

DIRECTORS' REPORT

At the outset, your Company's Board of directors humbly submits its commiseration to the families of all employees and others who succumbed to this dreadful pandemic.

Your directors present the eleventh Annual Report along with financial statements for FY2021.

Financial results

This has been the 1st full year of operations of the Company. The highlights of the financial results are as under:

Particulars	(Amount in Rs.)	
	FY2021	FY2020
Total income	363,444,913	105,571,890
Finance cost	30,682,048	2,339,200
Operating expenses	245,140,088	90,500,320
Profit before taxation	87,622,777	12,732,370
Tax expense	32,160,146	(9,814,222)
Profit for the year after taxation	55,462,631	22,546,592
Balance brought forward from previous year	90,982,795	68,436,203
Profit available for appropriations	146,445,426	90,982,795
Appropriations:		
Transfer to Reserve Fund	-	-
Balance carried to Balance Sheet	146,445,426	90,982,795

Industry overview

Brokerage industry across the globe has been the focal point for everyone, be it young millennials or experienced investor. With majority of workforce still working from home across the globe, brokerage industry has seen one of its best years in addition of new clients. Indian broking industry too witnessed highest number of new addition approx. ~14.2 million in FY2020-21. There were many regulatory related changes which Indian broking industry is going through and Company believes on an overall going to benefit the retail investor.

Despite the impact of COVID-19, India is expected to be a relatively high growth economy. The year 2020-21 has seen maximum demat account opening and increased retail participation. With advancement of technology and increasing digitalisation more retail individuals are expected to join the financial services. The online model of equity participation is poised for strong growth.

Financial Year 2020-21 was unprecedented for the whole world as it was marred by the Covid-19. To curtail the rapid spread of the Covid-19, the Government of India (GOI) had announced a nationwide lockdown effective from March 25, 2020. However, the GOI has exempted certain essential services including those intermediaries involved in the Capital Market Operations and registered with SEBI.

Business Performance:

Bajaj Financial Securities Limited (BFSL) being SEBI registered intermediary was exempted from lockdown. The Company took it as an opportunity to see a new growth potential amid such lockdown. However, in complying with the government guidelines and various directives, appropriate safety measures were taken to ensure safety of employees and that business continues as normal. In spite, of such unprecedented situation, Company has been successful in having a good client base.

Your Company with robust digital platform, competitive pricing model and with BAJAJ pedigree or brand value continues to see increasing customer growth. To increase its reach, Company emphasized on increasing/onboarding business partners to its network.

The Company continues to invest in technology to give seamless experience to its clients. The Company has 4 branches and has multiple digital platforms to touch-base with customer. Company is uniquely positioned by offering full service broking platforms and also offering a complete digital broking for retail customer.

Company has a full suite of investment across asset class including Equity, Derivatives, Margin Trading Funding etc. Company is also registered with Pension Fund Regulatory Development Authority (PFRDA) for distribution of NPS product as POP- online.

During the year, Company was felicitated by BSE as a top performer in primary market segment (Equity - IPO / FPO bids - members) for FY2019-20

Working Results/Operations:

Company had a good operating year, its financial performance is as follows:

- Margin Trade Financing book stands at Rs. 18,410.97 lac as against Rs. 293.63 lac in previous year
- Total Income for FY2021 is Rs. 3,634.45 lac against Rs. 1,055.72 lac in previous year.
- Profit before tax for FY2021 is Rs. 876.23 lac against Rs. 127.32 lac in previous year.
- Profit after tax for FY2021 is Rs. 554.63 lac against Rs. 225.47 lac in previous year

Risk and concerns

Company has robust risk management policy which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The risk identified are market risk, liquidity risk and operational risk. The company is continually improving prudent risk management framework to mitigate identified and anticipated risk. The following matrix gives an overview of risk, mitigants and control measures.

Risk types	Risk overview	Risk Management	Controls
Market Risk	Risk of loss due to changes in market conditions	<ul style="list-style-type: none">• Pre-defined margins set in system• Pre-defined Order Limits• Proactively managing positions based on market Intelligence	<ul style="list-style-type: none">• Live Margin Monitoring• Price movement alerts

Risk types	Risk overview	Risk Management	Controls
Credit Risk	Borrower - Potential for loss due to the default or deterioration in credit worthiness Collateral - Potential for loss due to the deterioration in credit quality of securities	Borrower – Credit Assessment of Borrower and Setting of credit limits Collateral – <ul style="list-style-type: none"> • Monthly review of approved list of securities • Daily shortfall intimation to clients & follow-ups 	<ul style="list-style-type: none"> • Real Time Portfolio monitoring • Market Intelligence and News
Liquidity Risk	Risk that the client will be unable to meet shortfall / loan in the event of broader industry or market liquidity stress events	<ul style="list-style-type: none"> • Track RBI Monetary Policy Meet • Track Interest & Forex rate movements • Track Repayment schedule of clients' (Interest + shortfall) 	<ul style="list-style-type: none"> • Client level System generated reports
Operational Risk	Risk of an adverse outcome resulting from inadequate or failed internal processes, people, systems or from external events	<ul style="list-style-type: none"> • Close co-ordination with key stake holders (Operations & IT) with the help of CRM • End of the day Mail to client & Relationship Manager for Shortfall • Immediate connect with Rm in case of Sell Trigger 	<ul style="list-style-type: none"> • Email to all stakeholders in case of End of the day Activity failure • Immediate Intimation to all stakeholders during the day in case of system delay / failure

The Board does not foresee any risk which may threaten the existence or going concern of the Company

Outlook:

Spread of COVID-19 weighed on the global economy and it almost hit majority of developed countries. Many large economies posted contraction due to Covid and due to the lockdowns imposed to contain COVID-19. As a result of some central banks cut rates to multi-year lows, launched large credit lines, bond purchases and other support measures to minimize the impact of the pandemic on their economies. India's stock markets went through extreme volatility in 2020. In March, the markets witnessed their worst ever sell off as well as soaring to all time high by the year end. It is expected that in the year 2021, the Indian economy would return to normalcy. In the first few months of 2021, certain events like the COVID vaccination, the Union Budget, and the US government's new policies will be key driving factors.

Company believes that its strategy of broad-basing the business model is more relevant now with so much changes happening in the broking industry. Our focus will be to invest in digital capabilities which will be a key differentiator as part of our offering. Company will also be adding newer products for enhanced customer experience

Dividend

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

Subsidiary associate and joint venture

The Company does not have any subsidiary, associate or joint venture company as on the date of this Report. Accordingly, Form AOC-1 is not attached to the financial statements.

Change in Directors and Key Managerial Personnel (KMP)

The Board comprises of qualified professionals with in-depth experience in capital markets, customer service, finance, treasury, law and administration, etc. A brief profile of directors can be accessed at <https://www.bajajfinservsecurities.in/leadership-team>

As on 31 March 2021, the Board comprised of four directors including one woman director. The Board has designated Shri S Sreenivasan and Shri Manish Jain as Designated Director in compliance with stock broking and DP regulations.

The Company being a wholly owned subsidiary of Bajaj Finance Limited is exempt from appointing Independent Directors on its Board as per Rule 4(2) the Companies (Appointment and Qualification of Directors) Rules, 2014.

Further, the Company is not required to constitute Audit Committee and Nomination and Remuneration Committee as per Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014, read with Rule 4(2) the Companies (Appointment and Qualification of Directors) Rules, 2014.

A. Directors

Ms. Ajita Kakade was appointed as Director of the Company with effect from 15 May 2020. The appointment was approved by the shareholders at the AGM held on 15 July 2020.

Shri Manish Jain Director, retires by rotation at the ensuing AGM and, being eligible, offers himself for re-appointment. Resolution seeking approval of the members for his re-appointment forms part of notice convening the 11th AGM. Necessary details regarding his re-appointment as required under the Act is given in the notice of AGM.

B. KMP

Pursuant to Section 203 of the Companies Act, 2013, the following continue to be the whole-time KMP of the Company:

- Shri Manish Jain, Manager
- Shri Bhalchandra Deodhar, Chief Financial Officer
- Shri Ravikumar Dugar, Company Secretary

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. During

FY2021, the Directors were not paid any sitting fee. The said Policy is hosted on the Company's website and can be accessed at <https://www.bajajfinservsecurities.in/download>

Remuneration to directors

All directors being senior employees of holding/fellow subsidiary companies do not draw any remuneration of the Company. Shri Manish Jain, Director and Manager, is on the rolls of holding company and draws remuneration from holding company. There were no pecuniary relationship/ transactions of any of the non-executive directors with the Company except transactions in the ordinary course of business and on arm's length basis at par with any member of general public.

Performance Evaluation

Pursuant to the provisions of the Act, the Board has carried out an annual performance evaluation of its own performance, Chairperson and individual directors.

From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, Chairperson and individual directors for the year 2020-21 and a consolidated report thereof were arrived at. The report of performance evaluation so arrived at, was then noted and discussed by the Board at its meeting held on 26 April 2021.

Directors also opined that the process followed for carrying out Annual Performance Evaluation was satisfactory.

Number of meetings of the Board

The Board of Directors met five times during the year on 15 May 2020, 18 July 2020, 19 October 2020, 18 January 2021 and 21 January 2021. The gap between two consecutive meetings is less than one hundred and twenty days.

Internal Technology Committee

The Company on 15 July 2020 constituted an Internal Technology Committee fulfilling the requirements of the SEBI Circular dated 3 December 2018.

The composition of the Committee as on 31 March 2021 was as under:

Name	Category
Shri Anurag Chottani	Chairman
Shri Manish Jain	Member
Shri Shivakumar Rao	Member
Shri Bineet Jha	Member

Shivakumar Rao was designated as designated officer as per circular.

During FY2021, the Committee met on twice viz., on 23 December 2020 and 26 March 2021. The terms of reference of Committee, *inter alia* includes the following:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place;

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- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring that IT investments represent a balance of risks and benefits and that budgets are acceptable;
- Monitoring the method that Management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT resources;
- Such other matters relating to IT as may be entrusted to it by the Board

Directors' responsibility statement

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values, the provisions of the Companies Act, 2013 and guidelines issued by SEBI. The Ind AS are prescribed under Section 133 of Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015, as amended. Accounting policies have been consistently applied except where a new-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy, which form a part of the Notes to the Financial Statements, hitherto in use.

