

BAJAJ FINANCIAL SECURITIES LIMITED

DIRECTORS' REPORT

The Directors present their ninth annual report and the audited financial statements for the year ended 31 March 2019.

Presentation of financial statements

Ministry of Corporate Affairs (MCA) vide its notification dated 30 March 2016, mandated, Non-Banking Financial Companies (NBFCs) having net worth of rupees five hundred crore or More and their subsidiaries to comply with the Indian Accounting Standards (Ind AS) in preparation of their financial statements and quarterly financial results for the accounting periods beginning on or after 1 April 2018 with effective transition date of 1 April 2017

The Company, being a subsidiary of Bajaj Finance Limited an NBFC registered with RBI, is required to comply with the above provisions.

Accordingly, the financial statements of the Company for the year ended 31 March 2019 have been prepared in accordance with Ind AS. The corresponding figures for the year ended 31 March 2018 and opening Balance Sheet as on 1 April 2017 have been recast as per Ind AS. The Company has applied Ind AS 101 'First time adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company, is detailed in the note no. 23 of the financial statement.

Financial results

Particulars	FY2019	FY2018
Total income	15,201,174	14,178,840
Finance cost	-	348,228
Net interest income	15,201,174	13,830,612
Operating expenses	222,533	531,587
Pre-provision operating profit	14,978,641	13,299,025
Loan losses and provisions	-	-
Profit before taxation	14,978,641	13,299,025
Tax expense	3,109,000	(3,412,582)
Profit for the year after taxation	11,869,641	16,711,607
Balance brought forward from previous year	56,566,562	39,854,955
Profit available for appropriations	68,436,203	56,566,562
Appropriations:		
Transfer to Reserve Fund	-	-
Balance carried to Balance Sheet	68,436,203	56,566,562

Operations

During FY2019, the company received approval from SEBI to carry on the business as a stock broker and a trading membership of BSE Limited. Being at a nascent stage of stock broking and DP business, the Company did not have any business operations during the financial year.

Subsidiary

The Company does not have any subsidiary.

Dividend

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

Extract of annual return

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

Number of meetings of the Board

The Board of Directors met seven times during the year on 14 May 2018, 16 July 2018, 10 August 2018, 30 August 2018, 18 October 2018, 14 January 2019 and 27 March 2019.

Directors' responsibility statement

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Policy on directors' appointment and remuneration

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

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

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

Material changes and commitments

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

Conservation of energy and technology absorption

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

Foreign exchange earnings and outgo

During FY2019, the Company did not have any foreign exchange earnings and outgo.

Risk Management

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

Corporate Social Responsibility

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

Directors and Key Managerial Personnel

A. Change in Directorate:

(i) Appointment of directors

The Board of Directors, at their meeting held on 30 August 2018, appointed Babu Rao and Manish Jain as additional directors of the Company and they hold office upto the conclusion of the next annual general meeting of the Company.

Accordingly, resolutions seeking approval of the members for the aforementioned appointments forms part of notice convening the 9th AGM. Necessary details regarding their appointment and re-appointment as required under the Act is given in the notice of AGM.

(ii) Resignation of directors

Sanjay Bhargava and J Sridhar expressed their intention to step down from the Board of the Company due to other professional commitments. Consequently, they have ceased to be directors of the Company from the conclusion of the Board meeting held on 30 August 2018. The Board placed on record its appreciation for their valuable contribution during their association with the Company.

(iii) Resignation of directors

S Sreenivasan, director, retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. Necessary details for re-appointment as required under the Act is given in the notice of AGM.

B. Change in Key Managerial Personnel

The Board, at its meeting held on 30 August 2018, appointed Manish Jain as the Manager with effect from 30 August 2018 in place of S Sreenivasan who resigned as Manager on 29 August 2018. Further, the Board, at its meeting held on 30 August 2018, also appointed Bhalchandra Deodhar as the Chief Financial Officer (CFO) of the Company with effect from 30 August 2018 in place of Sandeep Jain who resigned as CFO on 29 August 2018.

Ravikumar Dugar was appointed as Company Secretary w.e.f. 18 October 2018 in place of Anant Damle who resigned from the services of the Company on 30 September 2018.

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.

Statutory disclosures

- With regard to the amendment in Rule 4 of Companies (Appointment and Qualifications of Directors) Rules 2014, the company is not required to have independent directors on the Board.

- There are no details which are required to be disclosed under the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- During the year under review, the Company has not accepted any deposits.
- During the year under review, there was no fraud reported by the auditors to the Audit Committee, pursuant to the provisions of the Companies Act, 2013.
- The directors' responsibility statement as required by section 134(5) of the Companies Act, 2013 is given in a preceding paragraph.
- Cash Flow Statement for FY2019 is attached to the Balance Sheet.

Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (Secretarial Standard – 1) and General Meetings (Secretarial Standard – 2).

Auditors

Pursuant to the provisions of section 139 of the Act, S R B C & CO LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) were appointed as statutory auditors of the Company to hold office from the conclusion of the 7th AGM of the Company till the conclusion of the 12th AGM.

The Audit Report by S R B C & CO LLP, for FY2019 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark.

