

SIXTH ANNUAL REPORT 2015-16

**Bajaj Financial Securities Limited**

CIN: U67120PN2010PLC136026

Regd. Office:

Bajaj Auto Limited Complex,

Mumbai-Pune Road,

Akurdi, Pune 411 035

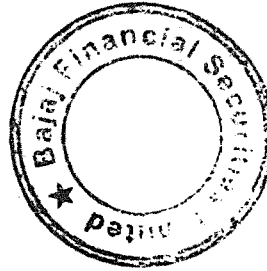
Phone: (020) 30186403 Fax: (020) 30186364

**NOTICE**

Notice is hereby given that the sixth annual general meeting of the members of Bajaj Financial Securities Limited will be held on Tuesday, 26 July 2016 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 2016 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 ratify the appointment of Dalal & Shah LLP, Chartered Accountants, (Registration No. 102021WW100110) as auditors of the Company, on a remuneration of ₹ 50,000 (Rupees Fifty Thousand only) plus taxes as applicable and out-of-pocket, travelling and living expenses, for the year 2016-17.

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

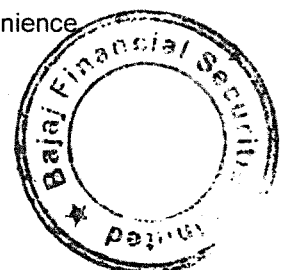


Place: Pune  
Date: 20 May 2016

  
**Anant Damle**  
Company Secretary

**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. 3<sup>rd</sup> 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) Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made thereunder, Dalal & Shah, Chartered Accountants were appointed as auditors from the conclusion of 4<sup>th</sup> annual general meeting till the conclusion of 9<sup>th</sup> annual general meeting. W.e.f. 21 December 2015, the auditors' firm has been converted into a limited liability partnership having registration no. 102021WW100110. The ratification of appointment of Dalal & Shah LLP and fixation of remuneration for the year 2016-17 has been put up for approval of the members.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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), 56 years is Director and Manager 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 director or key managerial personnel of the Company.

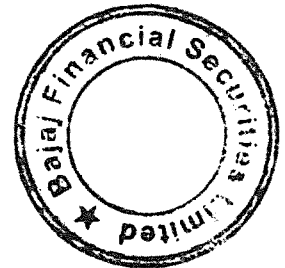
During FY 2015-16, S Sreenivasan attended all 5 Board meetings of the Company. During FY 2015-16, he was paid NIL remuneration.

As on 31 March 2016, he does not hold any shares in the Company.

**LIST OF DIRECTORSHIPS:**

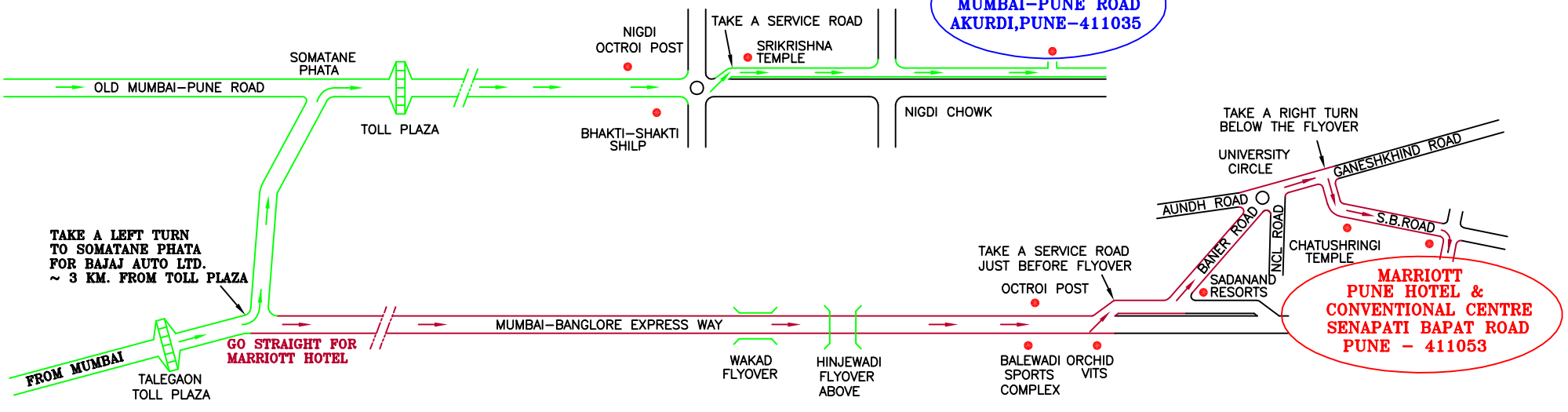
Bajaj Allianz Financial Distributors Limited  
Bajaj Financial Holdings Limited  
Bajaj Allianz Staffing Solutions Limited