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) they 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 FY2021;
- (iii) they 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) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Particulars of Loans, Guarantees or Investments

During FY2021, the Company has not given any loans or guarantees pursuant to Section 186 of the Companies Act, 2013. Details of investments made by the Company under section 186 of the Companies Act, 2013 are given in the Financial Statements.

Annual return

A copy of the Annual Return as provided under section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs within 60 days from the date of the Annual General Meeting, is hosted on the Company's website and can be accessed at <https://www.bajajfinservsecurities.in/download>

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Share Capital

During FY2021, the Company raised capital of Rs. 1,499,999,960 by allotment of 149,999,996 equity shares of face value of Rs. 10 to Bajaj Finance Ltd., its holding company, on rights basis.

The infused funds have been utilised for the business of the Company

As on 31 March 2021, the paid-up share capital of the Company stood at Rs. 2,639,999,960 consisting of 263,999,996 equity shares of face value of Rs. 10 fully paid-up.

Commercial paper

The Company, during the year, augmented its short-term resources by issue of commercial papers, keeping in view the requirement of margin trade financing and working capital requirements

The commercial papers issued by the Company are listed for trading on the wholesale debt market segment of BSE Ltd. As on 31 March 2021, an amount of Rs. 100 crore is outstanding.

Credit rating

During FY2021, the Company was rated by credit rating agencies for its long term -borrowing programme and short term borrowing programme.

Long term debt rating

'CRISIL AAA/Stable' for bank loan rating of Rs. 600 crore

Short term debt rating

- *'CRISIL A1+' for its short-term debt programme with a programme size of Rs. 400 crore.*
- *'IND A1+' for its short-term debt programme with a programme size of Rs. 400 crore.*

Related Party Transactions

All contracts/arrangement/transactions entered by the Company during FY2021 with related parties during FY2021, were on an arm's length basis and in the ordinary course of business. The details of such transactions were placed before the Board for review on quarterly basis.

During FY2021, there were no material related party transactions requiring disclosure under section 134 of the Act. Hence, the prescribed Form AOC – 2 does not form a part of this Report. However, the details of transactions with related parties are provided in the Company's financial statements in accordance with the Indian Accounting Standards.

Material changes and commitments

There were 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.

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Conservation of energy and technology absorption

The Company's operation is not energy intensive. 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 FY2021, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow.

Corporate Social Responsibility

Pursuant to section 135(1) of the Act, every company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

The net profit for the year 31 March 2021 is Rs. 87,622,777 calculated as per section 198 of the Act.

Under section 135(5) of the Act, the Company is required to contribute Rs. 768,892 (2% average net profit of last 3 years) as CSR expenditure for FY2021-22. As the mandated CSR spend is below Rs. 50 Lakh, pursuant to Section 135(9) Board will discharge the function of CSR committee.

In line with Section 135 of the Act and Rules made thereunder, Board, at its meeting held on 26 April 2021, approved CSR Policy.

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially w.e.f. 22 January 2021. Accordingly, the CSR Policy which was framed by the Company on 16 July 2018 has got amended on 26 April 2021, with approvals of the CSR Committee and Board of Directors.

The policy, inter alia, covers the following:

- Philosophy, Approach and Direction;
- Guiding Principles for selection, implementation and monitoring of activities; and
- Guiding Principles for formulation of Annual Action Plan.

Web link where the following are disclosed on the website of the company

- | | | |
|---------------------------------|---|---|
| a. Composition of CSR Committee | : | https://www.bajajfinservsecurities.in/board-of-directors |
| b. CSR Policy | : | https://www.bajajfinservsecurities.in/pdf/BFSL-Clean-CSR-Policy.pdf |

Significant and material orders

During FY2021, 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.

Internal Audit

Stock Broking and DP:

The Company has appointed SEC Mark Consultancy Pvt. Ltd as an internal auditor for conducting audit of stock broking and depository business for a period of 5 years as per the relevant guidelines.

During the year under review, SEC Mark Consultancy Pvt. Ltd carried out a half yearly audit of broking and depository business operations. The said reports do not contain any qualification, reservation or adverse remark.

Reports were submitted to BSE Ltd, National Stock Exchange of India Limited, NSDL and CDSL respectively.

Companies Act, 2013:

During FY2021, the Company appointed Ritesh Sheth as internal auditor pursuant to section 138 of the Companies Act, 2013.

The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems and compliance thereof, robustness of internal processes, policies and accounting procedures, compliance with laws and regulations. Based on the reports of internal audit function, process owners undertake corrective action in their respective areas

Internal Financial Controls

The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations with reference to Financial Statements. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

Whistle blower policy

The Company has a whistle blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act. The whistle blower policy/vigil mechanism enables directors and employees to report to the Management their concerns about unethical behaviour.

It also provides safeguard against victimization of directors/employees who avail of the mechanism and allows for direct access to the Director nominated by the Board to play the role of Audit Committee. Shri Manish Jain is the Director nominated in this behalf. No employee was prevented access and no complaints were received during the year.

Statutory disclosures

- The financial results of the Company are placed on the Company's website.
- There was no change in the nature of business of the Company during FY2021
- The Company being unlisted company the provisions of section 197(12) of the Act read with rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.
- The provisions of section 148 of the Act are not applicable to the Company. Accordingly, there is no requirement of maintenance of cost records as specified under section 148(1) of the Act.

- During FY2021, the Company has not accepted any deposits.
- The Company has complied with the applicable provisions of the Stock broking regulations, Depository participant regulations other circulars, notifications and guidelines issued by from time to time.
- The directors' responsibility statement as required by section 134(5) of the Companies Act, 2013 is given in preceding paragraphs.
- The Company has a policy on prevention of sexual harassment at the workplace. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During FY2021, no grievance was raised under the mechanism of the Act.
- The Company being a wholly owned subsidiary of Bajaj Finance Limited does not have an ESOP scheme. However, employees of the Company are eligible for ESOPs from the holding company as per applicable policies.

Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) read with the MCA Circulars granting exemptions in view of the COVID-19 pandemic.

Statutory 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 Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

The audit report by S R B C & CO LLP, for FY2021 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Auditor

During FY2021, Shyamprasad D Limaye, practising company secretary (FCS No. 1587, CP No. 572), has been appointed as Secretarial Auditor to undertake secretarial audit of the Company, pursuant to the provisions of section 204 of the Act.

A report from the secretarial auditor in the prescribed Form MR-3 for the year ended 31 March 2021 is annexed to this Report. It does not contain any qualification, reservation, adverse remark or disclaimer.

The auditors i.e. Statutory Auditors and Secretarial Auditors the auditors have not reported any matter under section 143(12) of the Act, and therefore, no detail is required to be disclosed under section 134(3)(ca) of the Act.

Dr.

Acknowledgements:

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Securities and Exchange Board of India, the BSE Ltd, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies.

Your Directors are also grateful to the Company's customers and bankers for their continued support.

The Board of Directors also place on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company.

Cautionary statement

Some statements in this Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied.

Place: Pune
Date: 26/4/2021

On behalf of the Board of Directors



S Sreenivasan

Chairman

DIN: 03206811



INDEPENDENT AUDITOR'S REPORT

To the Members of Bajaj Financial Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bajaj Financial Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 financial statements give the information required by the Companies Act, 2013 ("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, 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

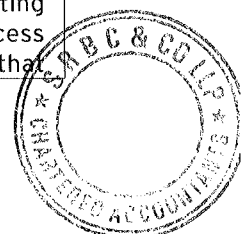
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
IT Systems and controls	
Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.	<ul style="list-style-type: none"> We performed the following procedures assisted by specialized IT auditors on the IT infrastructure and applications relevant to financial reporting: Tested the design and operating effectiveness of the Company's IT access controls over the information systems that



Key audit matters	How our audit addressed the key audit matter
<p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<p>are important to financial reporting and various interfaces, configuration and other identified application controls.</p> <ul style="list-style-type: none"> • Tested IT general controls (logical access, change management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized. • Tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. • In addition to the above, we tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting. • Tested the design and operating effectiveness of compensating controls in case deficiencies were identified and, where necessary, extended the scope of our substantive audit procedures.

Other Information

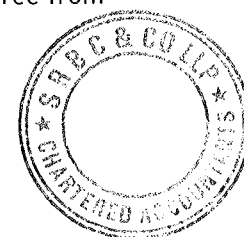
The other information comprises the information included in the Director's Report but does not include the financial statements and our auditor's report thereon. The Company's Board of Directors is responsible for the other information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 the Board of Directors for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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 financial statements, including the disclosures, and whether the 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.



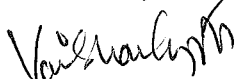
Report on Other Legal and Regulatory Requirements

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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) No managerial remuneration has been paid or provided by the Company to its directors for the year ended March 31, 2021;
 - (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; and
 - 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

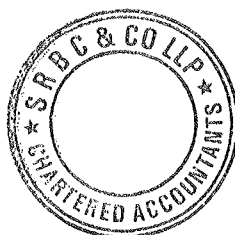
ICAI Firm registration number: 324982E/E300003

per **Vaibhav Kumar Gupta**

Partner

Membership No: 213935

UDIN: 21213935AAAABV9539

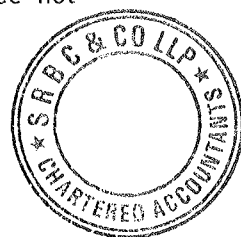


Pune

April 26, 2021

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 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, income-tax, goods and service tax, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to employees' state insurance are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues applicable to the Company were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution. The Company did not have any outstanding loans or borrowing dues 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.

