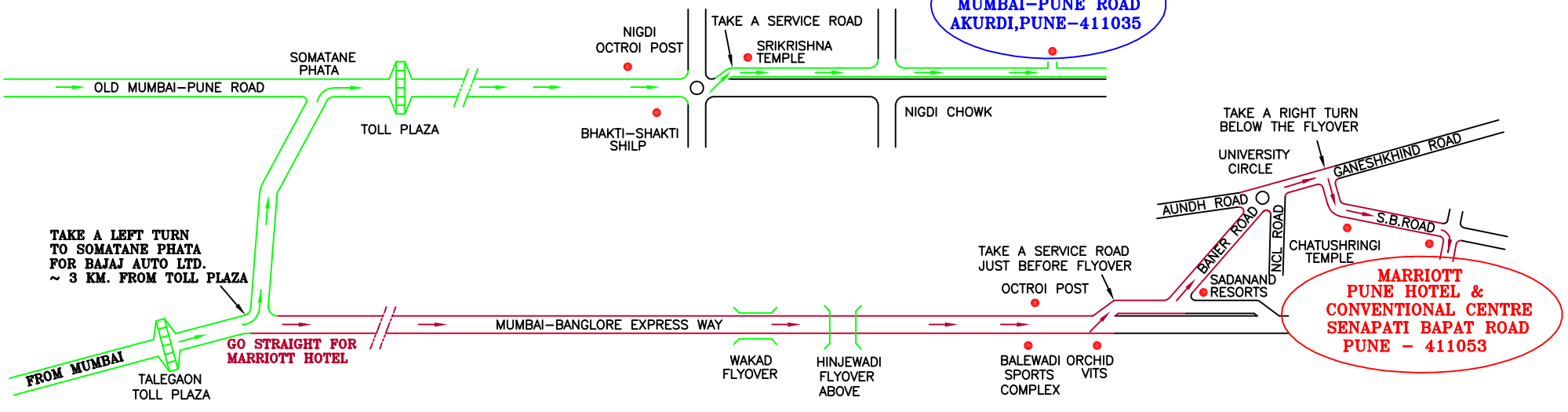
Signature of joint holder(s)

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.

FROM TALEGAON TOLL PLAZA TO BAJAJ AUTO LTD. (PUNE) VIA SOMATANE PHATA @ 17 KM.
 FROM TALEGAON TOLL PLAZA TO MARRIOTT HOTEL (PUNE) VIA BANER ROAD @ 30 KM.