On behalf of the Board of Directors


S Sreenivasan
Chairman
SIGN HERE 

Place: Pune
Pune: 14 May 2019

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on 31 March 2019

[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 Finance Limited Address: Akurdi, Pune 411035	L65910MH1987PLC042961	Holding	100	Section 2(46)
2	Bajaj Finserv Limited	U65910PN2008PLC132228	Holding	54.99	Section 2(46)

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 2018)			Shareholding at the end of the year (31 March 2019)			% 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 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For each the Directors and Key Managerial Personnel				
(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

INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Financial Securities Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Bajaj Financial Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other information

The other information comprises the information included in the Director's Report. The Company's Board of Directors is responsible for the other information.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



per Arvind Sethi
Partner
Membership No: 089802

Pune
May 14, 2019

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date**Re: Bajaj Financial Securities Limited**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment/ fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other statutory dues have been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

S R B C & CO LLP

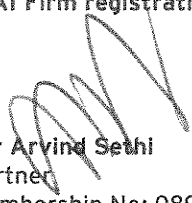
Chartered Accountants

Bajaj Financial Securities Limited
Independent Auditor's Report for the year ended March 31, 2019

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- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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


per Arvind Sethi
Partner
Membership No: 089802

Pune
May 14, 2019

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

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

We have audited the internal financial controls over financial reporting of Bajaj Financial Securities Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 with reference to these Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2019, 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 S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Arvind Sethi
Partner
Membership No: 089802

Pune
May 14, 2019

BAJAJ FINANCIAL SECURITIES LIMITED
BALANCE SHEET AS AT 31 March 2019

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	5	-	-	-
(b) Intangible assets	5	-	-	-
(c) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans		-	-	-
(iv) Others		-	-	-
(d) Deferred tax assets (net)		-	-	-
(e) Other non-current assets		-	-	-
Total non-current assets		-	-	-
(2) Current assets				
(a) Financial Assets				
(i) Investments	6	20,83,48,514	21,42,25,570	20,05,26,029
(ii) Trade receivables		-	-	-
(iii) Cash and cash equivalents	7	3,30,096	3,76,532	5,54,634
(iv) Bank balance other than (iii) above		-	-	-
(v) Security Deposit		1,00,000	-	-
(b) Current Tax Assets (net)		1,63,726	62,999	62,999
(e) Other current assets	8	1,16,415	2,000	-
Total current assets		20,90,58,751	21,46,67,101	20,11,43,662
Total assets		20,90,58,751	21,46,67,101	20,11,43,662
EQUITY AND LIABILITIES				
(1) EQUITY				
(a) Equity share capital	9	14,00,00,000	14,00,00,000	14,00,00,000
(b) Other equity	10	6,84,36,203	5,65,66,562	3,98,54,955
Total equity		20,84,36,203	19,65,66,562	17,98,54,955
(2) LIABILITIES				
(2) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Others		-	-	-
(b) Provisions		-	-	-
(c) Deferred tax liabilities (net)	11	-	-	2,08,15,464
(d) Other non-current liabilities		-	-	-
Total non-current liabilities		-	-	2,08,15,464
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables	12	2,64,020	3,36,720	4,54,578
(iii) Others		-	-	-
(b) Other current liabilities	13	3,58,528	3,68,128	18,665
(c) Provisions		-	-	-
(d) Current tax liabilities (net)		-	1,73,95,691	-
Total non-financial liabilities		6,22,548	1,81,00,539	4,73,243
Total Equity and Liabilities		20,90,58,751	21,46,67,101	20,11,43,662

Summary of significant accounting policies

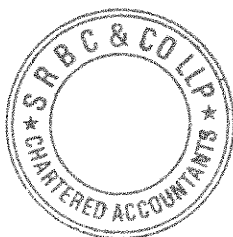
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The accompanying notes are an integral part of the financial statements
In terms of our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Arvind Sethi
Partner
Membership number : 089802



Bhalchandra Deodhar
Bhalchandra Deodhar
Chief Financial Officer

S Sreenivasan
S Sreenivasan
Chairman

Ravikumar Dugar
Ravikumar Dugar
Company Secretary

Manish Jain
Manish Jain
Director and Manager

Pune: 14 May 2019



BAJAJ FINANCIAL SECURITIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Particulars		Note No.	Year Ended 31 March 2019	Year Ended 31 March 2018
(I)	Revenue from operations		-	-
(II)	Other income	14	1,52,01,174	1,41,78,840
(III)	Total income (I + II)		1,52,01,174	1,41,78,840
(IV)	Expenses			
	Employee benefits expense		-	-
	Finance costs	15	-	3,48,228
	Depreciation and amortisation expense		-	-
	Other expenses	16	2,22,533	5,31,587
	Total expenses (IV)		2,22,533	8,79,815
(V)	Profit before tax (III - IV)		1,49,78,641	1,32,99,025
(VI)	Tax expenses			
	Current tax		31,09,000	1,74,02,882
	Deferred tax (credit)/charge		-	(2,08,15,464)
	Total tax expense		31,09,000	(34,12,582)
(VII)	Profit after tax (V - VI)		1,18,69,641	1,67,11,607
(VIII)	Other comprehensive income			
	<u>Items that will not be reclassified to profit or loss:</u>			
	-Re-measurement gains/(losses) on defined benefit plans'		-	-
	-Income tax effect relating to these items		-	-
	<u>Items that will be reclassified to profit or loss in subsequent periods:</u>			
	-Changes in fair value of FVOCI debt securities		-	-
	-Income tax effect relating to these items		-	-
	Other comprehensive income for the year, net of tax		-	-
(IX)	Total comprehensive income for the year (VII + VIII)		1,18,69,641	1,67,11,607
(X)	Earnings per share:	17		
	(Nominal value per share ₹ 10/-)			
	Basic (₹)		0.85	1.19
	Diluted (₹)		0.85	1.19