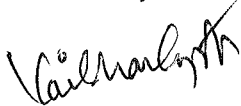


- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (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

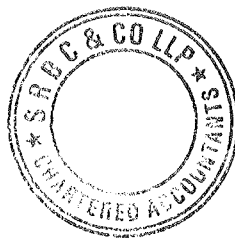


per Vaibhav Kumar Gupta

Partner

Membership No: 213935

UDIN: 21213935AAAABV9539



Pune

April 26, 2021

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 Act

We have audited the internal financial controls with reference to the financial statements of Bajaj Financial Securities Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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

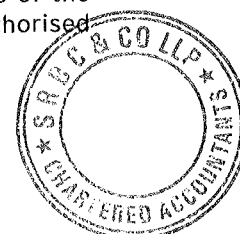
Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these financial statements included obtaining an understanding of internal financial controls with reference to these 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 Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls with Reference to these financial statements

A company's internal financial control with reference to the 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 controls with reference to the 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.

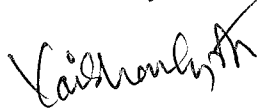
Inherent Limitations of Internal Financial Controls with Reference to financial statements

Because of the inherent limitations of internal financial controls with reference to the 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the 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, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2021, 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 ICAI.

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



per Vaibhav Kumar Gupta
Partner
Membership No: 213935
UDIN: 21213935AAAABV9539



Pune
April 26, 2021

Bajaj Financial Securities Limited
Balance Sheet as at 31 March 2021

(In ₹)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Financial assets			
(a) Cash and cash equivalents	4	157,552,344	112,750,488
(b) Bank balances other than (a) above	5	578,772,092	333,698,619
(c) Receivables	6		
Trade receivables		1,177,665,659	228,453,795
Other receivables		-	-
(d) Loans	7	1,841,096,620	29,362,948
(e) Investments	8	2,601,304,198	523,375,225
(f) Other financial assets	9	173,504,763	1,125,157,838
Total financial assets		6,529,895,676	2,352,798,913
(2) Non-financial assets			
(a) Current tax assets (net)		2,360,184	10,474,522
(b) Deferred tax assets (net)	10	-	1,723,337
(c) Property, plant and equipment	11	55,378,744	39,469,305
(d) Intangible assets	11	14,108,606	5,047,883
(e) Other non-financial assets	12	16,126,459	2,871,516
Total non-financial assets		87,973,993	59,586,563
Total assets		6,617,869,669	2,412,385,476
LIABILITIES AND EQUITY			
Liabilities			
(1) Financial liabilities			
(a) Payables	13		
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1,970,681,210	997,555,370
Other payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		14,610,911	5,481,777
(b) Debt Securities	14	983,530,961	-
(c) Borrowings (other than debt securities)	15	805,886,915	151,046,356
(d) Other financial liabilities	16	35,715,584	16,385,671
Total financial liabilities		3,810,425,581	1,170,469,174
(2) Non-financial liabilities			
(a) Provisions	17	2,469,993	922,075
(b) Deferred tax liabilities (net)	10	4,776,730	-
(c) Other non-financial liabilities	18	13,819,596	10,011,432
Total non-financial liabilities		21,066,319	10,933,507
(3) Equity			
(a) Equity share capital	19	2,639,999,960	1,140,000,000
(b) Other equity	20	146,377,809	90,982,795
Total equity		2,786,377,769	1,230,982,795
Total liabilities and equity		6,617,869,669	2,412,385,476

Summary of significant accounting policies

3

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 For S R B C & Co LLP

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003

S Sreenivasan

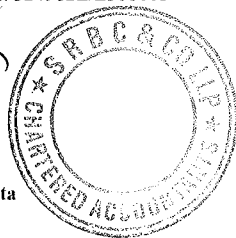
S Sreenivasan
Chairman

Manish Jain

Manish Jain
Manager and CEO

Vaibhav Kumar Gupta

per Vaibhav Kumar Gupta
Partner
Membership No. : 213935



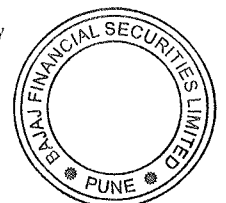
Bhalchandra Deodhar

Bhalchandra Deodhar
Chief Financial Officer

Ravi Dugar

Ravi Dugar
Company Secretary

Pune: April 26, 2021



Bajaj Financial Securities Limited
Statement of Profit and Loss for the year ended 31 March 2021

(In ₹)

Particulars		Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
(I)	Revenue from operations			
	Interest income	21	98,511,746	10,402,947
	Brokerage and Fee Income	22	224,492,371	59,980,281
	Net gain on fair value changes	23	36,523,006	33,133,178
	Others		3,917,790	2,055,484
	Total		363,444,913	105,571,890
(II)	Other income		-	-
(III)	Total income (I + II)		363,444,913	105,571,890
(IV)	Expenses			
	Finance costs	24	30,682,048	2,339,200
	Fees and commission expense	25	14,351,924	149,324
	Impairment on financial instruments	26	906,320	14,689
	Employee benefits expense	27	96,987,205	45,137,428
	Depreciation and amortisation expenses	11	12,925,963	8,312,369
	Other expenses	28	119,968,676	36,886,510
	Total expenses		275,822,136	92,839,520
(V)	Profit before tax (III - IV)		87,622,777	12,732,370
(VI)	Tax expense			
	Current tax		25,634,018	2,133,942
	Deferred tax (credit)/charge		6,526,128	(1,723,337)
	Availment of MAT credit w.r.t. earlier years		-	(10,224,827)
	Total tax expense	10	32,160,146	(9,814,222)
(VII)	Profit after tax (V - VI)		55,462,631	22,546,592
(VIII)	Other comprehensive income			
	<u>Items that will not be reclassified to profit or loss:</u>			
	-Remeasurement gains/(losses) on defined benefit plans		(93,678)	-
	-Tax impact on above		26,061	-
	<u>Items that will be reclassified to profit or loss in subsequent periods:</u>			
	-Changes in fair value of FVOCI debt securities		-	-
	-Tax impact on above		-	-
	Other comprehensive income for the year (net of tax)		(67,617)	-
(IX)	Total comprehensive income for the year (VII + VIII)		55,395,014	22,546,592
(X)	Earnings per share:	29		
	(Nominal value per share ₹ 2)			
	Basic (₹)		0.42	0.32
	Diluted (₹)		0.42	0.32

Summary of significant accounting policies

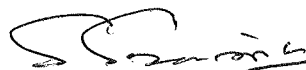
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The accompanying notes are an integral part of the financial statements

On behalf of the Board of Directors

As per our report of even date

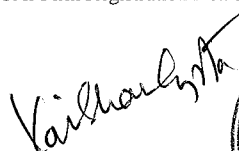
For SRBC & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003



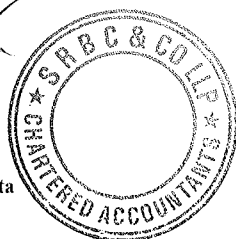
S Sreenivasan
Chairman



Manish Jain
Manager and CEO



per Vaibhav Kumar Gupta
Partner
Membership No. : 213935

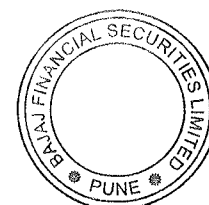



Bhalchandra Deodhar
Chief Financial Officer



Ravi Dugar
Company Secretary

Pune: April 26, 2021



Bajaj Financial Securities Limited
Statement of changes in equity for the year ended 31 March 2021

a. Equity share capital

(In ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
At the beginning of the year	1,140,000,000	140,000,000
Changes in equity share capital during the year (refer note no. 19(a))	1,499,999,960	1,000,000,000
At the end of the year	2,639,999,960	1,140,000,000

b. Other equity

For the year ended 31 March 2021

(In ₹)

Particulars	Note No.	Retained earnings	Total other equity
Balance as at 31 March 2020	20	90,982,795	90,982,795
Profit after tax		55,462,631	55,462,631
Other comprehensive income (net of tax)		(67,617)	(67,617)
Total		146,377,809	146,377,809
Balance as at 31 March 2021	20	146,377,809	146,377,809

For the year ended 31 March 2020

(In ₹)

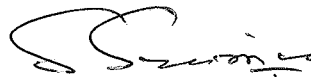
Particulars	Note No.	Retained earnings	Total other equity
Balance as at 1 April 2019	20	68,436,203	68,436,203
Profit after tax		22,546,592	22,546,592
Other comprehensive income (net of tax)		-	-
Total		90,982,795	90,982,795
Balance as at 31 March 2020	20	90,982,795	90,982,795

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

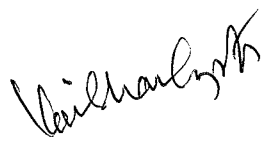
For **S R B C & Co LLP**
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003

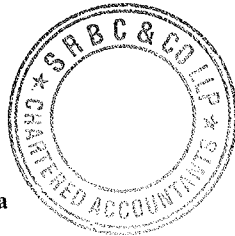


S Sreenivasan
Chairman

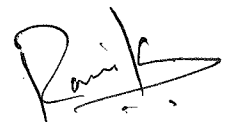


Manish Jain
Manager and CEO


As per **Vaibhav Kumar Gupta**
Partner
Membership No. : 213935

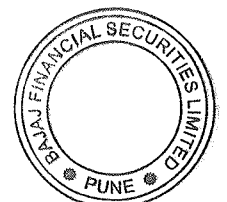



Bhalchandra Deodhar
Chief Financial Officer



Ravi Dugar
Company Secretary

Pune: April 26, 2021



Bajaj Financial Securities Limited
Statement of Cash Flows for the year ended 31 March 2021