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



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**

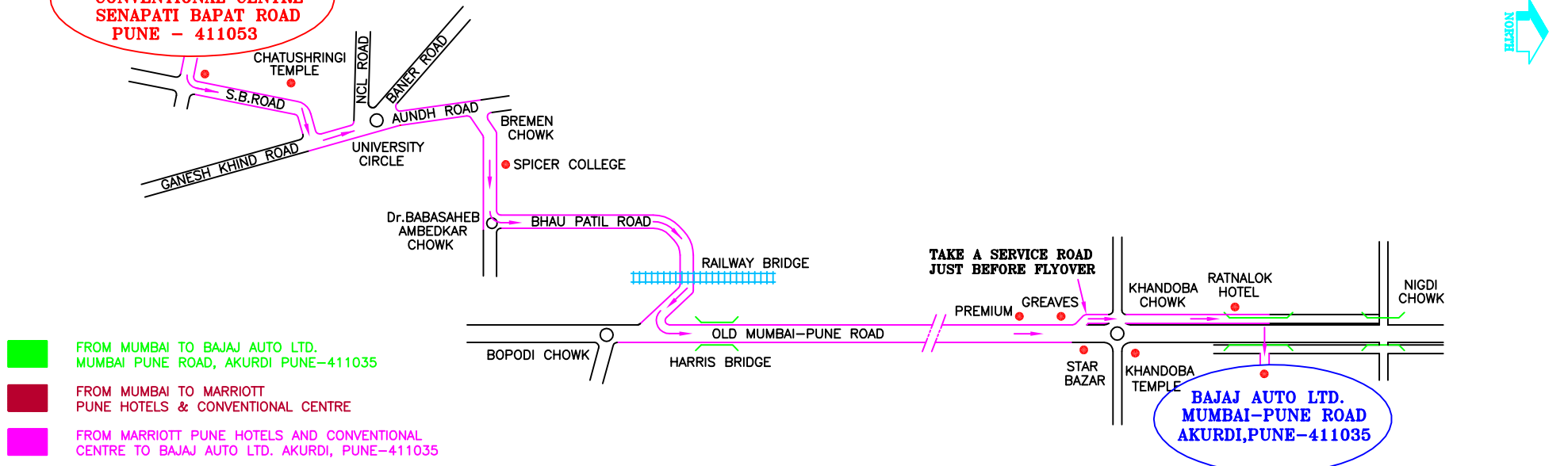


NOT TO SCALE

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 sixth annual report and the audited financial statements for the year ended 31 March 2016.

#### Financial results

##### Highlights

	FY 2015-16 (in ₹)	FY 2014-15 (in ₹)
Total income	986,021	858,390
Profit/ (loss) before taxation	566,846	154,642
Profit / (loss) after taxation	566,846	154,642
Surplus/ (loss) brought forward	(19,543,947)	(19,698,589)
Profit/ (loss) carried to balance sheet	(18,977,101)	(19,543,947)

#### Material developments during the year

During the year, the application of the Company for surrender of its broking license with National Stock Exchange of India Limited was approved by Securities and Exchange Board of India. Thus, all the licenses obtained by the Company for the business of stock broking, depository participant and mutual fund distribution stand surrendered.

#### Dividend

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

#### Subsidiary

The Company does not have any subsidiary.

#### Statutory disclosures

As the Company has no manufacturing activities, the Directors have nothing to report on conservation of energy, research & development and technology absorption, as required under Section 134(3)(m) of the Companies Act, 2013.

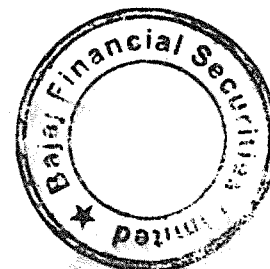
There have been no foreign exchange earnings or outgo during the year under review.

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.

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

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.



## **Directors and Key Managerial Personnel**

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. The Nomination and Remuneration Committee has recommended the re-appointment of S Sreenivasan, Chairman as a Director liable to retire by rotation.