Summary of significant accounting policies

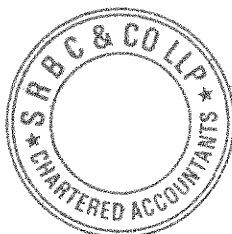
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The accompanying notes are an integral part of the financial statements
 In terms of our report of even date

On behalf of the Board of Directors

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration No.: 324982E/E300003

per Arvind Sethi
 Partner
 Membership number : 089802



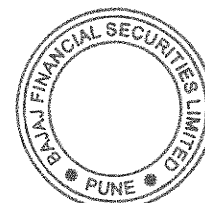
Bhalchandra Deodhar
 Chief Financial Officer

Ravikumar Dugar
 Company Secretary

S Sreenivasan
 Chairman

Manish Jain
 Director and Manager

Pune: 14 May 2019



Bajaj Financial Securities Limited
Statement of Cash Flows for the year ended 31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Operating activities		
Profit before tax	1,49,78,641	1,32,99,025
<u>Adjustments for:</u>		
Interest on Fixed Deposit	-	(51,901)
Finance costs	-	3,48,228
Net (gain)/ loss on financial instruments at fair value through profit or loss	(1,52,01,174)	(1,40,44,557)
Cash from operations before working capital changes	(2,22,533)	(4,49,205)
Working capital changes:		
(Increase) / decrease in other current assets	(2,14,415)	(2,000)
Increase / (decrease) in trade payables	(72,700)	(1,17,858)
Increase / (decrease) in other current liabilities	(9,600)	1,235
	(2,96,715)	(1,18,623)
Income tax paid (net of refunds)	(2,05,98,228)	(7,191)
Net cash used in operating activities (A)	(2,11,17,476)	(5,75,019)
B. Investing activities		
Proceeds from maturity of Fixed Deposits	-	10,80,000
Purchase of investments measured at FVTPL	(19,85,37,556)	(21,64,94,672)
Proceeds from sale of investments measured at FVTPL	21,96,08,596	21,54,87,875
Interest received on Fixed Deposits	-	3,23,714
Net cash generated from/ (used in) investing activities (B)	2,10,71,040	3,96,917
C. Financing activities		
Issue of equity share capital (including securities premium)	-	-
Share issue expenses	-	-
Dividends paid	-	-
Dividend distribution tax paid	-	-
Deposits received, net	-	-
Debt securities issued, net	-	-
Borrowings other than debt securities issued, net	-	-
Subordinated debts issued, net	-	-
Net cash generated from financing activities (C)	-	-
Net increase in cash and cash equivalents (A+B+C)	(46,436)	(1,78,102)
Cash and cash equivalents at the beginning of the year	3,76,532	5,54,634
Cash and cash equivalents at the end of the year	3,30,096	3,76,532

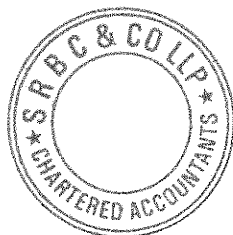
- The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - Statement of cash flows.
- Components of cash and cash equivalents are disclosed in note no. 7.

On behalf of the Board of Directors

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Arvind Sethi
Partner
Membership number: 089802



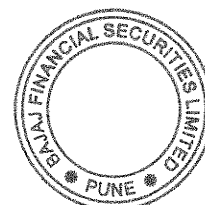
Bhalchandra Deodhar
Chief Financial Officer

Ravikumar Dugar
Company Secretary

S Sreenivasan
Vice Chairman

Manish Jain
Director and Manager

Pune: 14 May 2019



Bajaj Financial Securities Limited
Statement of changes in equity for the year ended 31 March 2019

a. Equity share capital

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
At the beginning of the year	14,00,00,000	14,00,00,000
Changes in equity share capital during the year	-	-
At the end of the year	14,00,00,000	14,00,00,000

b. Other equity

For the year ended 31 March 2019

Particulars	Retained earnings
Balance as at 31 March 2018	5,65,66,562
Profit after tax	1,18,69,641
Balance as at 31 March 2019	6,84,36,203

For the year ended 31 March 2018

Particulars	Retained earnings
Balance as at 1 April 2017	3,98,54,955
Profit after tax	1,67,11,607
Balance as at 31 March 2018	5,65,66,562

The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

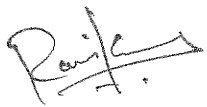
per **Arvind Sethi**
Partner


Membership number : 089802



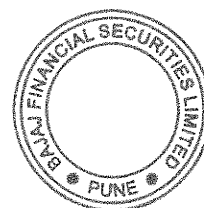

Bhalechandra Deodhar
Chief Financial Officer


S Sreenivasan
Chairman


Ravikumar Dugar
Company Secretary


Manish Jain
Director and Manager

Pune: 14 May 2019



Bajaj Financial Securities Limited
Notes to financial statements for the year ended 31 March 2019

1. Corporate information

Bajaj Financial Securities Ltd. ('the Company', 'Bfinsec') is a company limited by shares, incorporated on 7 April 2010 and domiciled in India. with the main object to undertake a business of 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. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv corporate office, Viman nagar, Pune, Maharashtra, India. The parent of the Company is Bajaj Finance Ltd. w.e.f. 10 August 2018. Till 9 August 2018 Bfinsec was 100% subsidiary of Bajaj Housing Finance Limited.

Bfinsec received approval from SEBI to carry on the business as a stock broker on 24 January 2019 and trading membership of BSE Ltd on 29 January 2019. Bfinsec is in its early stages of commencing stock broking and DP business.