**BAJAJ AUTO LTD.
 MUMBAI-PUNE ROAD
 AKURDI, PUNE-411035**

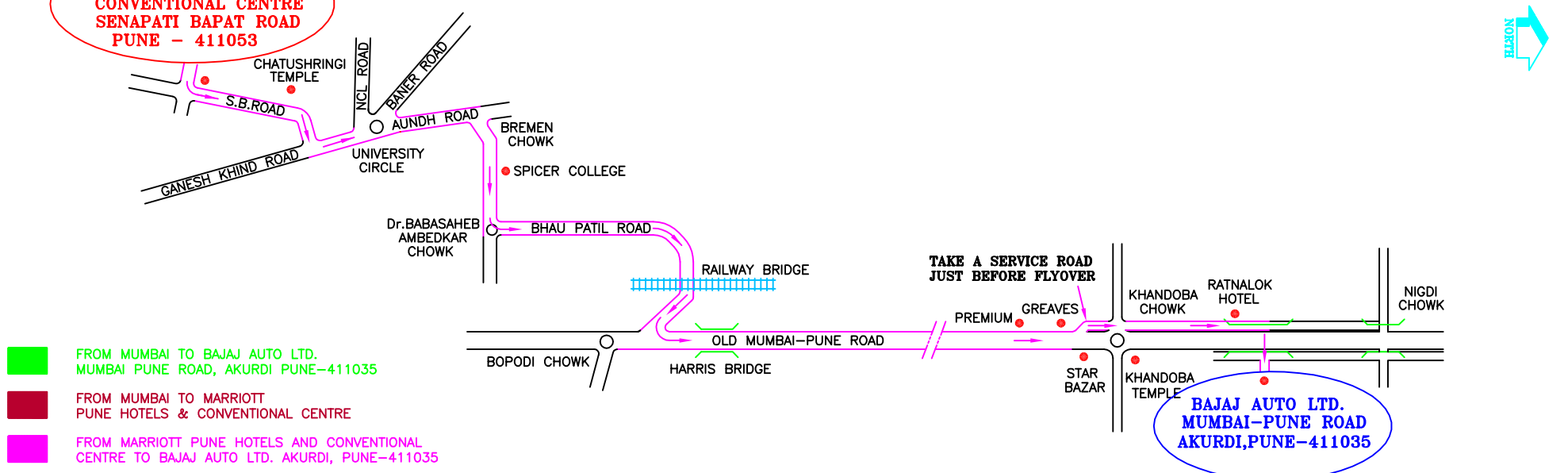


NOT TO SCALE

FROM MARRIOTT HOTEL, PUNE TO BAJAJ AUTO LTD. @ 18 KM. & BACK TO HOTEL

**MARRIOTT
 PUNE HOTEL &
 CONVENTIONAL CENTRE
 SENAPATI BAPAT ROAD
 PUNE - 411053**

**BAJAJ AUTO LTD.
 MUMBAI-PUNE ROAD
 AKURDI, PUNE-411035**



- FROM MUMBAI TO BAJAJ AUTO LTD. MUMBAI PUNE ROAD, AKURDI PUNE-411035
- FROM MUMBAI TO MARRIOTT PUNE HOTELS & CONVENTIONAL CENTRE
- FROM MARRIOTT PUNE HOTELS AND CONVENTIONAL CENTRE TO BAJAJ AUTO LTD. AKURDI, PUNE-411035

NOT TO SCALE

BAJAJ FINANCIAL SECURITIES LIMITED

DIRECTORS' REPORT

The Directors present their seventh annual report and the audited financial statements for the year ended 31 March 2017.

Financial results

Highlights

	FY 2016-17 (in ₹)	FY 2015-16 (in ₹)
Total income	5,749,757	986,021
Profit/ (loss) before taxation	5,395,578	566,846
Profit / (loss) after taxation	4,825,578	566,846
Surplus/ (loss) brought forward	(18,977,101)	(19,543,947)
Profit/ (loss) carried to balance sheet	(14,151,523)	(18,977,101)

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.

Number of meetings of the Board

The Board of Directors met five times during the year on 20 May 2016, 25 July 2016, 19 October 2016, 27 January 2017 and 20 March 2017.

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; and
- (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 from Independent Directors

Independent directors of the Company have given a declaration that they meet the criteria on 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 are detailed in the Financial Statements.

Related Party Transactions

During the year 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'.

Foreign currency

There have been no foreign exchange earnings or outgo during the year under review.

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. The management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

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 have been furnished below.

Pursuant to the Companies Act, 2013, the independent directors shall hold at least one meeting in a year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 20 March 2017 and:

- noted the report on performance evaluation for FY2017 from Chairman of the Board;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- 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 all the points satisfactory.

During FY2017, SEBI vide its circular dated 5 January 2017, came out with a Guidance Note of Board Evaluation, which was to be adopted by the Company, as considered appropriate. The Company adopted the above said note voluntarily. The revised Performance evaluation criteria for Board, Committees of the Board, Chairperson and Directors were accordingly approved by the Nomination & Remuneration Committee at its meeting held on 20 March 2017 and the same was noted by the Board and will be applicable for evaluation from the FY2018.

Directors and Key Managerial Personnel

According to the Companies Act, 2013, at least two-thirds of the total number of directors (excluding independent directors) shall be liable to retire by rotation. S Sreenivasan, Chairman (DIN 03206811) retires from the Board by rotation this year and being eligible, offers himself for re-appointment at the ensuing 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 the FY2017.

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.

Adequacy of Internal Financial Controls

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

Audit Committee

The Audit Committee consisting of J Sridhar, S Sreenivasan and Sanjay Bhargava, Directors as members met four times during the year on 20 May 2016, 25 July 2016, 19 October 2016 and 27 January 2017.

