



MUDRA FINANCIAL SERVICES LTD.

Reg. Office : 3rd Floor, Vaastu Darshan, "B" Above Central Bank of India,
Azad Road, Andheri (East), Mumbai - 400 069.

(O) : +91-22-6191 9293/22 Website : mudrafinancial.in

Email: mudrafinancial.1994@gmail.com

L65999MH1994PLC079222

Date: 3rd October, 2018

To,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Reg: Security Code No. 539819

Script Name - MUDRA

Dear Sir/Madam,

Sub: Submission of Annual Report pursuant to Regulation 34(1) of LODR Regulations, 2015.

With regard to the captioned subject, please find the Annual Report for the Financial Year ended 31st March, 2018.

Kindly take the same on record and facilitate.

Thanking you,

Yours faithfully,
For MUDRA FINANCIAL SERVICES LIMITED

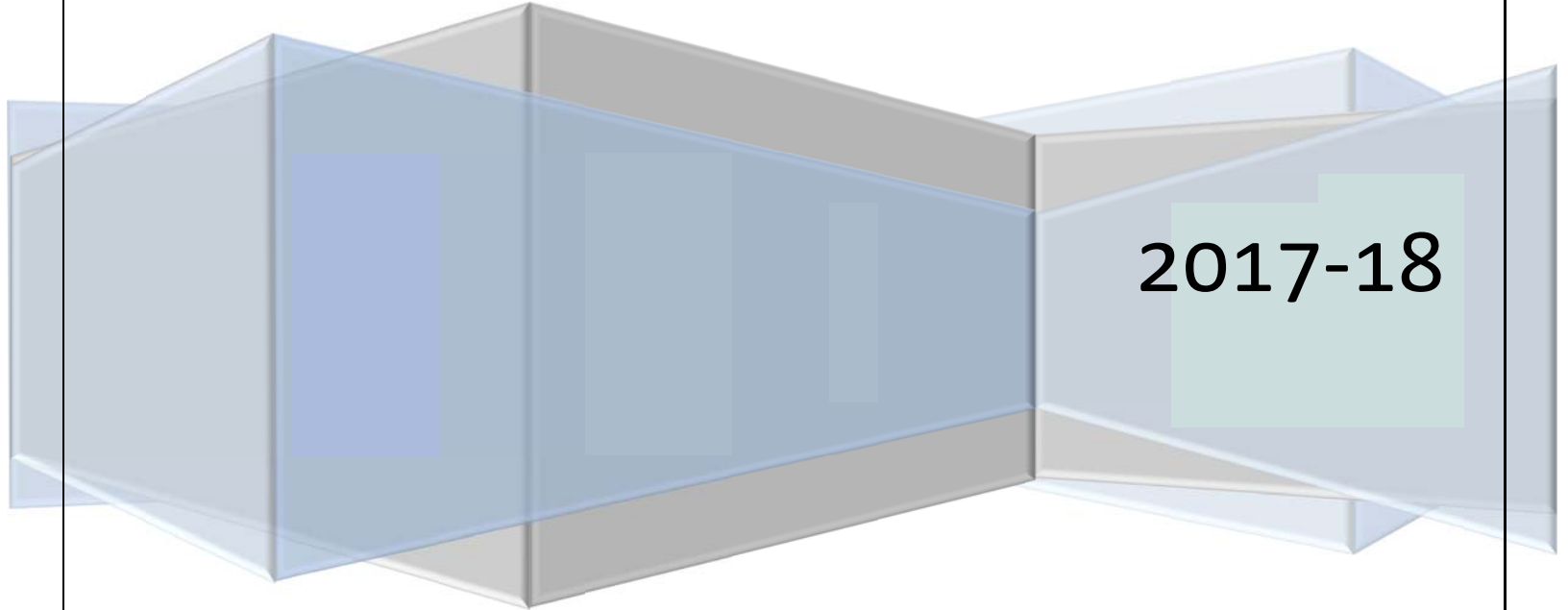
SANJEEV MAHESHWARI
DIRECTOR
(DIN: 02431173)



Encl: as above.