The audited financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 14 May 2019, Board of Directors of the Company approved and recommended the audited financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Basis of preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

For all periods up to and including the year ended 31 March 2018, the Company had prepared its financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 (hereinafter referred as 'Previous GAAP'). These financial statements for the year ended 31 March 2019 are the first the Company has prepared in accordance with Ind AS. The Company has applied Ind AS 101 'First time adoption of Indian Accounting Standards', for transition from previous GAAP to Ind AS. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note no. 23.

2.1 Presentation of financial statements

The Company presents its balance sheet in order of liquidity.

The Company generally reports financial assets and financial liabilities on a gross basis in the balance sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

Critical accounting estimates and judgements:

The preparation of the Company's financial statements requires Management to make use of estimates and judgements. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from those on which the Management's estimates are based. Accounting estimates and judgements are used in various line items in the financial statements for e.g.:

- Business model assessment (refer note no. 3.4(ii))
- Fair value of financial instruments (refer note no. 3.10, 18 and 19)
- Impairment of financial assets (refer note no. 3.4(iii))
- Provisions and other contingent liabilities (refer note no. 3.9)
- Provision for tax expenses (refer note no. 3.5(i))
- Residual value and useful life of property, plant and equipment (refer note no. 3.6(g))

3. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

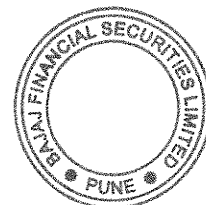
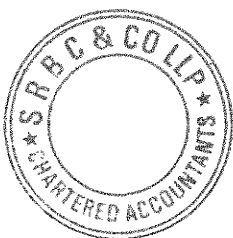
3.1 Income

Other income

The Company recognises income on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent revenue is reasonably certain and can be reliably measured.

3.2 Expenditures

Expenses are recognised net of the goods and services tax/ service tax, except where credit for the input tax is not statutorily permitted.



3.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4 Investments and financial assets

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments.

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value through profit or loss; and
- b) those measured at amortised cost.

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gains and losses will be recorded in profit or loss. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

(ii) Measurement

Initial measurement

At initial recognition, the Company measures a financial asset at its fair value including, in the case of 'a financial asset not at fair value through profit or loss', transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at 'fair value through profit or loss' are expensed in the Statement of Profit and Loss.

Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are two measurement categories into which the Company classifies its financial instruments:

Subsequently measured at amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. Debentures, Bonds etc. A gain or loss on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate.

Subsequently measured at fair value through profit or loss: Financial assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated investments in mutual funds as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost for e.g., bank balances and other current assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

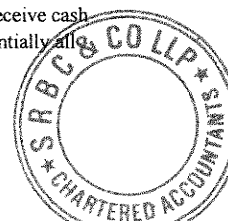
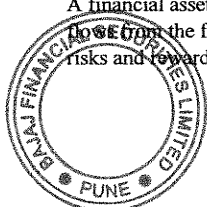
For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(iv) Derecognition of financial assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset or the rights to receive cash flows from the financial asset have expired. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.



3.5 Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in other equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets, if any, are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.6 Property, plant and equipment

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and impairment losses, consistent with the criteria specified in Ind AS 16 - 'Property, plant and equipment'.

Depreciation on property, plant and equipment:

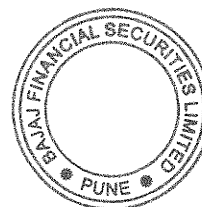
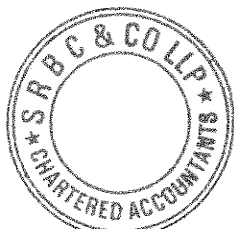
- (a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets, except buildings which is determined on written down value method.
- (b) Useful lives of assets are determined by the Management by an internal technical assessment except where such assessment suggests a life significantly different from those prescribed by Schedule II – Part C of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.
- (c) Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.
- (d) 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.
- (e) Assets having unit value upto ₹ 5,000 is depreciated fully in the financial year of purchase of asset.
- (f) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income in the statement of profit and loss when the asset is derecognised.
- (g) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7 Intangible assets and amortization thereof

Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortization and accumulated impairment. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.8 Impairment of non-financial assets

An assessment is done at each balance sheet date to ascertain whether there is any indication that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of asset is determined. If the carrying value of relevant asset is higher than the recoverable amount, the carrying value is written down accordingly.



3.9 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. The Company also discloses present obligations for which a reliable estimate cannot be made. 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.

3.10 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each balance sheet date.

Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 18 and 19.

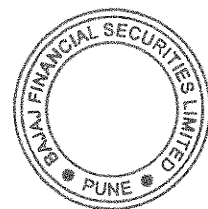
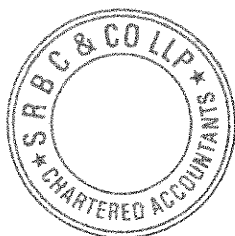
For assets and liabilities that are fair valued in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

4. Standard issued but not yet effective

Ind AS 116 - 'Leases' was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

As at 31 March 2019, the Company does not have any lease contracts.



Bajaj Financial Securities Limited
Notes to financial statements for the year ended 31 March 2019 (Contd.)