Presentation of financial results

The financial results of the Company for the year ended 31 March 2016 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.

Secretarial Standards of ICSI

Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has on 23 April 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective from 1 July 2015. The Company is complying with the same.

Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013, Dalal & Shah LLP, Chartered Accountants, were appointed as statutory auditors of the Company at the 4th annual general meeting (AGM) of the Company for a period from the conclusion of the said AGM till the conclusion of the 9th AGM subject to ratification of their appointment by the members at every AGM held thereafter. The current auditor of the Company has conveyed their unwillingness for ratification of their appointment as the statutory auditors of the Company from the conclusion of ensuing 7th Annual General Meeting of the Company, as they shall be relinquishing the position of statutory auditors of Bajaj Finance Limited and Bajaj Finserv Limited, the ultimate holding companies, as the transition period of three years is getting over at their respective ensuing Annual General Meeting.

A resolution for appointment of S R B C & CO LLP, Chartered Accountants, as auditors and fixation of their remuneration for the year 2017-18 is proposed in the notice of the ensuing AGM for the approval of the members.

The Company has received from S R B C & CO LLP, a certificate to the effect that their appointment shall be in accordance with the prescribed conditions and that the firm is not disqualified under the Companies Act, 2013.

The Audit Report submitted by Dalal & Shah LLP, for FY2017 does not contain any qualification, reservation or adverse remark or disclaimer.

On behalf of the Board of Directors



**S Sreenivasan (DIN 03206811)
Chairman**

Pune: 12 May 2017



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31 March 2017

[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 2016)			Shareholding at the end of the year (31 March 2017)			% 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

Dalal & Shah LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BAJAJ FINANCIAL SECURITIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Bajaj Financial Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. 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.

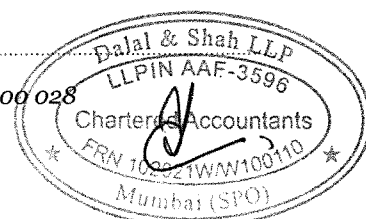
Opinion

8. 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 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, 2017, and its profit and its cash flows for the year ended on that date.

Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400 028
T: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office : 252 Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028

Dalal & Shah (a Partnership Firm) converted into Dalal & Shah LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAF-3596) with effect from December 21, 2015. Post its conversion to Dalal & Shah LLP, its ICAI registration number is 102021WW100110 (ICAI registration number before conversion was 102021W)



Dalal & Shah LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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.
 - (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, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at March 31, 2017 which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017
 - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 16.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants



S. Venkatesh
Partner
Membership Number: 037942

Mumbai: May 12, 2017

Dalal & Shah LLP

Chartered Accountants

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

1. We have audited the internal financial controls over financial reporting of Bajaj Financial Securities Limited ("the Company") as of March 31, 2017 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

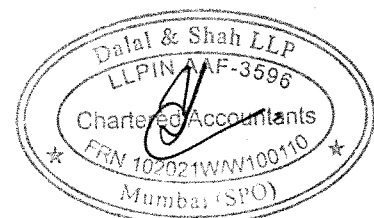
2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.
5. 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 control over financial reporting 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.



Annexure A to Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Bajaj Financial Securities Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

Dalal & Shah LLP

Chartered Accountants

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants



S. Venkatesh
Partner
Membership Number: 037942

Mumbai: May 12, 2017

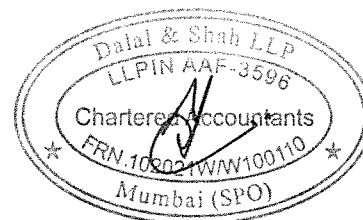
Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Financial Securities Limited on the financial statements as of and for the year ended March 31, 2017

Dalal & Shah LLP

Chartered Accountants

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The Company does not own any immovable properties as disclosed in Note 6 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. Considering the nature of activities carried on at present by the Company, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products or services of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax and service tax with the appropriate authorities. As explained to us there are no dues towards provident fund, employees' state insurance, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales tax, service-tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has neither paid/ nor provided for managerial remuneration and accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Bajaj Financial Securities Limited on the financial statements for the year ended March 31, 2017