(In ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Operating activities		
Profit before tax	87,622,777	12,732,370
Adjustments for:		
Interest income	(98,511,746)	(10,402,947)
Depreciation and amortisation	12,925,963	8,312,369
Share issue expenses	13,250,000	-
Net (gain)/loss on disposal of property, plant and equipment	26,841	-
Impairment on financial instruments	906,320	14,689
Finance costs	30,682,048	2,339,200
Net (gain)/ loss on financial instruments at fair value through profit or loss	(36,523,006)	(33,133,178)
Remeasurement gain/(loss) on defined benefit plans	(93,678)	-
	10,285,519	(20,137,497)
Cash inflow from interest on loans	64,887,064	6,600,258
Cash from operation before working capital changes	75,172,583	(13,537,239)
Working capital changes:		
(Increase) / decrease in other bank balances	(221,900,000)	(330,675,000)
(Increase) / decrease in trade receivables	(948,554,053)	(228,453,795)
(Increase) / decrease in other receivables	-	-
(Increase) / decrease in loans	(1,812,639,992)	(29,377,637)
(Increase) / decrease in other financial assets	951,653,076	(1,128,115,376)
(Increase) / decrease in other non-financial assets	(4,554,943)	(2,757,101)
Increase / (decrease) in trade payables	973,125,835	997,291,350
Increase / (decrease) in other payables	9,129,134	5,481,777
Increase / (decrease) in other financial liabilities	3,359,376	249,589
Increase / (decrease) in provisions	1,547,918	922,075
Increase / (decrease) in other non-financial liabilities	3,808,164	10,001,132
	(1,045,025,485)	(705,432,986)
Interest received on deposits with bank	9,793,398	779,070
Income tax paid (net of refunds)	(17,519,680)	(2,219,911)
Net cash used in operating activities (A)	(977,579,184)	(720,411,066)
B. Investing activities		
Purchase of property, plant and equipment	(6,458,037)	(28,373,408)
Purchase of intangible assets	(20,375,701)	(5,608,759)
Sale of property, plant and equipment	549,933	-
Purchase of investments measured at FVTPL	(2,977,627,116)	(1,517,400,000)
Proceeds from sale of investments measured at FVTPL	936,221,153	1,235,506,467
Net cash generated from/ (used in) investing activities (B)	(2,067,689,768)	(315,875,699)
C. Financing activities		
Issue of equity share capital (including securities premium)	1,499,999,960	1,000,000,000
Share issue expenses	(13,250,000)	-
Debt Securities	974,633,000	-
Payment of lease liability	(4,368,625)	-
Cash outflow towards finance cost	(22,830,442)	(1,292,844)
Borrowings other than debt securities issued, net	655,886,915	150,000,000
Net cash generated from financing activities (C)	3,090,070,808	1,148,707,156
Net increase in cash and cash equivalents (A+B+C)	44,801,856	112,420,391
Cash and cash equivalents at the beginning of the year	112,750,488	330,097
Cash and cash equivalents at the end of the year	157,552,344	112,750,488

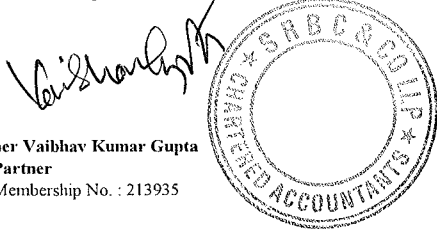
1. The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 - Statement of cash flows.

2. Components of cash and cash equivalents are disclosed in note no. 4.

On behalf of the Board of Directors

As per our report of even date

For SRBC & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 324982E/E300003



As per Vaibhav Kumar Gupta
Partner
Membership No. : 213935

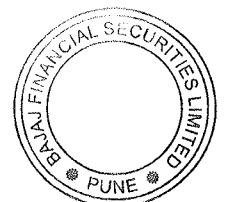
Pune: April 26, 2021

S Sreenivasan
Chairman

Bhalchandra Deodhar
Chief Financial Officer

Manish Jain
Manager and CEO

Ravi Dugar
Company Secretary



Bajaj Financial Securities Limited

Notes to financial statements for the year ended 31 March 2021

1. Corporate information

Bajaj Finance Securities Ltd. ('the Company', 'BFSL') is incorporated on 7 April 2010 and domiciled in India. The Company is engaged in a single line of business as a provider of broking services to its clients in capital market. The Company is an unlisted public limited Company that is a wholly owned subsidiary of Bajaj Finance Limited (the "Parent"). The Company is registered as a "Stock Broker" with the Securities and Exchange Board of India ("SEBI") offering stock and derivative trading through NSE and BSE. The Company is registered as Depository Participant with both NSDL and CDSL in terms of Security and Exchange Board of India (Depository Participant) Regulations, 1996. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at Unit-2, Tower-B, Mantri IT Park, Nagar Road, Viman Nagar, Pune, Maharashtra, India.

The audited financial statements were subject to review and approval of Board of Directors. On April 26, 2021, 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 of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division III of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III). The financial statements have been prepared on a going concern basis. The Company uses accrual basis of accounting except in case of significant uncertainties.

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. 3.4.1)
- Fair value of financial instruments (Refer note no. 3.12, 40 and 41)
- Effective interest rate (EIR) (Refer note no. 3.1(ii))
- Impairment of financial assets (Refer note no. 3.4.1, 7 and 42)
- 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 (b))

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

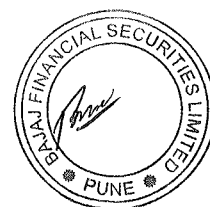
- (i) The Company recognises revenue from contracts with customers based on a comprehensive assessment model as set out in Ind AS 115 - 'Revenue from contracts with customers'. The Company identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. Revenue is measured at fair value of the consideration received or receivable.

- a. Brokerage income with respect to stock broking activities is recognised on trade date in accordance with the terms of contract.
- b. Fee income is accounted for, on an accrual basis in accordance with the terms and conditions entered into between the Company and the counterparty.

- (ii) Interest income is recognised using effective interest rate method.

(iii) Other revenue from operations

- a. Commission income in relation to public issue and other financial instruments is recognised based on mobilization and intimation received from the clients/ intermediaries or over the periods as applicable.
- b. Delayed payment charges are recognised on accrual basis.



(iv) **Net gain on fair value changes**

The Company designates financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

(v) Profit/loss on sale of investment is recognised on trade date basis.

(vi) **Taxes**

Incomes are recognised net of the goods and services tax/ service tax, wherever applicable.

3.2 Expenditures

(i) **Finance costs**

Borrowing costs on financial liabilities are recognised using the EIR (refer note no. 3.1(ii)).

(ii) **Fees and commission expenses**

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees/commission incurred on trades executed, value added services and products distribution, and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) **Taxes**

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

(iv) **Other expenses**

All the other expenses incurred and paid by the company in the financial year is accounted for in the same financial year.

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 Financial instruments

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, debt securities and other borrowings etc. are some examples of financial instruments.

Date of recognition

All the financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

Initial measurement

All financial instrument are recognised initially at fair value including transaction costs that are attributable to the acquisition of the financial instrument except in the case of financial instrument recorded at FVTPL where the transaction costs are charged to profit or loss.

(i) **Financial assets**

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into two categories:

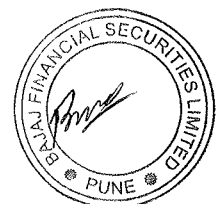
- Debt instruments at amortised cost
- Debt instruments at FVTPL

a) Debt instruments at amortised cost

The Company measures its financial assets at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are Sole Payments of Principal and Interest (SPPI) on the principal amount outstanding.

To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the nature of portfolio, and the period for which the interest rate is set.



The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows.

After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). For further details, refer note no. 3.1(ii). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

b) Debt instruments at FVTPL

The Company classifies financial assets which are held for trading under FVTPL category. Held for trading assets are recorded and measured in the balance sheet at fair value. Interest are recorded in interest income according to the terms of the contract, or when the right to receive the same has been established. Gain and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

The Company's investments into mutual funds for trading and short term cash flow management have been classified under this category.

Derecognition of Financial Assets:

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- The right to receive cash flows from the asset have expired; or
 - The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset.
- Once the asset is derecognised, the Company does not have any continuing involvement in the same.

On derecognition of a financial asset in its entirety, the difference between:

- The carrying amount (measured at the date of derecognition) and
- The consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

Impairment of financial assets:

Expected Credit losses ('ECL') are recognised for financial assets held under amortised cost category. In accordance with Ind AS 109, the Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. At each reporting date, the Company assesses whether the loans have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging of the outstanding.

The Company uses 12 month ECL for days past due less than 30 days which is stage I and lifetime ECL for days past due greater than 30 days and less than 90 days, stage II, and for days past due greater than 90, stage III. If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the statement of profit and loss.

(ii) Financial liabilities

Financial liabilities include liabilities that represent a contractual obligation to deliver cash or another financial assets to another entity, or a contract that may or will be settled in the entities own equity instruments. Few examples of financial liabilities are trade payables and other borrowings.

Initial measurement:

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade payables, other payables and other borrowings.

Subsequent measurement:

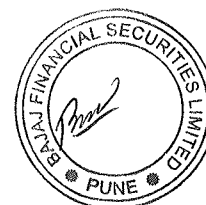
After initial recognition, all financial liabilities are subsequently measured at amortised cost using the EIR method (Refer note no 3.1 (ii)). Any gains or losses arising on derecognition of liabilities are recognised in the statement of profit and loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only if there is an enforceable legal right to offset the recognised amounts with an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.



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'.

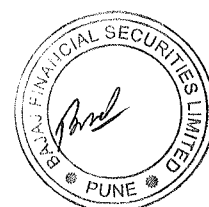
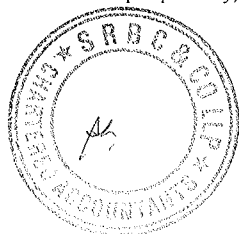
Depreciation on property, plant and equipment:

- (a) Depreciation is provided on a pro-rata basis for all tangible assets on straight line method over the useful life of assets.
- (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) Tangible assets which are depreciated over a useful life that is different than those indicated in Schedule II are as under:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	4 years
Office equipment	5 years	5 years
Furniture and fixtures	10 years	10 years
Vehicles	8 years	8 years

For the above class of asset, based on internal assessment and independent technical evaluation carried out by external valuers, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Act.

- (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 software 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. The write down is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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 Retirement and other employee benefits

- (i) Superannuation: Defined contribution to superannuation fund is made as per the scheme of the Company.
- (ii) Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (e.g. Employees' Provident Fund Organisation (EPFO)) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Since the Company pays all Provident fund & Pension fund contributions to EPFO, no actuarial assumptions are required to measure the obligation or the expense and there is no possibility of any actuarial gain or loss. Moreover, the obligations are measured on an undiscounted basis, except where they are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service.
- (iii) Compensated absences: Accumulated privilege leave are recognised as an expense and paid during the same financial year.