Manish Kumar Jain, Director resigned from the Board w.e.f. 27 January 2016.

Rajesh Viswanathan resigned from the post of Chief Financial Officer (CFO) w.e.f. 03 February 2016 and Sandeep Jain, CFO and Key Managerial Person of Bajaj Finance Limited, was appointed as CFO and Key Managerial Person of the Company w.e.f. 25 March 2016.

No remuneration was paid to S Sreenivasan, Chairman who is the 'Manager' during the year pursuant to his terms of appointment.

## **Board meetings**

The Board of Directors met five times during the year on 20 May 2015, 22 July 2015, 13 October 2015, 27 January 2016 and 25 March 2016.

## **Directors' responsibility statement**

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

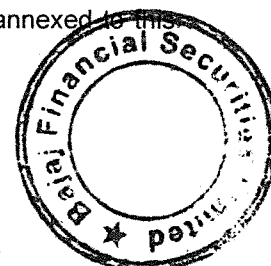
- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable 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.

## **Remuneration policy**

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.



### **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 2015, 22 July 2015, 13 October 2015 and 27 January 2016.

### **Auditors' report**

There is no qualification, reservation or adverse remark or disclaimer made in the auditors' report.

### **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.

### **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.

### **Significant and Material Orders Passed by the Regulators or Courts**

During the year under review, there were no 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**

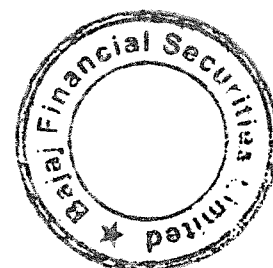
Internal financial controls with reference to the financial statements were adequate and operating effectively.

### **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.

### **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.

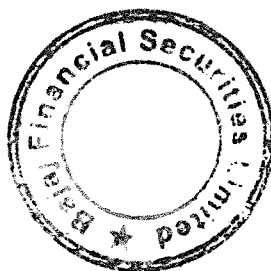


## Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, Dalal & Shah, 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. W.e.f. 21 December 2015, the auditors' firm has been converted into a limited liability partnership having registration no. 102021W/W100110. A resolution for ratification of appointment of Dalal & Shah LLP, Chartered Accountants, as auditors and fixation of their remuneration for the year 2016-17 is proposed in the notice of the ensuing AGM for the approval of the members.

The Company has received from Dalal & Shah LLP, an eligibility certificate in respect of ratification of their appointment for the year 2016-17 and that their appointment shall be in accordance with the prescribed conditions and that the LLP is not disqualified under the Companies Act, 2013.

The Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.



Pune: 20 May 2016

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "S Sreenivasan".

S Sreenivasan (DIN 03206811)  
Chairman

A handwritten signature in black ink, appearing to read "S Sreenivasan".



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
As on 31 March 2016

[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 Finserv Limited Address: Bajaj Auto Ltd. Complex, Mumbai - Pune Road, Akurdi - 411 035	L65923PN2007PLC130075	Holding	57.28	Section 2(46)





c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	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
<b>Grand Total (A+B+C)</b>	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 2015)			Shareholding at the end of the year (31 March 2016)			% 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 (Formerly Bajaj Financial Solutions 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 2015)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
(i)	For each the Directors and Key Managerial Personnel				
	Shri J Sridhar (Director) jointly with Bajaj Housing Finance Limited (Formerly Bajaj Financial Solutions Limited)				
	At the beginning of the year	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, 2016, 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 Financial Statements

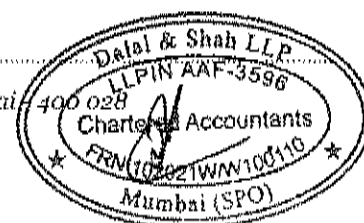
2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company 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.

Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai  
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 LLP

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT

To the Members of Bajaj Financial Securities Limited

Report on the Financial Statements

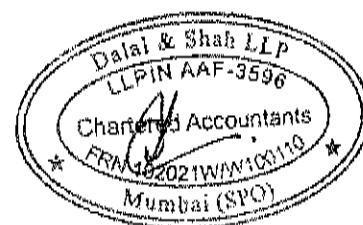
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### Opinion

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, 2016, and its profit and its cash flows for the year ended on that date.

### 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, 2016 which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2016.



# Dalal & Shah LLP

Chartered Accountants

INDEPENDENT AUDITORS' REPORT  
To the Members of Bajaj Financial Securities Limited  
Report on the Financial Statements  
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- 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, 2016.