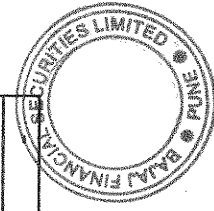
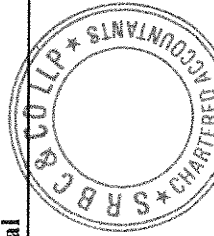
5. Property, plant and equipment and intangible assets

For the financial year 2018-19

Particulars	Gross block			Depreciation and amortisation			Net block As at 31 March 2019
	As at 1 April 2018	Additions	Deductions/ adjustments	As at 1 April 2018	Deductions/ adjustments	For the year 2019	
Property, plant and equipment (a)							
Computers	53,709	-	53,709	53,709	-	53,709	-
Office equipment	7,665	-	7,665	7,665	-	7,665	-
Sub-total	61,374	-	61,374	61,374	-	61,374	-
Intangible assets (d)							
Softwares	29,28,237	-	29,28,237	29,28,237	-	29,28,237	-
Sub-total	29,28,237	-	29,28,237	29,28,237	-	29,28,237	-
Total	29,89,611	-	29,89,611	29,89,611	-	29,89,611	-

For the financial year 2017-18

Particulars	Gross block			Depreciation and amortisation			Net block As at 31 March 2018
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 1 April 2017	Deductions/ adjustments	For the year 2018	
Property, plant and equipment							
Computers	53,709	-	53,709	53,709	-	53,709	-
Office equipment	7,665	-	7,665	7,665	-	7,665	-
Sub-total	61,374	-	61,374	61,374	-	61,374	-
Intangible assets							
Softwares	29,28,237	-	29,28,237	29,28,237	-	29,28,237	-
Sub-total	29,28,237	-	29,28,237	29,28,237	-	29,28,237	-
Total	29,89,611	-	29,89,611	29,89,611	-	29,89,611	-



6. Investments

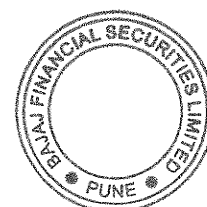
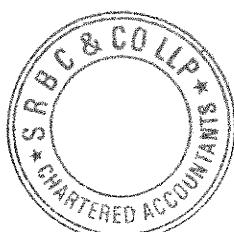
Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
In Mutual Funds measured at FVTPL	20,83,48,514	21,42,25,570	19,91,74,216
In Fixed Deposits measured at amortised cost	-	-	13,51,813
Total	20,83,48,514	21,42,25,570	20,05,26,029

7. Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balances with bank			
Bank balance in current account	3,30,096	3,76,532	5,54,634
Total	3,30,096	3,76,532	5,54,634

8. Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Service Tax / GST credit receivable	18,540	-	-
Vendor advances	97,875	2,000	-
Total	1,16,415	2,000	-



9. Equity share capital

Particulars	As at		As at		As at	
	31 March 2019		31 March 2018		1 April 2017	
Authorised						
15,000,000 (15,000,000) equity shares of ₹10 each						
Issued, subscribed and Fully paid-up shares						
14,000,000 (14,000,000) equity shares of ₹10 each						

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

At the beginning of the year	As at		As at		As at	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
	1,40,00,000	14,00,00,000	1,40,00,000	14,00,00,000	1,40,00,000	14,00,00,000

b. Terms/rights/restrictions attached to equity shares

(i) 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.

(ii) 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 (Face value ₹10 per share)

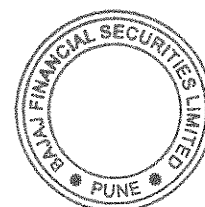
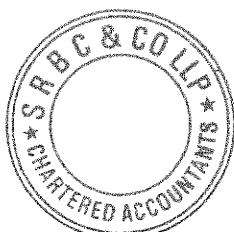
Particulars	As at		As at		As at	
	31 March 2019		31 March 2018		1 April 2017	
	Nos.	Amount	Nos.	Amount	Nos.	Amount
Bajaj Finance Ltd*	1,40,00,000	14,00,00,000	-	-	-	-
Bajaj Housing Finance Ltd [#]	-	-	1,40,00,000	14,00,00,000	1,40,00,000	14,00,00,000

* Holding Company since 10 August 2018.

[#] Holding Company till 9 August 2018

d. Details of shareholders holding more than 5% shares in the Company (Face value ₹10 per share)

Particulars	As at		As at		As at	
	31 March 2019		31 March 2018		1 April 2017	
	Nos.	% Holding	Nos.	% Holding	Nos.	% Holding
Bajaj Finance Ltd	1,40,00,000	100.00%	-	0.00%	-	0.00%
Bajaj Housing Finance Ltd	-	0.00%	1,40,00,000	100.00%	1,40,00,000	100.00%



10. Other Equity

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Retained Earnings			
Opening for the year	5,65,66,562	3,98,54,955	3,98,54,955
Add : Profit for the year	1,18,69,641	1,67,11,607	
Total	6,84,36,203	5,65,66,562	3,98,54,955

11. Deferred tax liabilities (net)

Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit before tax	1,49,78,641	1,32,99,025
At corporate tax rate of 20.5868% (Previous year 20.5868%)	30,83,623	27,37,844
Tax on non-deductible expenditure	25,377	-
Reversal of deferred tax liability created in earlier years	-	(61,50,426)
Tax expense (effective tax rate of 20.756%, Previous year -25.660%)	31,09,000	(34,12,582)

Deferred tax recorded in balance sheet

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Deferred tax relates to the following:			
<i>Deferred tax liabilities</i>			
Unrealised net gain on fair value changes	-	-	(2,08,15,464)
Total of deferred tax liabilities, net	-	-	(2,08,15,464)

Changes in deferred tax recorded in profit or loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Deferred tax relates to the following:		
Unrealised net gain on fair value changes	-	(2,08,15,464)
Total	-	(2,08,15,464)

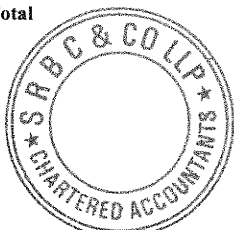
12. Trade Payables

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Total outstanding dues of micro enterprises and small enterprises [#]	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,64,020	3,36,720	4,54,578
Total	2,64,020	3,36,720	4,54,578

[#] Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors.

13. Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Statutory dues	10,300	19,900	18,665
Others	3,48,228	3,48,228	-
Total	3,58,528	3,68,128	18,665



14. Other Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Net gain/(loss) on valuation/realisation of Mutual Funds measured at FVTPL	1,52,01,174	1,40,44,557
Interest on Fixed Deposits		51,901
Provision no longer required	-	81,525
Others	-	857
Total	1,52,01,174	1,41,78,840

15. Finance costs

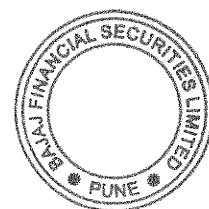
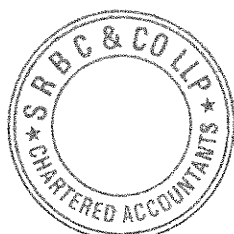
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Other interest expenses	-	3,48,228
Total	-	3,48,228

16. Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Auditors' Remuneration *	50,000	59,000
Legal & professional charges	56,000	3,51,240
Sundry expenses	1,16,533	1,21,347
Total	2,22,533	5,31,587

* Payment to auditor (net of service tax / GST credit availed)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Audit fee	50,000	59,000
	50,000	59,000



17. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year	
	ended 31 March 2019	For the year ended 31 March 2018
Net profit attributable to equity shareholders (₹) (A)	1,18,69,641	1,67,11,607
Weighted average number of equity shares for basic earnings per share (B)	1,40,00,000	1,40,00,000
Earning per share (basic) (₹) (A/B)	0.85	1.19

18. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation methodologies adopted

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held for trading under FVTPL have been determined under level 1 (refer note 19) using quoted market prices of the underlying instruments;

The Company has determined that the carrying values of cash and cash equivalents, security deposits, trade payables and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

19. Fair value hierarchy

The Company determines fair values of its financial instruments according to the following hierarchy:

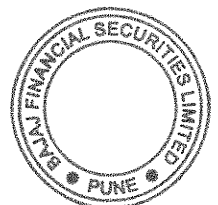
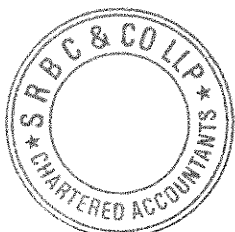
Level 1 - valuation based on quoted market price: - financial instruments with quoted prices for identical instruments in active markets that the Company can access at the measurement date.

Level 2 - valuation using observable inputs: - financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: - financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

Quantitative disclosures of fair value measurement hierarchy for assets as at 31 March 2019

Particulars	Date of valuation	Fair value measurement using Significant unobservable inputs			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-Mar-19	20,83,48,514	-	-	20,83,48,514
Total		20,83,48,514	-	-	20,83,48,514



Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	31-Mar-18	21,42,25,570	-	-	21,42,25,570
Total		21,42,25,570	-	-	21,42,25,570

Quantitative disclosures fair value measurement hierarchy for assets as at 1 April 2017

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading under FVTPL	01-Apr-17	19,91,74,216	-	-	19,91,74,216
Total		19,91,74,216	-	-	19,91,74,216

Fair value of financial instruments not measured at fair value as at 31 March 2019

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	3,30,096	3,30,096	-	-	3,30,096
Security Deposit	1,00,000	-	-	1,00,000	1,00,000
Total financial assets	4,30,096	3,30,096	-	1,00,000	4,30,096
Financial liabilities					
Trade payables	2,64,020	-	-	2,64,020	2,64,020
Total financial liabilities	2,64,020	-	-	2,64,020	2,64,020

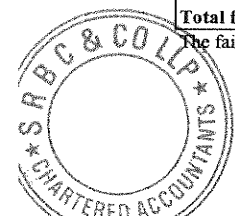
Fair value of financial instruments not measured at fair value as at 31 March 2018

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	3,76,532	3,76,532	-	-	3,76,532
Other current assets	-	-	-	-	-
Total financial assets	3,76,532	3,76,532	-	-	3,76,532
Financial liabilities					
Trade payables	3,36,720	-	-	3,36,720	3,36,720
Total financial liabilities	3,36,720	-	-	3,36,720	3,36,720

Fair value of financial instruments not measured at fair value as at 1 April 2017

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	5,54,634	5,54,634	-	-	5,54,634
Investments in Fixed Deposits	13,51,813	-	13,51,813	-	13,51,813
Total financial assets	19,06,447	5,54,634	13,51,813	-	19,06,447
Financial liabilities					
Trade payables	4,54,578	-	-	4,54,578	4,54,578
Total financial liabilities	4,54,578	-	-	4,54,578	4,54,578

The fair value of investment in Fixed Deposits is reasonable approximation of fair value due to the short-term maturity of these deposits.