3.11 Leases

Measurement of Lease Liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payment discounted using the Company's incremental cost of borrowing rate and directly attributable cost. Subsequently, the lease liability is measured as –

- (i) increased by interest on lease liability;
- (ii) reduce by lease payment made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications specified in Ind AS 116 "Leases, or to reflect revised fixed lease payments.

Measurement of Right-of-Use assets

At the time of initial recognition, the Company measures "Right-of-Use assets" as present value of all lease payment discounted using the Company's incremental cost of borrowing rate w.r.t said lease contract. Subsequently, "Right-of-Use assets" is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 "Leases". "Right-of-Use assets" is depreciated on straight line basis over the lease period.

The exception given for low value assets and short term leases has been adopted by Company.

3.12 Fair value measurement

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

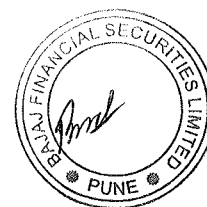
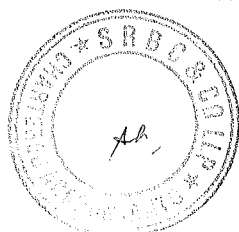
Fair value is the price that would be received against sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability 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. 40 and 41.

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. Cash and cash equivalents

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Balance with banks in current accounts	157,552,344	112,750,488
Total	157,552,344	112,750,488

5. Bank balances other than cash and cash equivalents

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Fixed deposits*	578,772,092	333,698,619
Total	578,772,092	333,698,619

* Fixed deposit under lien with stock exchanges for margin requirement ₹ 5,373,799 (Previous year ₹ 306,940,023), deposits with exchange for trade ₹ 48,051,031 (Previous year ₹ 26,758,596), deposits with bank for Bank Guarantee ₹ 523,337,330 (Previous year ₹ NIL) and deposits with the Pension Fund Regulatory & Development Authority ₹ 2,009,932 (Previous year ₹ NIL).

6. Receivables

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
(i) Trade receivables		
Receivables considered good - unsecured*	1,177,665,659	228,453,795
Less: impairment loss allowances	-	-
Total	1,177,665,659	228,453,795
(ii) Other receivables		
Receivables considered good - unsecured	-	-
Less: impairment loss allowances	-	-
Total	-	-

* Impairment allowance recognised on trade and other receivables is Nil (Previous year: Nil).

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

7. Loans

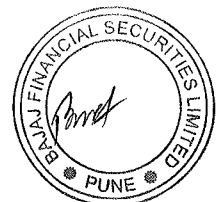
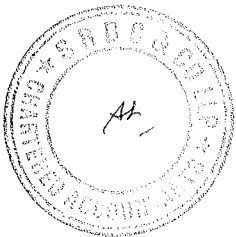
Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
(A) Term Loan		
At amortised cost		
Margin trade funding	1,842,017,629	29,377,637
Less: impairment loss	921,009	14,689
Total (A)	1,841,096,620	29,362,948
Out of above		
(I) Secured by:		
Secured by tangible assets		
Collateral in the form of cash, securities in case of margin trade funding	1,842,017,629	29,377,637
Less: impairment loss allowances	921,009	14,689
Total (I)	1,841,096,620	29,362,948
(II) Unsecured		
Total (I+II)	1,841,096,620	29,362,948
Out of above		
(I) Loans in India		
(i) Others		
Less: impairment loss	921,009	14,689
Total (I)	1,841,096,620	29,362,948
(II) Loans outside India		
Total (I+II)		
(B) At fair value through other comprehensive income	-	-
(C) At fair value through profit or loss	-	-
(D) At fair value designated at fair value through profit or loss	-	-
Total (A) + (B) + (C) + (D)	1,841,096,620	29,362,948



Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans is as follows:

(In ₹)

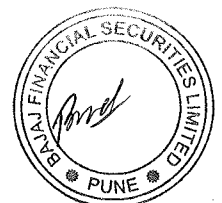
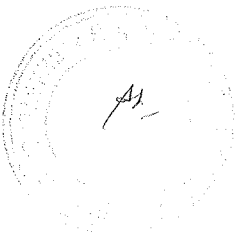
Particulars	For the year ended 31 March 2021							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2020	29,377,637	14,689	-	-	-	-	29,377,637	14,689
Transfers during the year								
- transfers to stage 1	-	-	-	-	-	-	-	-
- transfers to stage 2	-	-	-	-	-	-	-	-
- transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures	-	-	-	-	-	-	-	-
New credit exposures during the year, net of repayments	1,812,639,992	906,320	-	-	-	-	1,812,639,992	906,320
Amounts written off during the year	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
As at 31 March 2021	1,842,017,629	921,009	-	-	-	-	1,842,017,629	921,009



Particulars	For the year ended 31 March 2020 (In ₹)							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2019	-	-	-	-	-	-	-	-
Transfers during the year								
- transfers to stage 1	-	-	-	-	-	-	-	-
- transfers to stage 2	-	-	-	-	-	-	-	-
- transfers to stage 3	-	-	-	-	-	-	-	-
Impact of changes in credit risk on account of stage movements	-	-	-	-	-	-	-	-
Changes in opening credit exposures	-	-	-	-	-	-	-	-
New credit exposures during the year,	29,377,637	14,689	-	-	-	-	29,377,637	14,689
Amounts written off during the year	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
As at 31 March 2020	29,377,637	14,689	-	-	-	-	29,377,637	14,689

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss :

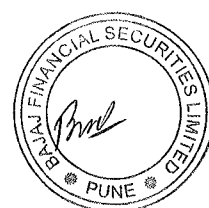
Particulars	For the year ended (In ₹)	
	31 March 2021	31 March 2020
Net impairment loss allowance charge/ (release) for the year	921,009	14,689
Impairment on financial instruments	921,009	14,689



Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
8. Investments		
A. At fair value through profit or loss		
In mutual funds*	2,567,912,962	506,832,468
Add: Fair value gains/ (losses)	33,391,236	16,542,757
Total	2,601,304,198	523,375,225

* Mutual Fund under lien with stock exchanges for margin requirement ₹2,553,858,230 (Previous year ₹502,217,001)

Out of above	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
In India	2,601,304,198	523,375,225
Outside India	-	-
Total	2,601,304,198	523,375,225
B. At amortised cost	-	-
C. At fair value through other comprehensive income	-	-
Total (A+B+C)	2,601,304,198	523,375,225



9. Other financial assets

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Security deposits	25,708,258	35,155,838
Margin with exchanges*	147,794,505	1,090,000,000
Other advances	2,000	2,000
Total	173,504,763	1,125,157,838
Less: impairment loss allowances	-	-
TOTAL NET	173,504,763	1,125,157,838

*It includes Fixed Deposits placed with banks out of client funds with ICCL ₹ 147,794,505 (Previous year ₹ NIL)

10. Deferred tax assets (net)

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

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	87,622,777	12,732,370
At corporate tax rate of 27.82% (Previous year 20.5868% - under MAT)	24,376,656	3,542,145
Tax on expenditure not considered for tax provision (net of allowance)	7,783,490	3,571,129
Tax impact on set-off of carried forward tax losses	-	(1,067,293)
Tax impact on deferred tax on carried forward losses	-	(2,078,597)
Utilisation of MAT credit	-	(3,556,780)
Tax expense (effective tax rate of 36.70%, Previous year 3.225%)	32,160,146	410,605
Availment of MAT credit w.r.t. earlier years	-	(10,224,827)
Total tax expense	32,160,146	(9,814,222)

Deferred tax recorded in balance sheet

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
Disallowance u/s 43B of the Income Tax Act, 1961	661,091	256,521
Impairment of financial instrument	256,225	4,086
Lease liability impact	355,095	245,731
Tax impact on carried forward losses	-	2,078,597
Other temporary difference	4,313,962	-
Total of deferred tax assets	5,586,372	2,584,936
<i>Deferred tax liabilities</i>		
Depreciation and amortisation	1,099,721	340,337
Unrealised net gain on fair value changes	9,289,442	521,261
Total of deferred tax liabilities	10,389,163	861,599
Deferred tax assets/ (liabilities), net	(4,802,791)	1,723,337

Changes in deferred tax recorded in profit or loss

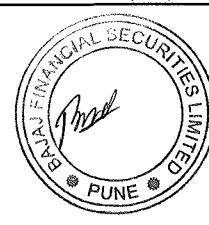
Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax relates to the following:		
Disallowance u/s 43B of the Income Tax Act, 1961	(404,570)	(256,521)
Impairment of financial instrument	(252,138)	(4,086)
Depreciation and amortisation	759,384	340,337
Unrealised net gain on fair value changes	8,768,181	521,261
Tax impact on carried forward losses	2,078,597	(2,078,597)
Lease liability impact	(109,363)	(245,731)
Other temporary difference	(4,313,962)	-
Total	6,526,128	(1,723,337)

Changes in deferred tax recorded in other comprehensive Income

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Deferred tax relates to the following:		
Disallowance u/s 43B of the Income Tax Act, 1961	(26,061)	-
Total	(26,061)	-

Statement of MAT credit

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
MAT credit available as on 1 April 2020	10,224,827	-
MAT credit utilised during the year	(10,224,827)	10,224,827
MAT credit available as on 31 March 2021	-	10,224,827

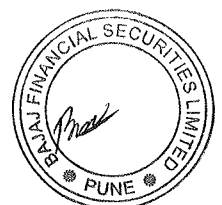
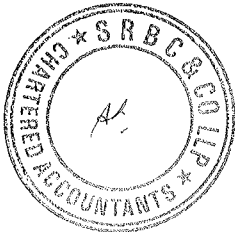