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



S. Venkatesh

Partner  
Membership Number: 037942

Mumbai  
May 20, 2016

# Dalal & Shah LLP

Chartered Accountants

## 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, 2016

Page 1 of 2

### 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, 2016 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

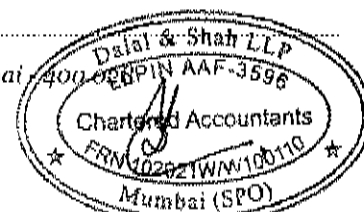
3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards 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

Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai 400028  
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, 2016. Post its conversion to Dalal & Shah LLP, its ICAI registration number is 102021WW/100110 (ICAI registration number before conversion was 102021W).

# Dalal & Shah LLP

Chartered Accountants

## 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, 2016

Page 2 of 2

that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are

being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

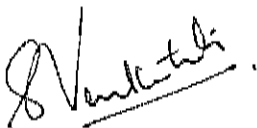
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2016, 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 20, 2016

# Dalal & Shah LLP

Chartered Accountants

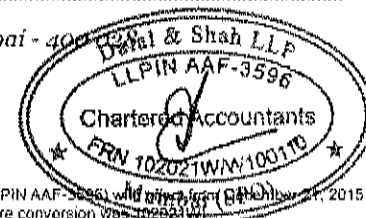
## Annexure B to Independent Auditors' Report

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, 2016

- 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 un 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 of the Act. 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, duty of customs, duty of excise, sales tax, 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, service-tax, duty of customs, duty of excise, sales tax 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.

Dalal & Shah LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai - 400028  
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# Dalal & Shah LLP

Chartered Accountants

## 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, 2016

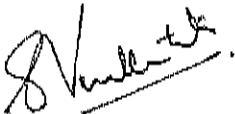
Page 2 of 2

- 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.
- 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 45-1A 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 20, 2016

# BAJAJ FINANCIAL SECURITIES LIMITED

## BALANCE SHEET

AS AT

31 March 2016

AND

## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED

31 March 2016

**BAJAJ FINANCIAL SECURITIES LIMITED  
BALANCE SHEET AS AT 31 MARCH 2016**

Amount in ₹

Particulars	Note No.	As at 31 March 2016	As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	140,000,000	140,000,000
Reserves and surplus	4	(18,977,101)	(19,543,947)
		<b>121,022,899</b>	<b>120,456,053</b>
<b>Current liabilities</b>			
<b>Trade payables</b>			
Total outstanding dues of Micro, Small and Medium Enterprises	5	-	-
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	5	239,787	264,975
Other current liabilities	5	11,223	143,591
		<b>251,010</b>	<b>408,566</b>
<b>Total</b>		<b>121,273,909</b>	<b>120,864,619</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	6	-	-
Intangible assets	6	-	-
		<b>-</b>	<b>-</b>
Long-term loans and advances	7	89,174	11,433,830
Other non-current assets	8	1,239,777	3,661,833
		<b>1,328,951</b>	<b>15,095,663</b>
<b>Current assets</b>			
Current investments	9	113,848,884	103,153,702
Cash and bank balances	10	5,833,809	2,330,997
Short-term loans and advances	7	-	241,544
Other current assets	8	262,265	42,713
		<b>119,944,958</b>	<b>105,768,956</b>
<b>Total</b>		<b>121,273,909</b>	<b>120,864,619</b>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

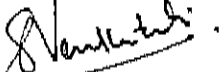
In terms of our report of even date

On behalf of the Board of Directors

**For Dalal & Shah LLP**

Firm Registration No. (102021W / W100110)