**MUDRA FINANCIAL SERVICES
LIMITED**

ANNUAL REPORT



2017-18

Corporate Information

BOARD OF DIRECTORS

Mr. Dipen Maheshwari
Managing Director

Mr. Atul Jain
Director

Mrs. Asha Rathi
Director

Mr. Jagannath Chakravarti
Director

Mr. Sanjeev Maheshwari
Director

REGISTERED OFFICE

3rd Floor, Vaastu Darshan,
'B' Wing, Azad Road,
Andheri (East), Mumbai – 400 069.

Tel: 022- 61919293/22

Website: <http://www.mudrafinancial.in/>

REGISTRARS & SHARE TRANSFER AGENT

M/s. System Support Services

209, Shivai Industrial Estate, 89, Andheri-
Kurla Road, (Next to Logitech Park,
Above McDonalds), Sakinaka,
Andheri (E), Mumbai – 400 072.

STATUTORY AUDITORS

M/s Sampat Mehta & Associates
Chartered Accountants

BANKERS

ICICI Bank
HDFC Bank

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<ol style="list-style-type: none">1. Notice to Members2. Directors Report & Annexures to Report3. Management Discussion, Opportunities & Threats4. Auditors Report5. Annual Accounts6. Proxy form	
<p><u>ANNUAL GENERAL MEETING</u></p> <p>Date: Friday, 28th September, 2018 Time: 11.00 A.M. Venue: 3rd Floor, Vaastu Darshan, “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069.</p>	<p><u>BOOK CLOSURE :</u></p> <p>21st September, 2018 to 28th September, 2018 (Both days inclusive)</p>

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** (AGM) of the Members of **MUDRA FINANCIAL SERVICES LIMITED** will be held at the Registered Office of the company at 3rd Floor, Vaastu Darshan, “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069, on Friday, 28th September, 2018 at 11.00 A.M. to transact, with or without modification(s) the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company which includes the audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash flow statement for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjeev Maheshwari (DIN No: 02431173), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Sampat Mehta & Associates, Chartered Accountants, Mumbai (Firm Registration Number: **109038W**), be and is hereby ratified for the financial year 2018-19 and accordingly they continue to hold office from the conclusion of this AGM until the conclusion of 28th AGM of the Company (subject to ratification by the members at every AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee/Board of Directors in consultation with the Statutory Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to re-appoint Mr. Dipen Maheshwari (DIN: 03148904), as a Managing Director of the Company for a period of 3 (Three) years w.e.f. 1st April, 2018 at such remuneration, benefits, amenities and perquisites and upon such terms and conditions, as may be approved by the Nomination and Remuneration Committee (the “**Committee**”), with the authority to the Board of Directors of the Company (the “**Board**”) to alter and vary the terms and conditions including remuneration of the said re-appointment and/or agreement from time to time and in such manner as may be agreed to by the Board/Committee and Mr. Dipen Maheshwari (DIN: 03148904) subject to the conformity with the provisions of the Companies Act 2013.

RESOLVED FURTHER THAT the remuneration including benefits, amenities and perquisites shall nevertheless be paid and allowed to Mr. Dipen Maheshwari as minimum remuneration for any financial year in the event of absence or inadequacy of profit for such year, subject to the provisions prescribed

under Section 197 read with Schedule V to the Companies Act, 2013 and rules framed thereunder and any other applicable provisions of the Act or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

Registered Office:

**3rd Floor, Vaastu Darshan, “B” Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

Place: Mumbai

Date : 28th May, 2018

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT APPOINTING A PROXY, DULY COMPLETED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The business set out in the notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-Voting are given in this Notice under Note No. 18. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members separately.
3. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is first in order of names will be entitled to vote.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 21st September, 2018 to Friday, 28th September, 2018 (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar /Company.
8. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days before the date of the meeting so that the requested information can be made available at the time of the meeting.
9. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
10. The shares of the Company are listed on BSE Limited.
11. In view of Circular issued by the SEBI for appointing common agency for both the modes of transfers i.e. physical as well as Demat, the Company has already appointed M/S. System Support Services as Registrar & Transfer Agent for both the modes of transfer i.e. physical as well as Demat. Members are therefore requested to send any matter related to shares at the address given below.