Page 2 of 2

Dalal & Shah LLP

Chartered Accountants

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah LLP
Firm Registration Number: 102021W/W100110
Chartered Accountants



S. Venkatesh
Partner
Membership Number: 037942

Mumbai: May 12, 2017

BAJAJ FINANCIAL SECURITIES LIMITED

BALANCE SHEET

AS AT

31 March 2017

AND

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED

31 March 2017

BAJAJ FINANCIAL SECURITIES LIMITED
BALANCE SHEET AS AT 31 MARCH 2017

Amount in ₹

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	140,000,000	140,000,000
Reserves and surplus	4	(14,151,523)	(18,977,101)
		125,848,477	121,022,899
Current liabilities			
Trade payables	5		
Total outstanding dues of Micro, Small and Medium Enterprises		-	-
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises		-	-
Other current liabilities		473,243	251,010
		473,243	251,010
Total		126,321,720	121,273,909
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	6	-	-
Intangible assets	6	-	-
Non-current investments	7	-	1,080,000
Long-term loans and advances	8	62,999	89,174
Other non-current assets	9	-	159,777
		62,999	1,328,951
Current assets			
Current investments	7	125,432,274	113,848,884
Cash and bank balances	10	554,634	5,833,809
Short-term loans and advances	8	-	-
Other current assets	9	271,813	262,265
		126,258,721	119,944,958
Total		126,321,720	121,273,909

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP

Firm Registration No. (102021W / W100110)

Chartered Accountants



S. Venkatesh


Partner

Membership No. 037942

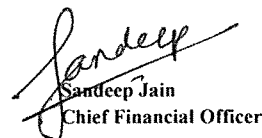
Mumbai : 12 May 2017



S Sreenivasan
Chairman



J Sidhar
Director & Chairman
of Audit Committee



Sandeep Jain
Chief Financial Officer

Pune: 12 May 2017



Anant Damle
Company Secretary

BAJAJ FINANCIAL SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Amount in ₹

Particulars	Note No.	Year Ended 31 March 2017	Year Ended 31 March 2016
Revenue			
Revenue from operations		-	-
Other income	11	5,749,757	986,021
Total revenue		5,749,757	986,021
Expenses			
Depreciation and amortization expense	6	-	-
Other expenses	12	354,179	419,175
Total expenses		354,179	419,175
Profit before tax		5,395,578	566,846
Tax expenses			
Current tax (MAT)		570,000	-
Deferred tax		-	-
Total tax expense		570,000	-
Profit after tax for the year		4,825,578	566,846
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	13	0.34	0.04

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

In terms of our report of even date

On behalf of the Board of Directors

For Dalal & Shah LLP

Firm Registration No. (102021W / W100110)