Chartered Accountants

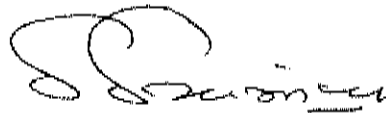


S. Venkatesh

Partner

Membership No. 037942

Mumbai: 20 May 2016



S Sreenivasan

Chairman



Sandeep Jain

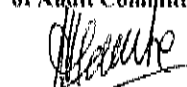
Chief Financial Officer

Pune: 20 May 2016



J Sridhar

Director & Chairman  
of Audit Committee



Anant Damle

Company Secretary



**BAJAJ FINANCIAL SECURITIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016**

Amount in ₹

Particulars	Note No.	Year Ended 31 March 2016	Year Ended 31 March 2015
Revenue from operations		-	-
Other income	11	986,021	858,390
<b>Total revenue</b>		<b>986,021</b>	<b>858,390</b>
<b>Expenses:</b>			
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortization expense	6	-	270
Other expenses	12	419,175	703,478
<b>Total expenses</b>		<b>419,175</b>	<b>703,748</b>
<b>Profit before tax</b>		<b>566,846</b>	<b>154,642</b>
Tax expenses			
Current tax		-	-
MAT credit		-	-
Deferred tax		-	-
<b>Total tax expense</b>	14	<b>-</b>	<b>-</b>
<b>Profit after tax for the year</b>		<b>566,846</b>	<b>154,642</b>
Basic and diluted Earnings per share (in ₹) (Nominal value per share ₹ 10)	13	0.04	0.01

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

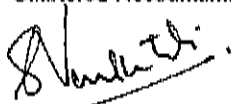
In terms of our report of even date

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: 20 May 2016**



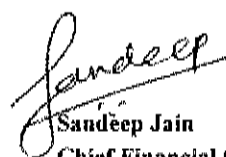
**S Sreenivasan**

**Chairman**



**J Srithar**

**Director & Chairman  
of Audit Committee**



**Sandeep Jain**

**Chief Financial Officer**

**Pune: 20 May 2016**



**Anant Damle**

**Company Secretary**

## Cash Flow Statement for the year ended 31 March 2016

Particulars	2015-2016		2014-2015	
	₹	₹	₹	₹
<b>I. OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax		566,846		154,642
Add:				
i) Depreciation & Amortization	-		270	
ii) Finance Costs				
iii) Provision for Doubtful advances	126,199			
		126,199		270
Less:				
i) Profit on sale of Current investments	195,182		106,799	
ii) Interest on fixed deposits	524,035		716,898	
		719,217		823,697
		(26,172)		(668,785)
<b>Change in assets &amp; liabilities</b>				
i) Loans & advances	11,287,941		764,238	
ii) Trade receivable			1,630	
iii) Other assets			(3,580,000)	
iv) Liabilities & provisions	(157,556)		(342,043)	
		11,130,385		(3,156,175)
		11,104,213		(3,824,960)
Tax refunds (net of tax paid)		172,000		42,330
<b>NET CASH FROM OPERATING ACTIVITIES</b>		11,276,273		(3,782,630)
<b>II. INVESTING ACTIVITIES</b>				
i) (Increase)/Decrease in other bank balance (fixed deposits)			5,000,000	
ii) (Increase)/Decrease in other assets (fixed deposits)				
iii) (Increase)/Decrease in Investment in mutual funds	(10,095,182)		(3,489,799)	
	(10,095,182)		1,510,201	
iv) Investment and other non-operating Income:				
Profit on redemption of securities, net	195,182		106,799	
Interest on fixed deposits	226,539		907,997	
<b>NET CASH FROM INVESTMENT ACTIVITIES</b>		(10,273,461)		2,524,997
<b>III. FINANCING ACTIVITIES</b>				
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS</b>		1,002,812		(1,257,633)
Cash and Cash Equivalents as at 01.04.2015 (Opening Balance)		255,997		1,513,630
Cash and Cash Equivalents as at 31.03.2016 (Closing Balance)		1,258,809		255,997

As per our attached report of even date

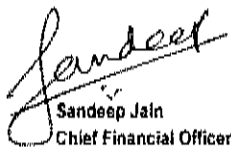
For Dalal & Shah LLP  
Firm Registration No. (102021W / W100110)  
Chartered Accountants

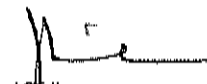
  
S. Venkatesh  
Partner  
Membership No. 037942


Mumbai : 20 May 2016

On behalf of the Board of Directors

  
S Sreenivasan  
Chairman

  
Sandeep Jain  
Chief Financial Officer

  
J Sidhar  
Director & Chairman  
of Audit Committee

  
Anant Damle  
Company Secretary

Pune : 20 May 2016

## 1. Background:

Bajaj Financial Securities Limited was incorporated, as a wholly owned subsidiary of Bajaj Housing Finance Limited, on 7<sup>th</sup> 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. The Ministry of Corporate Affairs (MCA) has notified Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated 30<sup>th</sup> March 2016. The said notification is applicable to accounting period commencing on or after the date of notification i.e. 1<sup>st</sup> April 2016. Accordingly, 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 the 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 contract date.