20. Capital management

Objectives, policies and processes of capital management

The Company is cash surplus and has no capital other than Equity. The Company is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in income generating debt instruments (including through mutual funds) and money market instruments depending on economic conditions in line with the guidelines set out by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

The Company does not have any borrowings and does not borrow funds unless circumstances require.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Equity	20,84,36,203	19,65,66,562
Less: Tangible and other assets	-	-
Working capital	87,689	(1,76,59,008)
Investments in debt and similar investments	20,83,48,514	21,42,25,570

No changes were made in the objectives, policies and processes of capital management during the year.

21. Risk management objectives and policies

The Company's activities expose it to credit risk and liquidity risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

Nature of risk	Arising from	Measurement, monitoring and management of risk
Credit Risk	Cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss	Diversification of investment and analysis of overdues.
Liquidity Risk	Other liabilities	Maintaining sufficient cash/cash equivalents and marketable securities

A) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company.

Credit risk primarily arises from cash and cash equivalents, financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and trade receivables. None of the financial instruments of the Company result in material concentration of credit risk.

Credit Risk Management

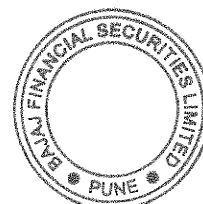
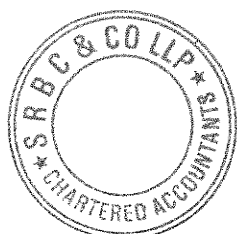
The Company follows a 'simplified approach' for recognition of impairment loss allowance on security deposits.

Accordingly, impairment loss allowance is recognised based on lifetime expected credit losses at each reporting date, right from its initial recognition. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible.

The Company makes investment only in liquid mutual funds based on funds past performance, investments in liquid mutual funds are monitored on regular basis to assess its performance.

B) Liquidity Risk

The Company's principal sources of liquidity are 'cash and cash equivalents' and investment in liquid mutual fund. The Company believes that its 'cash and cash equivalents' and investment in liquid mutual fund are sufficient to meet the financial liabilities within maturity period. The Company has no outstanding term borrowings. Hence, the Company carries a negligible liquidity risk.



22. Disclosure of Transactions with Related Parties as required by Ind AS -24:

(Amount in ₹)

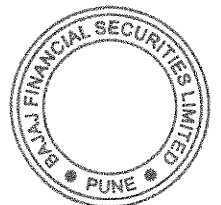
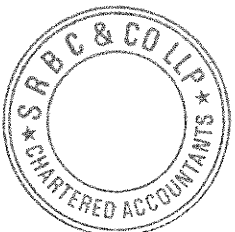
Name of related party and Nature of relationship	Nature of transaction	2018-19		2017-18	
		Transaction Value	Outstanding amounts carried in the Balance Sheet	Transaction Value	Outstanding amounts carried in the Balance Sheet
A Holding company, subsidiaries and fellow subsidiary:					
Bajaj Finserv Limited (Ultimate holding company)	Nil	-	-	-	-
Bajaj Housing Finance Limited (Holding company till 9 August 2018)	Contribution to Equity	-	-	-	(14,00,00,000)
Bajaj Finance Limited (Holding company w.e.f. 10 August 2018)	Contribution to Equity	-	(14,00,00,000)	-	-
	Fixed Deposit	-	-	10,80,000	-
	Interest Accrued on fixed deposit	-	-	51,901	-
	Interest received on fixed deposit	-	-	3,53,915	-
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 here have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions or outstanding balances with those parties.

Transaction values are excluding taxes and duties

Outstanding Amount in bracket denotes credit balances



23. First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has prepared its Ind AS compliant financial statements for year ended on 31 March 2019, the comparative period ended on 31 March 2018 and an opening Ind AS balance sheet as at 1 April 2017 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

For periods ended upto the year ended 31 March 2018, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

A. Mandatory exceptions and optional exemptions availed

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

Mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below.

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

(ii) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

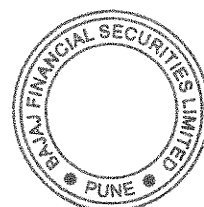
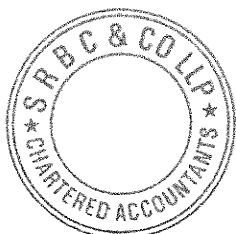
As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

Optional exemptions availed

(i) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be material.

The Company has elected to apply this exemption for such contracts/arrangements.

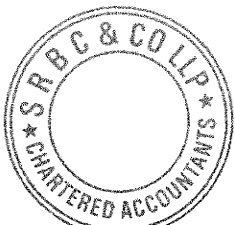


B. Reconciliations between Ind AS and previous GAAP are given below

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition 1 April 2017 and as at 31 March 2018