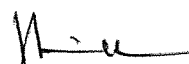
Chartered Accountants



S Sreenivasan
Chairman

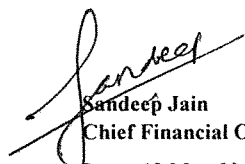


S. Venkatesh
Partner
Membership No. 037942



J Sridhar
Director & Chairman
of Audit Committee

Mumbai: 12 May 2017



Sandeep Jain
Chief Financial Officer
Pune: 12 May 2017



Anant Damle
Company Secretary

BAJAJ FINANCIAL SECURITIES LIMITED
CASH FLOW STATEMENT

Amount in ₹

	Particulars	FOR THE YEAR ENDED	
		31-Mar-17	31-Mar-16
A.	Cash Flow from Operating Activities:		
	Profit before taxation	5,395,578	566,846
	<u>Adjustments for:</u>		
	Depreciation and amortisation	-	-
	Sundry Balances written off net of provisions	-	126,199
	Provision no longer required	(26,407)	(124,880)
		(26,407)	1,319
	<u>Less: Investment income / (loss) included above</u>		
	Profit on sale of mutual fund	(5,239,118)	(195,182)
	Interest on Fixed deposits	(479,988)	(524,035)
		(5,719,106)	(719,217)
	Cash from operations	(349,935)	(151,052)
	<u>Changes in working capital:</u>		
	Increase / (decrease) in other current liabilities	234,988	(32,676)
	(Increase) / decrease in long term loans and advances	-	11,215,093
	(Increase) / decrease in short term loans and advances	13,652	125,252
	(Increase) / decrease in other current assets	-	-
	(Increase) / decrease in other non current assets	-	-
		248,640	11,307,669
	Taxes paid (net of refunds)	(543,825)	11,156,617
		(543,825)	119,656
		(645,120)	11,276,273
	Net cash generated from operations	(645,120)	11,276,273
B.	Cash Flow from Investing Activities:		
	Purchase of Mutual Fund - current investment	(32,000,000)	(11,000,000)
	Sale of Mutual Fund -current investment	26,735,728	500,000
	Investment and other Non - Operating Income :		
	Interest on Fixed deposits	630,217	226,539
	Refund of fixed deposits	4,575,000	-
	Net cash from investing activities	(59,055)	(10,273,461)
C.	Cash Flow from Financing Activities:		
	Net cash from financing activities	-	-
	Net increase in cash and cash equivalents	(704,175)	1,002,812
	Cash and cash equivalents at the beginning of the year	1,258,809	255,997
	Cash and cash equivalents at the end of the year	554,634	1,258,809

As per our attached report of even date

For Dalal & Shah LLP
Firm Registration No. (102021W / W100110)
Chartered Accountants

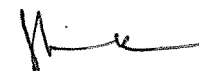


S. Venkatesh
Partner
Membership No. 037942

Mumbai : 12 May 2017

On behalf of the Board of Directors


S Sreenivasan
Chairman


J Sidhar
Director & Chairman
of Audit Committee


Sandeep Jain
Chief Financial Officer

Pune : 12 May 2017


Anant Damle
Company Secretary

1. Background:

Bajaj Financial Securities Limited was incorporated, as a wholly owned subsidiary of Bajaj Housing Finance Limited, on 7th April 2010 with the main object of undertaking, *inter alia*, stock/share broking business and to act as Depository Participant, within the provisions of Securities and Exchange Board of India Act, 1992 & relevant rules & regulations.

2. Summary of Significant Accounting Policies

Basis of preparation

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by the Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies' Act, 1956 shall continue to apply. Consequently, these Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006, the other relevant provisions of the Companies Act, 2013 and Reserve Bank of India Regulations in relation to Non-Banking Finance Companies to the extent applicable to the Company.

All assets and liabilities have been classified as current or non-current as per the criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of the products and services the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of its assets and liabilities.

A. System of Accounting:

- i) The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis except in case of significant uncertainties.
- ii) Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of changing value in the purchasing power of money.
- iii) The preparation of Financial Statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as on the date of financial statements. The estimates and assumptions used in the accompanying Financial Statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the Financial Statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

B. Revenue recognition

- (i) Interest on fixed deposits is recognized when due or accrued.
- (ii) Profit/loss on sale/redemption of investments is recognized on the settlement date.



C. Investments

- (i) Investments maturing within twelve months from the date of acquisition and investments made with the specific intention to dispose off within twelve months from the date of acquisition are classified as short-term / current investments and are carried at their cost or market value / net realizable value, whichever is lower. Investments maturing within 3 months from the date of acquisition are classified as cash equivalents if they are readily convertible into cash.
- (ii) Investments other than short-term / current investments are carried at their cost of acquisition. Long-term investments maturing within 12 months from the close of the year (i.e. current maturities) are reclassified as current investments. Provision for diminution in value of investments, if any, is made if, in the opinion of the Management, such diminution is other than temporary.

D. Fixed assets, Depreciation and Amortization

- (i) Tangible assets are carried at cost of acquisition. Cost of acquisition includes all expenses incurred to bring the asset into a state ready to be put to its intended use.
- (ii) Depreciation on tangible assets
- Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets as determined by the Management by an internal technical assessment.
- (iii) Depreciation on addition to assets and assets sold during the year is being provided for on a pro rata basis with reference to the month in which such asset is added or sold as the case may be.
- (iv) Individual assets / group of similar assets costing less than ₹ 5,000 are depreciated in full in the year of purchase.