### C. Investments

- i) Long term Investments are stated at cost. Provision for decline in value, other than temporary is considered whenever necessary.
- ii) Current Investments are stated at lower of the cost and fair value.

### D. Fixed assets, Depreciation & Amortization

#### i) Tangible assets

Tangible assets are carried at cost of acquisition, construction or at manufacturing cost, as the case may be, less accumulated depreciation and amortization. Cost represents all expenses directly attributable to bringing the asset to its working condition for its expected use.

#### ii) Depreciation and amortization

Depreciation is provided on a pro rata basis on the straight line method over the useful lives of the assets as determined by the Management by internal technical assessments. Depreciation on additions is being provided on pro rata basis from the month of such additions

Individual assets / group of similar assets costing less than ₹ 5,000 has been depreciated in full in the year of purchase.

Depreciation on assets sold, discarded or demolished during the year is being provided at their rates upto the month in which such assets are sold, discarded or demolished.

### E. Provisions 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. Deferred tax is recognised on adjustments to revenue reserves to the extent the adjustments are allowable as deductions in determination of taxable income and they would reverse out in future periods.



#### G. Earnings per share

Basic earnings per share are calculated by dividing the net profit / loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

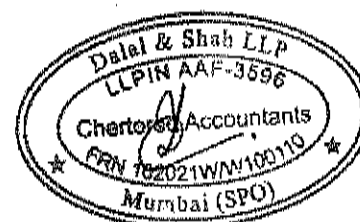
#### H. Employee Benefits

##### i) Privilege Leave entitlements

Privilege leave entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed at any time during the tenure of employment the liability is recognised at the actuarially determined value by an Appointed Actuary.

##### ii) Gratuity

Payment for present liability of future payment of gratuity is being made to approved Gratuity Fund, which fully covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited (BALIC). However, any deficit in Plan Assets managed by LIC and BALIC as compared to the actuarial liability is recognised as a liability.



Notes to financial statements for the year ended 31 Mar 2016

**3 Share Capital**

	As at	
	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹
<b>Authorised :</b>		
15,000,000 (15,000,000) equity shares of ₹ 10 each	150,000,000	150,000,000
<b>Issued, subscribed and Fully paid-up shares :</b>		
14,000,000 (14,000,000) equity shares of ₹ 10 each	140,000,000	140,000,000
	<b>140,000,000</b>	<b>140,000,000</b>

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

	As at 31-Mar-2016		As at 31-Mar-2015	
	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	<b>14,000,000</b>	<b>140,000,000</b>	<b>14,000,000</b>	<b>140,000,000</b>

**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**

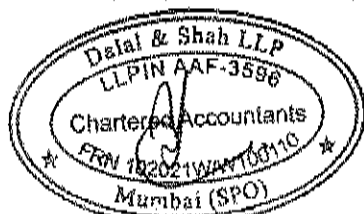
	As at 31-Mar-2016		As at 31-Mar-2015	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 10 each fully paid Bajaj Housing Finance Limited	14,000,000	100.00%	14,000,000	100.00%

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

	As at 31-Mar-2016		As at 31-Mar-2015	
	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**

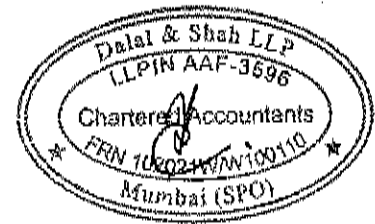
	As at	
	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	(19,543,947)	(19,698,589)
Profit/(Loss) for the year	366,846	154,642
Net Surplus / (Loss) in the statement of profit and loss	<b>(18,977,101)</b>	<b>(19,543,947)</b>
<b>Total reserves and surplus</b>	<b>(18,977,101)</b>	<b>(19,543,947)</b>



**5 Current liabilities**

	As at	
	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹
<b>Trade payables</b>		
Dues to micro and small enterprises	-	-
Dues to creditors other than micro and small enterprises	239,787	264,975
	<u>239,787</u>	<u>264,975</u>
<b>Other current liabilities</b>		
Statutory Dues	11,223	14,088
Other Payables	-	129,503
	<u>11,223</u>	<u>143,591</u>
	<u><b>251,010</b></u>	<u><b>408,566</b></u>