11. Property, plant and equipment and intangible assets

For the financial year 2020-21										(In ₹)
Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 1 April 2020	Additions	Deductions/ adjustments	As at 31 March 2021	As at 1 April 2020	Deductions/ adjustments	For the year	As at 31 March 2021	As at 31 March 2021	
Property, plant and equipment										
Leasehold improvements	2,446,699	-	-	2,446,699	595,245	-	746,892	1,342,137	1,104,562	
Computers	12,433,678	4,939,441	538,442	16,834,677	1,413,368	105,028	2,818,698	4,127,038	12,707,639	
Office equipment	6,091,153	673,307	133,438	6,631,022	1,037,061	-	1,255,943	2,293,004	4,338,018	
Furniture and fixtures	7,401,878	-	-	7,401,878	762,994	-	709,742	1,472,736	5,929,142	
Right-of-use - Premises	18,847,391	20,339,160	-	39,186,551	3,942,827	-	4,761,733	8,704,560	30,481,991	
Vehicles	-	845,289	-	845,289	-	-	27,897	27,897	817,392	
Sub-total (A)	47,220,799	26,797,197	671,880	73,346,116	7,751,495	105,028	10,320,905	17,967,372	55,378,744	
Intangible assets										
Computer Software	5,608,759	11,675,701	-	17,284,460	560,876	-	2,614,978	3,175,854	14,108,606	
Sub-total (B)	5,608,759	11,675,701	-	17,284,460	560,876	-	2,614,978	3,175,854	14,108,606	
Total (A + B)	52,829,558	38,472,898	671,880	90,630,576	8,312,371	105,028	12,935,883	21,143,226	69,487,350	

For the financial year 2019-20										(In ₹)
Particulars	Gross block				Depreciation and amortisation				Net block	
	As at 1 April 2019	Additions	Deductions/ adjustments	As at 31 March 2020	As at 1 April 2019	Deductions/ adjustments	For the year	As at 31 March 2020	As at 31 March 2020	
Property, plant and equipment										
Leasehold improvements	-	2,446,699	-	2,446,699	-	-	595,245	595,245	1,851,454	
Computers	-	12,433,678	-	12,433,678	-	-	1,413,368	1,413,368	11,020,310	
Office equipment	-	6,091,153	-	6,091,153	-	-	1,037,061	1,037,061	5,054,092	
Furniture and fixtures	-	7,401,878	-	7,401,878	-	-	762,994	762,994	6,638,884	
Right-of-use - Premises	-	18,847,391	-	18,847,391	-	-	3,942,827	3,942,827	14,904,564	
Vehicles	-	-	-	-	-	-	-	-	-	
Sub-total (A)	-	47,220,799	-	47,220,799	-	-	7,751,495	7,751,495	39,469,304	
Intangible assets										
Computer Software	-	5,608,759	-	5,608,759	-	-	560,876	560,876	5,047,883	
Sub-total (B)	-	5,608,759	-	5,608,759	-	-	560,876	560,876	5,047,883	
Total (A + B)	-	52,829,558	-	52,829,558	-	-	8,312,371	8,312,371	44,517,187	

The Company has changed the estimated useful life of Computer and Vehicles from 3 years to 4 years and from 4 years to 8 years respectively. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would have been lower by ₹ 609,736.



12. Other non-financial assets

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Capital advances	9,731,090	-
Indirect tax credits available for utilisation	1,728,834	610,213
Advances to suppliers and others	4,666,535	2,261,303
Total	16,126,459	2,871,516

13. Payables

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,970,681,210	997,555,370
Total	1,970,681,210	997,555,370
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,610,911	5,481,777
Total	14,610,911	5,481,777

* Includes payable to related parties ₹ 33,600,064 (Previous year ₹ 75,565,866)

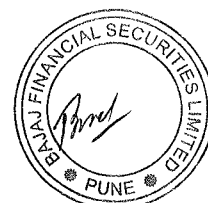
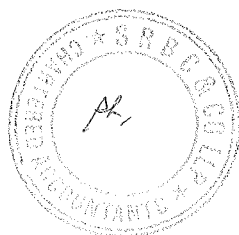
14. Debt Securities

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
(A) At amortised cost		
(I) Secured		
	-	-
(II) Unsecured		
Commercial Paper	983,530,961	-
Total	983,530,961	-
(B) At amortised cost		
In India	983,530,961	-
Outside India	-	-
Total	983,530,961	-

(C) Terms of repayment of commercial papers as at 31 March 2021

Original maturity (In no. of days)	Due within 1 year	More than 1 year	Total
Issued at discount and redeemable at par Up to 365	974,633,000	-	974,633,000
Interest accrued and impact of EIR	8,897,961	-	8,897,961
Total	983,530,961	-	983,530,961

- Interest rate ranges from 3.85% to 4.30% p.a as at 31 March 2021
- Face value of commercial paper is 100 crore as at 31 March 2021



15. Borrowings (other than debt securities)

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
(A) In India		
At amortised cost		
Loan*	-	151,046,356
Overdraft facility	805,886,915	-
Total	805,886,915	151,046,356
Outside India	-	-
(B) In India		
At amortised cost		
Secured (Against hypothecation of loans, book debts and other receivables)	805,886,915	-
Unsecured	-	151,046,356
Total	805,886,915	151,046,356

* Includes payable to related parties NIL (Previous year ₹ 151,046,356)

16. Other financial liabilities

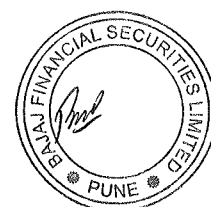
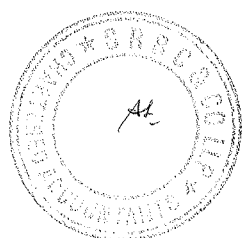
Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Lease Liability	31,758,391	15,787,854
Others	3,957,193	597,817
Total	35,715,584	16,385,671

17. Provisions

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Provision for employee benefits		
-Gratuity	1,961,482	922,075
-Leave encashment & availment	508,511	-
Total	2,469,993	922,075

18. Other non-financial liabilities

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Statutory dues	13,609,529	9,749,448
Income received in advance	210,067	261,984
Total	13,819,596	10,011,432



Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
19. Equity share capital		
Authorised		
300,000,000 (150,000,000) equity shares of ₹10 each	3,000,000,000	1,500,000,000
Issued		
263,999,996 (114,000,000) equity shares of ₹10 each	2,639,999,960	1,140,000,000
Subscribed and paid up		
263,999,996 (114,000,000) equity shares of ₹10 each fully called up and paid up	2,639,999,960	1,140,000,000
	2,639,999,960	1,140,000,000

	(In ₹)	
	Nos.	(In ₹)
a. Reconciliation of the shares outstanding at the beginning and at the end of the year		
Equity share capital issued, subscribed and fully paid up		
As at 1 April 2019	14,000,000	140,000,000
Add: Issued during the year	100,000,000	1,000,000,000
As at 31 March 2020	114,000,000	1,140,000,000
Add: Issued during the year	149,999,996	1,499,999,960
As at 31 March 2021	263,999,996	2,639,999,960

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 31 March 2021		As at 31 March 2020	
	Nos.	(In ₹)	Nos.	(In ₹)
Bajaj Finance Ltd.*	263,999,996	2,639,999,960	114,000,000	1,140,000,000

* A subsidiary of Bajaj Finserv Ltd.

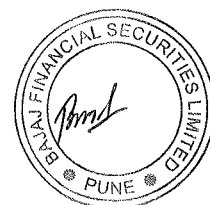
d. Details of shareholders holding more than 5% shares in the Company (Face value ₹2 per share)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finance Ltd. *	263,999,996	100%	114,000,000	100%

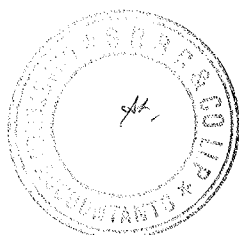
* A subsidiary of Bajaj Finserv Ltd.

20. Other equity

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
i. Retained earnings		
Balance at the beginning of the year	90,982,795	68,436,203
Profit for the year	55,462,631	22,546,592
Item of other comprehensive income recognised directly in retained earnings -On defined benefit plan	(67,617)	-
Balance at the end of the year	146,377,809	90,982,795
ii. Nature and purpose of other equity		
Retained earnings		
Retained earnings represents the surplus in profit and loss account and appropriations.		



21. Interest income	(In ₹)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
At Amortised Cost		
Interest on Loans and Delayed payment	65,544,875	6,600,258
Interest on deposits with bank	32,966,871	3,802,689
Total	98,511,746	10,402,947
22. Brokerage and Fee Income		
Particulars	(In ₹)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Brokerage Income	118,241,313	49,417,625
Fees on value added services and products	13,238,819	2,808,623
Distribution income	93,012,239	7,754,033
Total	224,492,371	59,980,281
23. Net gain on fair value changes		
Particulars	(In ₹)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net gain /(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on debt instruments at FVTPL	19,674,527	31,259,486
Unrealised gain/(loss) on debt instruments at FVTPL	16,848,479	1,873,692
Total net gain/(loss) on fair value changes	36,523,006	33,133,178
24. Finance costs		
Particulars	(In ₹)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
On financial liabilities measured at amortised cost:		
On borrowings	29,518,516	1,046,356
On lease liability	1,163,532	1,281,290
On others	-	11,554
Total	30,682,048	2,339,200
25. Fees and commission expense		
Particulars	(In ₹)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sourcing expenses	14,351,924	149,324
Total	14,351,924	149,324



26. Impairment on financial instruments

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
At amortised cost		
On loans	906,320	14,689
Total	906,320	14,689

27. Employee benefits expenses

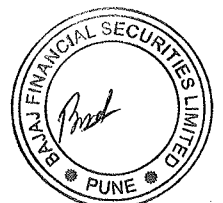
Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Employees emoluments	89,933,779	42,296,888
Contribution to provident fund and other funds	4,311,458	2,445,050
Staff welfare expenses	2,741,968	395,490
Total	96,987,205	45,137,428

28. Other expenses

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Insurance	30,042	10,900
Rent, taxes and energy cost	1,378,423	908,170
Communication expenses	19,118,650	7,892,323
Customer verification	6,084,832	128,918
Travelling expenses	269,740	546,997
Information technology expenses	59,623,435	6,698,856
Bank charges	117,809	128,649
Net loss on disposal of property, plant and equipment	26,841	-
Auditor's fees and expenses*	175,186	62,917
Advertisement, branding and promotion	4,838,162	173,519
Depository charges	1,437,766	560,829
Repairs and maintenance	357,766	101,746
Printing and stationery	368,213	213,041
Legal and professional charges	2,544,267	1,576,402
Share issue expenses	13,250,000	12,825,000
Miscellaneous expenses	10,347,544	5,058,243
Total	119,968,676	36,886,510