E. Provisions and Contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources 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 there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

F. Taxation

- a) Provision for Taxation is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income Tax Act, 1961.
- b) Deferred Tax resulting from timing difference between book profits and taxable profits are accounted for to the extent deferred tax liabilities are expected to crystallise with reasonable certainty. However, in case of deferred tax assets (representing unabsorbed depreciation or carried forward losses) are recognised, if and only if there is virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.
- c) Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.



3 Share Capital	Amount in ₹	
	31-Mar-2017	31-Mar-2016
Authorised :		
15,000,000 (15,000,000) equity shares of ₹10 each	150,000,000	150,000,000
Issued, subscribed and Fully paid-up shares :		
14,000,000 (14,000,000) equity shares of ₹10 each	140,000,000	140,000,000
	<u>140,000,000</u>	<u>140,000,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the year
Equity shares

	As at 31-Mar-2017		As at 31-Mar-2016	
	Nos.	Amount in ₹	Nos.	Amount in ₹
At the beginning of the year	14,000,000	140,000,000	14,000,000	140,000,000
Outstanding at the end of the year	<u>14,000,000</u>	<u>140,000,000</u>	<u>14,000,000</u>	<u>140,000,000</u>

b. 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.

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 amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

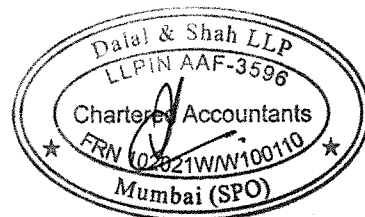
c. Shares held by holding company

	As at 31-Mar-2017		As at 31-Mar-2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid Bajaj Housing Finance Limited	14,000,000	100.00%	14,000,000	100.00%

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

	As at 31-Mar-2017		As at 31-Mar-2016	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid Bajaj Housing Finance Limited	14,000,000	100.00%	14,000,000	100.00%

4 Reserves and surplus	Amount in ₹	
	31-Mar-2017	31-Mar-2016
Surplus / (Deficit) in the statement of profit and loss		
Balance as at the beginning of the year	(18,977,101)	(19,543,947)
Profit for the year	4,825,578	566,846
Balance as at the end of the year	<u>(14,151,523)</u>	<u>(18,977,101)</u>



5 Current liabilities	Amount in ₹	
	As at	
	31-Mar-2017	31-Mar-2016
Trade payables		
Dues to micro and small enterprises	-	-
Dues to creditors other than micro and small enterprises	-	-
	<hr/>	<hr/>
	-	-
Other current liabilities		
Statutory Dues	18,665	11,223
Other Payables	454,578	239,787
	<hr/>	<hr/>
	473,243	251,010
	<hr/>	<hr/>
	473,243	251,010

In absence of any information on earlier requests to the vendors with regards to their registration (filing of Memorandum) under "The Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006)" and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists at the close of the year and hence no disclosures have been made in this regard.



Amount in ₹

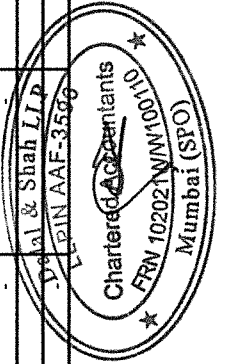
6. Fixed Assets (tangible and intangible assets)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK As on 31 March 2017
	As on 31 March 2016	Additions	Deductions & Adjustments	As on 31 March 2016	Deductions & Adjustments For the Year	As on 31 March 2017	
Tangible Assets :							
IT installation	71,244	-	9,870	71,244	-	61,374	-
Total Tangible Assets	71,244	-	9,870	71,244	-	61,374	-
Intangible Assets :							
Software	2,928,237	-	-	2,928,237	-	2,928,237	-
Total Intangible Assets	2,928,237	-	-	2,928,237	-	2,928,237	-
Total Fixed Assets	2,999,481	-	9,870	2,999,481	-	2,989,611	-