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



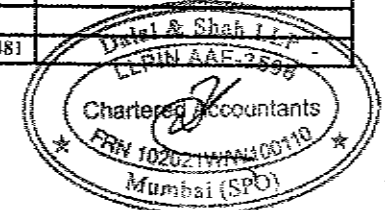
6. Fixed Assets (tangible and intangible assets)

Amount in ₹

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

Previous year fixed assets schedule

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As on 31 March 2014	Additions	Deductions & Adjustments	As on 31 March 2015	As on 31 March 2014	Deductions & Adjustments	For the Year	As on 31 March 2015	As on 31 March 2015
Tangible Assets :									
IT Installation	71,244	-	-	71,244	71,244	-	-	71,244	-
Total Tangible Assets	71,244	-	-	71,244	71,244	-	-	71,244	-
Intangible Assets :									
Software	2,928,237	-	-	2,928,237	2,927,967	-	270	2,928,237	-
Total Intangible Assets	2,928,237	-	-	2,928,237	2,927,967	-	270	2,928,237	-
Total Fixed Assets	2,999,481	-	-	2,999,481	2,999,211	-	270	2,999,481	-





**Bajaj Financial Securities Limited**  
**Notes to financial statements for the year ended 31 March 2016**

**7 Loans and advances**

(Unsecured, good, unless stated otherwise)

	Long-term		Short-term	
	As at		As at	
	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹
Security deposits	-	11,225,000	-	-
Advances recoverable in cash or kind	-	-	116,292	228,653
Less : Provisions	-	-	(116,292)	-
<b>Other loans and advances</b>				
CENVAT credit receivable	294,095	284,188	-	-
Less : Provisions	(294,095)	(284,188)	-	-
Advance income-tax	89,174	208,830	-	-
Others	-	-	-	12,891
	89,174	208,830	-	12,891
<b>Total</b>	<b>89,174</b>	<b>11,433,830</b>	<b>-</b>	<b>241,544</b>

**8 Other assets**

(Unsecured, good, unless stated otherwise)

	Non-current		Current	
	As at		As at	
	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹	31-Mar-2016 Amount in ₹	31-Mar-2015 Amount in ₹
Non current bank balance [See note 10]	-	2,500,000	-	-
Deposits with Related Parties[See note 15]	1,080,000	1,080,000	-	-
	1,080,000	3,580,000	-	-
<b>Others</b>				
Interest receivable on fixed deposits	159,777	81,833	262,265	42,713
<b>Total</b>	<b>1,339,777</b>	<b>3,661,833</b>	<b>262,265</b>	<b>42,713</b>

**9 Investments**

**Current Investments :**

In Mutual Funds

Quoted:

ICICI Prudential Flexible Income - Regular Plan - Growth  
(564,818 units, Previous Year 566,569 units)

98,309,884

98,614,702

ICICI Prudential Flexible Income - Direct Plan - Growth  
(57,112 units, Previous Year 17,680)

15,539,000

15,539,000

**Total**

**113,848,884**

**113,153,702**

Market Value (Current year ₹ 178,054,105 . Previous Year ₹ 153,724,527)



**10 Cash and bank balances**

	Non-current		Current	
	As at		As at	
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
<b>Cash and cash equivalents</b>				
<b>Balances with banks:</b>				
On current accounts	-	-	1,258,809	235,502
Farmarked balances with bank	-	-	-	20,495
	-	-	<b>1,258,809</b>	<b>255,997</b>
<b>Cash equivalents</b>				
Cheques/drafts on hand	-	-	-	-
<b>Other bank balances</b>				
Deposits with Bank				
Residual maturity less than 12 months	-	-	4,575,000	2,075,000
Residual maturity more than 12 months	-	2,500,000	-	-
	-	<b>2,500,000</b>	<b>4,575,000</b>	<b>2,075,000</b>
Amount disclosed under Non Current Asset (Note 8)	-	<b>(2,500,000)</b>	-	-
	-	-	<b>5,833,809</b>	<b>2,330,997</b>

**11 Other income**

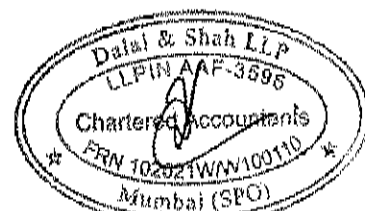
	For the year ended	
	31-Mar-2016	31-Mar-2015
	Amount in ₹	Amount in ₹
Profit on sale of Current investments	195,182	106,799
Interest on Fixed Deposits	524,035	716,898
Provision no longer required	124,880	31,919
Miscellaneous Receipts	129,764	24
Interest on Income Tax refund	12,160	2,750
	<b>986,021</b>	<b>858,390</b>