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

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Audit fee	54,500	62,917
Tax audit fee	21,800	-
Limited review fees	21,800	-
In other capacity:		
Certification and others	61,900	-
Reimbursement of expenses	15,186	-
Total	175,186	62,917



29. 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.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net profit attributable to equity shareholders (₹ In Crore) (A)	55,462,631	22,546,592
Weighted average number of equity shares for basic earnings per share (B)	133,368,131	71,534,247
Earning per share (basic and diluted) (₹) (A/B)	0.42	0.32

30. Transfer of financial assets that are derecognised in their entirety where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

31. Revenue from contract with customers

(In ₹)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>Type of services</u>		
Brokerage Income	118,241,313	49,417,625
Fees on value added services and products	13,238,819	2,808,623
Distribution income	93,012,239	7,754,033
Total	224,492,371	59,980,281
<u>Geographical markets</u>		
India	224,492,371	59,980,281
Outside India	-	-
Total	224,492,371	59,980,281
<u>Timing of revenue recognition</u>		
Services transferred at a point in time	224,492,371	59,980,281
Services transferred over time	-	-
Total	224,492,371	59,980,281

32. Employee benefit plans

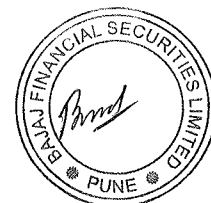
(I) Defined benefit plans

A) Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

(i) Movement in defined benefit obligations

Particulars	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation as at the opening of the year	922,075	-
Current service cost	883,086	-
Past service cost	-	-
Interest on defined benefit obligation	62,643	-
Remeasurement gain/ (loss)		
Actuarial loss / (gain) arising from change in financial assumptions	(25,787)	-
Actuarial loss / (gain) arising from change in demographic assumptions	(245,022)	-
Actuarial loss / (gain) arising on account of experience changes	364,487	-
Benefits paid	-	-
Liabilities assumed / (settled)*	-	922,075
Liabilities extinguished on settlements	-	-
Defined benefit obligation as at the end of the year	1,961,482	922,075



(ii) Movement in plan assets

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Fair value of plan asset as at the beginning of the year	-	-
Employer contributions	-	-
Interest on plan assets	-	-
Administration expenses	-	-
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	-	-
Benefits paid	-	-
Assets acquired / (settled)*	-	-
Assets distributed on settlements	-	-
Fair value of plan asset as at the end of the year	-	-

(iii) Reconciliation of net liability/ asset

Particulars	(In ₹)	
	As at 31 March 2021	As at 31 March 2020
Net defined benefit liability/ (asset) as at the beginning of the year	922,075	-
Expense charged to statement of profit and loss	945,729	-
Amount recognised in other comprehensive income	93,678	-
Employers contribution	-	-
Impact of liability assumed or (settled)	-	922,075
Net defined benefit liability/ (asset) as at the end of the year	1,961,482	922,075

(iv) Expenses charged to the statement of profit and loss

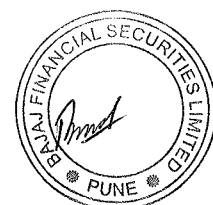
Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	883,086	-
Interest cost	62,643	-
Total	945,729	-

(vi) Remeasurement gains/ (losses) in other comprehensive income

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening amount recognised in other comprehensive income		
Changes in financial assumptions	(25,787)	-
Changes in demographic assumptions	(245,022)	-
Experience adjustments	364,487	-
Actual return on plan assets less interest on plan assets	-	-
Adjustment to recognize the effect of asset ceiling	-	-
Closing amount recognized outside profit or loss in other comprehensive income	93,678	-

(vii) Amount recognised in balance sheet

Particulars	(In ₹)	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Present value of funded defined benefit obligation	-	-
Fair value of plan assets	-	-
Net funded obligation	-	-
Present value of unfunded defined benefit obligation	1,961,482	922,075
Amount not recognised due to asset limit	-	-
Net defined benefit liability recognised in balance sheet	1,961,482	922,075
Current	83,171	1,708
Non-current	1,878,311	920,367



(viii) Key actuarial assumptions

(In ₹)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Discount rate	6.95%	6.80%
Salary escalation rate (p.a.)	11.00%	11.00%

(ix) A quantitative sensitivity analysis for significant assumptions as at 31 March 2020 is as shown below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Discount rate	Salary Escalation Rate	Discount rate	Salary Escalation Rate
Impact of increase in 50 bps on defined benefit obligation	82,565	(84,183)	47,256	(48,688)
Impact of decrease in 50 bps on defined benefit obligation	(87,878)	79,991	(50,912)	45,730

(x) Projected plan cash flow

(In ₹)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Maturity Profile		
Expected benefits for year 1	83,171	1,708
Expected benefits for year 2	124,105	36,412
Expected benefits for year 3	123,593	39,176
Expected benefits for year 4	213,133	43,963
Expected benefits for year 5	217,063	111,624
Expected benefits for year 6	199,405	109,184
Expected benefits for year 7	183,864	104,710
Expected benefits for year 8	170,206	100,446
Expected benefits for year 9	158,226	96,379
Expected benefits for year 10 and above	2,439,805	1,494,596

(In ₹)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Expected contribution to fund in next financial year	-	-

The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

33. Lease Liability

The Company's significant leasing arrangements are in respect of operating leases for premises which are renewable on mutual consent at agreed terms. Certain agreements provide for cancellations by either party or certain agreements contains clause for escalation of lease payments. The non-cancellable operating lease agreements are ranging from 36 to 60 months. There are no sub-leases.

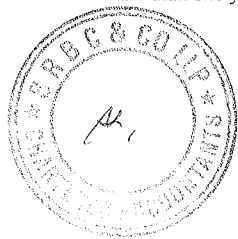
(i) Lease Liability

Particulars	Amount (In ₹)
Balance as on 1 April 2020	15,787,854
Add :	
Addition during the year	20,339,162
Interest on Lease Liability	1,163,531
Less :	
Lease rental payments	5,532,156
Balance as on 31 March 2021	31,758,391

(ii) The total future minimum lease rentals payable at the balance sheet date for non-cancellable portion of the leases are as under:

(In ₹)

Particulars	For the year ended	
	31 March 2021	31 March 2020
Minimum lease obligations:		
-Not later than one year	9,117,991	5,436,897
-Later than one year but not later than five years	29,428,543	13,031,015



34. Capital and other commitments

(In ₹)
As at 31 March 2021 As at 31 March 2020

Particulars

Capital commitments [Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)]	21,324,576	-
	21,324,576	-

35. Unhedged foreign currency exposure

In INR crores	Unhedged		Hedged through forward or derivative		Natural Hedge	
	<=1 year	>1 year	<=1 year	>1 year	<=1 year	>1 year
FCY Receivables						
Exports	NA*	NA*	NA*	NA*	NA*	NA*
Loans to JV/WOS	NA*	NA*	NA*	NA*	NA*	NA*
Others	NA*	NA*	NA*	NA*	NA*	NA*
FCY Payables						
Imports	NA*	NA*	NA*	NA*	NA*	NA*
Trade Credits	NA*	NA*	NA*	NA*	NA*	NA*
ECBs	NA*	NA*	NA*	NA*	NA*	NA*
Other FCY loans	NA*	NA*	NA*	NA*	NA*	NA*
INR to USD swaps	NA*	NA*	NA*	NA*	NA*	NA*
Total	NA*	NA*	NA*	NA*	NA*	NA*

*Not Applicable

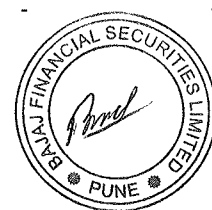
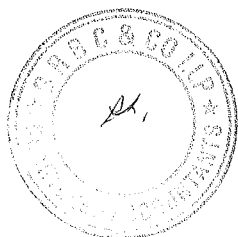
Our audited EBID i.e. Profit after tax + Depreciation + Interest on debt + Lease rentals for the year ended March 31, 2021 is ₹105,221,779
(Previous year ₹37,841,579)

36. Changes in liability

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

37. Disclosure of transactions with related parties as required by Ind AS 24 'Related Party Disclosures'

Name of the related party and nature of relationship	Nature of Transaction	For the year ended 31 March 2021		For the year ended 31 March 2020	
		Transaction Value	Outstanding amounts carried in Balance Sheet	Transaction Value	Outstanding amounts carried in Balance Sheet
(In ₹)					
(A) Holding company, subsidiaries and fellow subsidiary:					
Bajaj Finserv Limited (Ultimate holding company)	Nil	-	-	-	-
Bajaj Housing Finance Limited (Holding company till 9 August 2018)	Nil	-	-	-	-
Bajaj Finance Limited (Holding company w.e.f. 10 August 2018)	Contribution to equity (263,999,996 (114,000,000) shares of ₹ 10 each)	1,000,000,000	(2,639,999,960)	1,000,000,000	(1,140,000,000)
	Short term loan availed	78,639,000,000	-	3,815,000,000	(150,000,000)
	Short term loan repaid	78,789,000,000	-	3,665,000,000	-
	Asset purchased	885,383	-	432,137	(509,922)
	Other payables	-	-	1,530,838	-
	Interest paid on short term loan	4,907,361	-	1,046,356	(1,046,356)
	Pledge charges	-	-	323,688	381,952
	Brokerage and other transaction charges received	10,106,505	-	31,830,875	-
	Demat Charges received	3,288,288	-	1,584,424	-
	Commission	25,249,528	-	-	-
	Business support charges paid	1,864,885	-	-	-

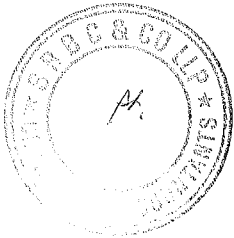


Bajaj Allianz General Insurance Company Ltd. (Fellow subsidiary)	Insurance expenses	1,169,675	(68,634)	56,842	-
Bajaj Allianz Life Insurance Company Ltd. (Fellow subsidiary)	Insurance expenses	314,820	29,562	149,414	29,562

(B) Key Management Personnel & their Relatives:

Manish Jain (Director)	Brokerage and other transaction charges received	-	-	31,903	-
	Demat Charges	-	-	813	-
Rajeev Jain	Brokerage	878,232	-	343,587	-
	Demat Charges	2,788	-	-	-
Sandeep Jain	Brokerage and other transaction charges received	1,679	-	-	-
	Demat Charges	993	-	-	-
Rajeev Jain HUF	Brokerage and other transaction charges received	19,517	-	-	-
	Demat Charges	993	-	-	-
Amisha Sandeep Jain	Brokerage and other transaction charges received	22	-	-	-
	Demat Charges	30	-	-	-

- Transaction values (TV) are excluding taxes and duties except closing balances.
- Amount in bracket denotes credit balance.
- During year ended the Company has undertaken sale of securities on behalf of the holding company's customer for recovery of loan, as at 31 March 2021 ₹ 33,600,064 (Previous year ₹ 75,055,944) (net of brokerage and other charges) is payable to Bajaj Finance Limited towards such sale transaction on behalf of loan against securities customers of Bajaj Finance Limited.
- Related parties have been identified based on representations made by key managerial personnel and information available with the Company.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash.