6. Fixed Assets (tangible and intangible assets)

Amount in ₹

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK As on 31 March 2016
	As on 31 March 2015	Additions	Deductions & Adjustments	As on 31 March 2015	Deductions & Adjustments For the Year	As on 31 March 2016	
Tangible Assets :							
IT installation	71,244	-	-	71,244	-	71,244	-
Total Tangible Assets	71,244	-	-	71,244	-	71,244	-
Intangible Assets :							
Software	2,928,237	-	-	2,928,237	-	2,928,237	-
Total Intangible Assets	2,928,237	-	-	2,928,237	-	2,928,237	-
Total Fixed Assets	2,999,481	-	-	2,999,481	-	2,999,481	-



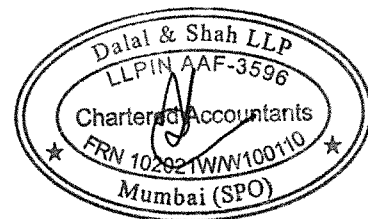
7 Investments	Amount in ₹			
	Non-current		Current	
	31-Mar-2017	As at 31-Mar-2016	31-Mar-2017	As at 31-Mar-2016
Investments :				
In Mutual Funds (Current)				
Quoted:				
ICICI Prudential Flexible Income - Regular Plan - Growth (530,590 units, Previous Year: 564,818 units)	-	-	92,352,274	98,309,884
ICICI Prudential Flexible Income - Direct Plan - Growth (108,354 units, Previous Year: 57,112)	-	-	32,000,000	15,539,000
	-	-	124,352,274	113,848,884
In Fixed Deposits				
Fixed deposit with related party	-	1,080,000	1,080,000	-
	-	1,080,000	125,432,274	113,848,884

Particulars	Amount in ₹			
	Book value as at 31 March		Market value as at 31 March	
	2017	2016	2017	2016
Quoted	124,352,274	113,848,884	199,062,135	178,054,105
Unquoted	1,080,000	1,080,000	-	-
	125,432,274	114,928,884	199,062,135	178,054,105

Note: Open Ended Mutual Funds though not listed are quoted on National Stock Exchange (NSE) and are transactable through the exchange with Fund Houses at previous day close Net Asset Value (NAV). Hence considered as quoted.

8 Loans and advances (Unsecured, good, unless stated otherwise)	Amount in ₹			
	Long-term		Short-term	
	31-Mar-2017	As at 31-Mar-2016	31-Mar-2017	As at 31-Mar-2016
Advances recoverable in cash or kind				
Secured considered good	-	-	-	-
Unsecured considered good				
Doubtful	-	294,095	-	116,292
Less: Provision	-	(294,095)	-	(116,292)
	-	-	-	-
Advance Income Tax (Net of provision for tax of ₹ 570,000 C.Y., P.Y Nil)	62,999	89,174	-	-
	62,999	89,174	-	-

9 Other assets (Unsecured, good, unless stated otherwise)	Amount in ₹			
	Non-current		Current	
	31-Mar-2017	As at 31-Mar-2016	31-Mar-2017	As at 31-Mar-2016
Others				
Interest receivable on fixed deposits	-	159,777	271,813	262,265
	-	159,777	271,813	262,265



10 Cash and bank balances	Current	
	Amount in ₹	
	As at	
	31-Mar-2017	31-Mar-2016
Cash and cash equivalents		
Balances with banks:		
On current accounts	554,634	1,258,809
	<u>554,634</u>	<u>1,258,809</u>
Other bank balances		
Deposits with Bank		
Residual maturity less than 12 months	-	4,575,000
	<u>-</u>	<u>4,575,000</u>
	<u>554,634</u>	<u>5,833,809</u>

11 Other income	Amount in ₹	
	For the year ended	
	31-Mar-2017	31-Mar-2016
Profit on sale of Current investments	5,239,118	195,182
Interest on Fixed Deposits	479,988	524,035
Provision no longer required	26,407	124,880
Miscellaneous Receipts	1,127	129,764
Interest on Income Tax refund	3,117	12,160
	<u>5,749,757</u>	<u>986,021</u>

12 Other expenses	Amount in ₹	
	For the year ended	
	31-Mar-2017	31-Mar-2016
Payment to Auditor	50,000	50,000
Legal & professional charges	144,479	201,974
Provision net of write off		
Sundry Balances Written off	396,737	-
Provision For Doubtful Advances (net)	<u>(396,737)</u>	126,199
Subscription Expenses	-	17,930
Miscellaneous expenses	159,700	23,072
	<u>354,179</u>	<u>419,175</u>