**12 Other expenses**

	For the year ended	
	31-Mar-2016	31-Mar-2015
	Amount in ₹	Amount in ₹
Insurance	-	20,403
Payment to Auditor	50,000	50,000
Legal & professional charges	204,474	194,386
Provision For Doubtful Advances	126,199	-
Information Technology related expenses	-	85,637
Telephone & connectivity expenses	-	6,035
Subscription Expenses	17,930	174,407
Business Support services	-	127,450
Miscellaneous expenses	20,572	45,160
	<b>419,175</b>	<b>703,478</b>

**Payment to auditor (net of service tax)**

	For the year ended	
	31-Mar-2016	31-Mar-2015
	Amount in ₹	Amount in ₹
As auditor:		
Audit fee	50,000	50,000
	<b>50,000</b>	<b>50,000</b>



**13 Earning per share (EPS)**

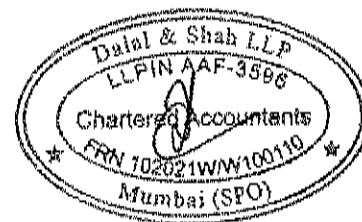
	For the year ended	
	31-Mar-2016	31-Mar-2015
	Amount in ₹	Amount in ₹

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 :

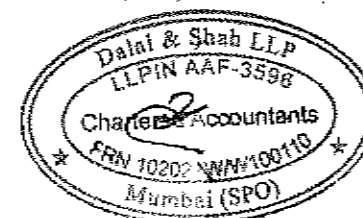
a	Profit for the year after taxation ( ₹ )	566,846	154,642
	Weighted average number of shares outstanding during the year	14,000,000	14,000,000
b	Basic & Diluted Earnings per share ( ₹ )	0.040	0.011
	Face value per share ₹	10	10

**14 Taxation**

In view of carry forward losses no provision of tax including minimum alternate tax is consider necessary



15. Related Party Disclosure					
Disclosure of Transactions with Related Parties as required by Accounting Standard -18:					
Name of related party and Nature of relationship	Nature of transaction	2015-16 (₹)		2014-15 (₹)	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
<b>A Holding company, subsidiaries and fellow subsidiary:</b>					
Bajaj Housing Finance Limited (Holding company)	Contribution to Equity (14,000,000 Equity shares of Rs. 10 each)	-	(140,000,000)	-	(140,000,000)
Bajaj Finserv Limited (Ultimate holding company)	Nil	-	-	-	-
Bajaj Allianz General Insurance Co Limited (Fellow Subsidiary)	Nil	-	-	-	-
Bajaj Allianz Life Insurance Co Limited (Fellow Subsidiary)	Nil	-	-	-	-
Bajaj Finance Limited (Holding company of Bajaj Housing Finance Limited)	Business support services received	-	-	131,775	-
	Fixed Deposit	-	1,080,000	1,080,000	1,080,000
	Fixed Deposit Matured	-	-	2,400,000	-
	Interest received	-	-	234,000	-
	Interest Accrued	113,573	177,530	63,957	63,957
<b>B Individuals controlling voting power / exercising significant influence and their Relatives:</b>					
Rahul Bajaj	Nil	-	-	-	-
Shekhar Bajaj	Nil	-	-	-	-
Madhur Bajaj	Nil	-	-	-	-
Niraj Bajaj	Nil	-	-	-	-
Rajiv Bajaj	Nil	-	-	-	-
Sanjiv Bajaj	Nil	-	-	-	-
<b>C Key Management Personnel &amp; their Relatives:</b>					
S Sreenivasan (Chairman)	Remuneration	-	-	-	-
<b>D Enterprises over which anyone in (b) &amp; (c) exercises significant influence:</b>					
Bajaj Auto Limited	Reimbursement of Expenses	-	-	2,500	-



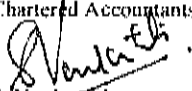
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**16 Previous year figures**

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

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: 20 May 2016

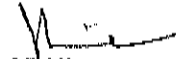
On behalf of the Board of Directors



**S Sreenivasan**  
Chairman



**Sandeep Jain**  
Chief Financial Officer



**J Sridhar**  
Director & Chairman  
of Audit Committee



**Anant Dahiya**  
Company Secretary

Pune: 20 May 2016