38. Capital

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and short term debt. The Company is not subject to any externally imposed capital requirements.

(i) Capital management

Objective

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and interest rate.

39. Events after reporting date

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

40. 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 investments held for trading under FVTPL have been determined under level 1 (refer note 41) using quoted market prices of the underlying instruments;

The Company has determined that the carrying values of cash and cash equivalents, bank balances, trade receivables, short term loans trade payables, short term debts, borrowings, bank overdrafts and other current liabilities are a reasonable approximation of their fair value and hence their carrying value are deemed to be fair value.

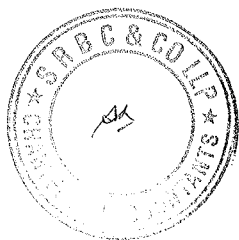
41. Fair value hierarchy

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 2021

(In ₹)

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)	
Assets measured at fair value:					
Mutual Fund	31-Mar-21	2,601,304,198	-	-	2,601,304,198
Total		2,601,304,198	-	-	2,601,304,198

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2020

(In ₹)

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)	
Assets measured at fair value:					
Mutual Fund	31-Mar-20	523,375,225	-	-	523,375,225
Total		523,375,225	-	-	523,375,225

Fair value of financial instruments not measured at fair value as at 31 March 2021

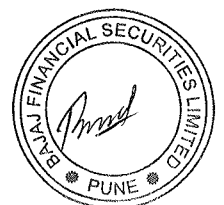
(In ₹)

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	157,552,344	157,552,344	-	-	157,552,344
Bank balances other than (a) above	578,772,092	578,772,092	-	-	578,772,092
Trade receivables	1,177,665,659	-	-	1,177,665,659	1,177,665,659
Other receivables	-	-	-	-	-
Loans	1,841,096,620	-	-	1,841,096,620	1,841,096,620
Other financial assets	173,504,763	-	-	173,504,763	173,504,763
Total financial assets	3,928,591,478	736,324,436	-	3,192,267,042	3,928,591,478
Financial liabilities					
Trade payables	1,970,681,210	-	-	1,970,681,210	1,970,681,210
Other payables	14,610,911	-	-	14,610,911	14,610,911
Debt Securities	983,530,961	-	-	983,530,961	983,530,961
Borrowings (other than debt securities)	805,886,915	805,886,915	-	-	805,886,915
Other financial liabilities	35,715,584	-	-	35,715,584	35,715,584
Total financial liabilities	3,810,425,581	805,886,915.00	-	3,004,538,666	3,810,425,581

Fair value of financial instruments not measured at fair value as at 31 March 2020

(In ₹)

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	112,750,488	112,750,488	-	-	112,750,488
Bank balances other than (a) above	333,698,619	333,698,619	-	-	333,698,619
Trade receivables	228,453,795	-	-	228,453,795	228,453,795
Other receivables	-	-	-	-	-
Loans	29,362,948	-	-	29,362,948	29,362,948
Other financial assets	1,125,157,838	-	-	1,125,157,838	1,125,157,838
Total financial assets	1,829,423,688	446,449,107	-	1,382,974,581	1,829,423,688
Financial liabilities					
Trade payables	997,555,370	-	-	997,555,370	997,555,370
Other payables	5,481,777	-	-	5,481,777	5,481,777
Borrowings (other than debt securities)	151,046,356	-	-	151,046,356	151,046,356
Other financial liabilities	16,385,671	-	-	16,385,671	16,385,671
Total financial liabilities	1,170,469,174	-	-	1,170,469,174	1,170,469,174



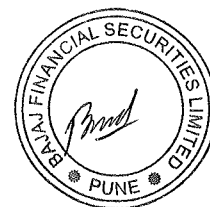
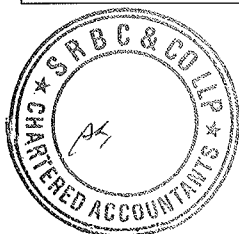
42. Risk management objectives and policies

A summary of the major risks faced by the Company, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Liquidity risk is the risk that the Company may not be able to generate sufficient cash flow at reasonable cost to meet expected and / or unexpected claims. It arises in the funding of lending, trading and investment activities and in the management of trading positions.	Risk Management Committee and Treasury team	The Company aims to maintain the level of its cash and cash equivalents and other highly marketable investments at an amount in excess of expected cash outflow on financial liabilities.
Credit risk	It is risk of financial loss that the Company will incur a loss because its customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company	Risk Management Committee	Credit risk is monitored by Risk management committee using level of credit exposures, portfolio monitoring, bureau data of portfolio performance and industry.
Market Risk	Market risk arises when movements in market factors (foreign exchange rates, interest rates, credit spreads and equity prices) impact the Company's income or the market value of its portfolios. The Company, in its course of business, is exposed to market risk due to change in equity prices and interest rate. The objective of market risk management is to maintain an acceptable level of market risk exposure while aiming to maximize returns. The Company classifies exposures to market risk into equity price risk and interest rate risk.	Risk Management Committee	The Company's equity price risk is managed in accordance with internal policies by its Risk Management Committee. The policies specifies exposure limits and risk limits for the proprietary desk of the Company and stipulates risk-based margin requirements for margin-based trading in equity cash and derivative segment by its clients.

The table below summarises the maturity profile of the undiscounted cashflow of the Company's financial liabilities :

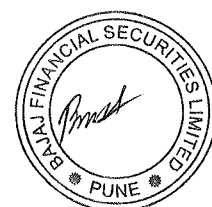
Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<u>Derivative Liability</u>	-	-	-	-	-	-
<u>Non Derivative Liability</u>						
Trade payables	1,970,681,210	-	1,970,681,210	997,555,370	-	997,555,370
Other payables	14,610,911	-	14,610,911	5,481,777	-	5,481,777
Borrowings (other than debt securities)	805,886,915	-	805,886,915	151,046,356	-	151,046,356
Debt Securities	1,000,000,000	-	1,000,000,000	-	-	-
Lease Liabilities	9,117,991	29,428,543	38,546,534	5,436,897	13,031,015	18,467,912
Other financial liabilities	3,957,193	-	3,957,193	597,817	-	597,817
Total	3,804,254,220	29,428,543	3,833,682,763	1,160,118,217	13,031,015	1,173,149,232



The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled.

(In ₹)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
<u>Financial assets</u>						
Cash and cash equivalents	157,552,344	-	157,552,344	112,750,488	-	112,750,488
Bank balances other than (a) above	347,665,323	231,106,769	578,772,092	333,698,619	-	333,698,619
Trade receivables	1,177,665,659	-	1,177,665,659	228,453,795	-	228,453,795
Other receivables	-	-	-	-	-	-
Loan	1,841,096,620	-	1,841,096,620	29,362,948	-	29,362,948
Investments	2,601,304,198	-	2,601,304,198	523,375,225	-	523,375,225
Other financial assets	147,794,505	25,710,258	173,504,763	1,125,157,838	-	1,125,157,838
<u>Non-financial assets</u>						
Current tax assets (net)	-	2,360,184	2,360,184	10,474,522	-	10,474,522
Deferred tax assets (net)	-	-	-	1,723,337	-	1,723,337
Property, plant and equipment	-	55,378,744	55,378,744	39,469,305	-	39,469,305
Intangible assets	-	14,108,606	14,108,606	5,047,883	-	5,047,883
Other non-financial assets	16,126,459	-	16,126,459	2,871,516	-	2,871,516
Total assets	6,289,205,108	328,664,561	6,617,869,669	2,412,385,476	-	2,412,385,476
LIABILITIES						
<u>Financial liabilities</u>						
Trade payables	1,970,681,210	-	1,970,681,210	997,555,370	-	997,555,370
Other payables	14,610,911	-	14,610,911	5,481,777	-	5,481,777
Debt Securities	983,530,961	-	983,530,961	-	-	-
Borrowings (other than debt securities)	805,886,915	-	805,886,915	151,046,356	-	151,046,356
Lease liability	6,695,271	25,063,120	31,758,391	4,256,607	11,531,247	15,787,854
Other financial liabilities	3,957,193	-	3,957,193	597,817	-	597,817
<u>Non-financial liabilities</u>						
Provisions	2,469,993	-	2,469,993	922,075	-	922,075
Deferred tax liabilities (net)	-	4,776,730	4,776,730	-	-	-
Other non-financial liabilities	13,819,596	-	13,819,596	10,011,432	-	10,011,432
Total Liabilities	3,801,652,050	29,839,850	3,831,491,900	1,169,871,434	11,531,247	1,181,402,681



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


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


S Sreenivasan
Chairman


Manish Jain
Manager and CEO


per **Vaibhav Kumar Gupta**
Partner
Membership No. : 213935




Bhalchandra Deodhar
Chief Financial Officer


Ravi Dugar
Company Secretary

Pune: April 26, 2021