Particulars	Notes to first	As at 31 March 2018			As at 1 April 2017		
		Previous GAAP	Adjustments	Ind AS	Previous GAAP	Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		-	-	-	-	-	-
Intangible assets		-	-	-	-	-	-
Derivative financial instruments		-	-	-	-	-	-
Financial Assets							
(i) Investment		-	-	-	-	-	-
(ii) Trade receivables		-	-	-	-	-	-
(iii) Loans		-	-	-	-	-	-
(iv) Others		-	-	-	-	-	-
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-
Total non-current assets		-	-	-	-	-	-
Current assets							
Financial Assets							
(i) Investments		21,40,97,533	1,28,037	21,42,25,570	12,57,04,087	7,48,21,942	20,05,26,029
(ii) Trade receivables		-	-	-	-	-	-
(iii) Cash and cash equivalents		3,76,532	-	3,76,532	5,54,634	-	5,54,634
(iv) Bank balance other than (iii) above		-	-	-	-	-	-
(v) Others		-	-	-	-	-	-
Current Tax Assets (net)		62,999	(0)	62,999	62,999	(0)	62,999
Other current assets		2,000	-	2,000	-	-	-
Total current assets		21,45,39,064	1,28,037	21,46,67,101	12,63,21,720	7,48,21,942	20,11,43,662
Non-current assets held for sale		-	-	-	-	-	-
Total assets		21,45,39,064	1,28,037	21,46,67,101	12,63,21,720	7,48,21,942.43	20,11,43,662
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		14,00,00,000	-	14,00,00,000	14,00,00,000	-	14,00,00,000
Other equity		5,64,45,716	1,20,846	5,65,66,562	(1,41,51,523)	5,40,06,478	3,98,54,955
Total equity		19,64,45,716	1,20,846	19,65,66,562	12,58,48,477	5,40,06,478	17,98,54,955
LIABILITIES							
Non-current liabilities							
Derivative financial instruments		-	-	-	-	-	-
Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-
Provisions		-	-	-	-	-	-
Deferred tax liabilities (net)		-	-	-	-	2,08,15,464	2,08,15,464
Other non-current liabilities		-	-	-	-	-	-
Total non-current liabilities		-	-	-	-	2,08,15,464	2,08,15,464
Current liabilities							
Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade payables		3,36,720	-	3,36,720	4,54,578	-	4,54,578
(iii) Others		-	-	-	-	-	-
Other current liabilities		3,68,128	-	3,68,128	18,665	-	18,665
Provisions		-	-	-	-	-	-
Current tax liabilities (net)		1,73,88,500	7,191	1,73,95,691	-	-	-
Total non-financial liabilities		1,80,93,348	7,191	1,81,00,539	4,73,243	-	4,73,243
Total for equities and liabilities		21,45,39,064	1,28,037	21,46,67,101	12,63,21,720	7,48,21,942	20,11,43,662



Reconciliation of equity as at 1 April 2017 and as at 31 March 2018 summarised in below table

Particulars	Notes to first time adoption	As at 31 March 2018	As at 1 April 2017
Equity as reported under previous GAAP		19,64,45,716	12,58,48,477
Adjustments			
Fair valuation of investments classified under FVTPL	1	1,20,846	5,40,06,478
Equity as per Ind AS		19,65,66,562	17,98,54,955

Reconciliation of total comprehensive income for the year ended 31 March 2018

Particulars	Notes to first time adoption	Previous GAAP	Adjustments	Ind AS
Revenue from operations		-	-	-
Other income	1	8,88,72,745	(7,46,93,905)	1,41,78,840
Total income		8,88,72,745	(7,46,93,905)	1,41,78,840
Expenses				
Finance costs		3,48,228	-	3,48,228
Other expenses		5,31,587	-	5,31,587
Total expenses		8,79,815	-	8,79,815
Profit before tax		8,79,92,930	(7,46,93,905)	1,32,99,025
Tax expense				
Current tax		1,73,95,691	7,191	1,74,02,882
Deferred tax (credit)/charge		-	(2,08,15,464)	(2,08,15,464)
Total tax expense		1,73,95,691	(2,08,08,273)	(34,12,582)
Profit after tax		7,05,97,239	(5,38,85,632)	1,67,11,607
Other comprehensive income				
Items that will not be reclassified to profit or loss				
-Re-measurement gains/(losses) on defined benefit plans		-	-	-
-Tax impact on above		-	-	-
Items that will be reclassified to profit or loss in subsequent periods				
-Changes in fair value of FVOCI debt securities		-	-	-
-Tax impact on above		-	-	-
Other comprehensive income for the year (net of tax)		-	-	-
Total comprehensive income for the year		7,05,97,239	(5,38,85,632)	1,67,11,607

Reconciliation of total comprehensive income for the year ended 31 March 2018 summarised in below table

	Notes to first time adoption	31 March 2018
Profit after tax as reported under previous GAAP		7,05,97,239
Adjustments:		
Fair valuation of investment classified under FVTPL	1	(7,46,93,905)
Less: Deferred tax adjustment		2,08,08,273
Total adjustment (net of tax)		(5,38,85,632)
Profit after tax as per Ind AS for the year ended 31 March, 2018		1,67,11,607
Other comprehensive income		-
Total comprehensive income as per Ind AS		1,67,11,607

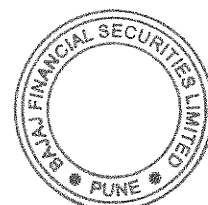
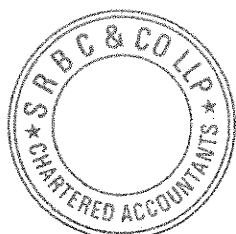
Notes to first time adoption of Ind AS

1. Fair valuation of investments subsequently measured under FVTPL and FVOCI.

Under the previous GAAP, investments in government and trust securities, fixed maturity plans and other mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2018 depending upon the subsequent measurement category for the investments.

Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2018

There are no material adjustments on transition to Ind AS in the Statement of cash flows for the year ended 31 March 2018.



24. Events after reporting date

There have been no events after the reporting date that require adjustment / disclosure in these financial statements.

In terms of our report of even date

For S R B C & COLLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

per Arvind Sethi
Partner
Membership number : 089802




Bhalchandra Deodhar
Chief Financial Officer


Ravikumar Dugar
Company Secretary

On behalf of the Board of Directors


S Sreenivasan
Chairman


Manish Jain
Director and Manager

Pune: 14 May 2019