Payment to auditor (net of service tax)	Amount in ₹	
	For the year ended	
	31-Mar-2017	31-Mar-2016
As auditor:		
Audit fee	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

13 Earning per share (EPS)

Earnings per share is calculated by dividing the profit attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earnings are stated below :

Particulars	For the year ended	
	31-Mar-2017	31-Mar-2016
a) Profit for the year after taxation (₹)	4,825,578	566,846
Weighted average number of shares outstanding during the year	14,000,000	14,000,000
b) Basic & Diluted Earnings per share (₹)	0.34	0.04
Face value per share ₹	10	10

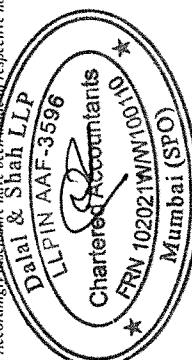
14 Taxation

In view of carry forward losses no provision for tax at normal rate is considered necessary , however tax is computed under Minimum Alternate Tax (MAT) as per provisions of Income Tax Act , 1961.



Note : 15	Disclosure of Transactions with Related Parties as required by Accounting Standard -18:	2016-17		2015-16	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
	Name of related party and Nature of relationship	Nature of transaction	(₹)	(₹)	(₹)
A	Holding company, subsidiaries and fellow subsidiary:				
	Bajaj Finserv Limited (Ultimate holding company)	Nil	-	-	-
	Bajaj Housing Finance Limited (Holding company)	Contribution to Equity	(1,40,000,000)	-	(1,40,000,000)
	Bajaj Finance Limited				
	(Holding company of Bajaj Housing Finance Limited)	Fixed Deposit	1,080,000	-	1,080,000
		Interest Accrued / Received	124,484	113,573	177,530
	Bajaj Allianz General Insurance Co Limited (Fellow Subsidiary)	Nil	-	-	-
	Bajaj Allianz Life Insurance Co Limited (Fellow Subsidiary)	Nil	-	-	-
	Bajaj Financials Holding Limited	Nil	-	-	-
B	Individuals controlling voting power / exercising significant influence and their Relatives:				
	Rahul Bajaj	Nil	-	-	-
	Shekhar Bajaj	Nil	-	-	-
	Madhur Bajaj	Nil	-	-	-
	Niraj Bajaj	Nil	-	-	-
C	Key Management Personnel & their Relatives:				
	S Sreenivasan (Chairman)	Remuneration	-	-	-
D	Enterprises over which anyone in (b) & (c) exercises significant influence:				
	Nil				

Note :
Name of the related party where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
Related parties as defined under clause 3 of the Accounting Standard-18- "Related Party Disclosures" have been identified based on representations made by key managerial personnel and information available with the Company. Accordingly, disclosures have been made in respective notes to financial statements as required by schedule III to the Companies Act, 2013.
Transaction values are excluding taxes and duties
Outstanding amount in bracket denotes credit balance



16 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016

Particulars	SBNs*	Other denomination Notes	Total
Closing cash in hand as on 08 Nov 2016	-	-	-
Add : Permitted Receipts	-	-	-
Less : Permitted payments	-	-	-
Less : Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

* Specified Bank Notes (SBNs) mean the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

17 Previous year figures

Previous year figures have been regrouped, wherever necessary, to make them comparable with those of the current period

Signature to Notes 1 to 17

In terms of our report of even date

For Dalal & Shah LLP
Firm Registration No. (102021W / W100110)
Chartered Accountants

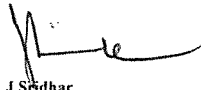


S. Venkatesh
Partner
Membership No. 037942
Mumbai: 12 May 2017

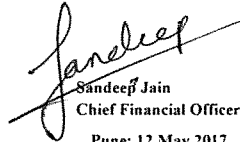
On behalf of the Board of Directors



S Sreenivasan
Chairman



J Sidhar
Director & Chairman
of Audit Committee



Sandeep Jain
Chief Financial Officer
Pune: 12 May 2017



Anant Damle
Company Secretary