M/S. SYSTEM SUPPORT SERVICES
[Unit: Mudra Financial Services Limited]

209, Shivai Industrial Estate,
89, Andheri Kurla Road, Saki Naka,
Andheri (East), Mumbai-400 072

Tel: 022 2850 0835

Email: sysss72@yahoo.com

12. Members holding shares in physical form are requested to notify immediately any change in their address with PIN CODE to the Registrar and Transfer Agent of the Company at the address given above and in case their shares are held in Demat, this information should be passed on directly to their respective Depository Participants and not to the Company.
13. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
14. Members/Proxies holding their Shares in physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue. Members who are holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.
15. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in Demat form, they must quote their Client ID and DP ID numbers.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

17. The brief profile of the Director(s) seeking for re-appointment/ appointment is given below and forms part of the notice:

Sr. No.	Nature of Information	Item No. 2 of Notice
1	Name	Mr. Sanjeev Maheshwari
2	Date of Birth	26/08/1964
3	Date of Appointment	27/06/1994
4	Nature of experience in specific Functional Area	Mr. Sanjeev Maheshwari has rich experience of more than 2 decades in Financial Services activity.
5	Directorships in other Companies	1. Mudra Share and Stock Brokers Limited. 2. Kamadgiri Fashion Limited.
6	Member of Committee of the Board in other companies	Nil
7	No. of shares held in the Company	1,72,600 Equity Shares of face value Rs. 10/- each.

Sr. No.	Nature of Information	Item No. 4 of Notice
1	Name	Mr. Dipen Maheshwari
2	Date of Birth	22/11/1985
3	Date of Appointment	01/04/2015
4	Nature if experience in specific Functional Area	Finance and Management
5	Directorships in other Companies	NIL
6	Member of Committee of the Board in other companies	NIL
7	No. of shares held in the Company	75,000 Equity Shares of face value Rs. 10/- each.

18. **Voting through electronic means :**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and sub clause (1) & (2) of Regulation 44 of SEBI regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting

Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).

- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-Voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-Voting period commences on Tuesday, 25th September, 2018 at 9.00 A.M. and ends on Thursday, 27th September, 2018 at 5.00 P.M. During this period, members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 21st September, 2018 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; “remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting then you can use your existing password for casting the vote. If you have forgot your password, you can reset your password by using “Forget User Details / Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “EVEN” of “Mudra Financial Services Limited”.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.

- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to trjnsti@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN:

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2018.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date 21st September, 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or syss72@yahoo.com.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through ballot paper.
- XIII. Mr. Tejas Gohil, proprietor of M/s. Gohil Tejas & Co., Chartered Accountants has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-Voting process in a fair and transparent manner.

- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-Voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company <http://www.mudrafinancial.in/> and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited.

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**Place: Mumbai
Date : 28th May, 2018**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**EXPLANATORY STATEMENT PURSUANT TO
SECTION 102 (1) OF THE COMPANIES ACT, 2013:**

The following statement sets out all material facts relating to the Special Business mentioned in the accompanying notice.

ITEM NO.4:

Mr. Dipen Maheshwari has been re-appointed as Managing Director of the Company for a fresh term of 3 (Three) years effective from 1st April, 2018. Mr. Dipen Maheshwari is a MBA in finance. He has worked in placement division of Fact Personnel Private Limited. He has gained experience mainly in Project/ Finance management. He is advising industry on aspects like Product Development, Project Management and Project Finance.

The Nomination and the Remuneration committee and the Board of Directors (the “Board”) are of the opinion that, with his knowledge & experience in financial management, the Company will benefit immensely by his appointment.

The principal terms and conditions of appointment of Mr. Dipen Maheshwari as Managing Director are:

Salary	:	Rs. 66,000/- per month.
Commission	:	The Managing Director shall be entitled to variable commission based on the net profits of the company, but the same shall not exceed the limits as laid down in Sections 196,197 and Schedule V as amended, if any, of the Companies Act, 2013.
Perquisites	:	Subject to a ceiling of 20% of annual salary per annum.
i) Gratuity	:	Not to exceed half month’s salary for each completed year of service as per The Payment of Gratuity Act, 1972.
ii) Medical Benefit	:	For self and family reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month’s salary in a year or three months salary in a block of three years.
iii) Leave	:	One month’s leave with pay for every eleven months’ service.
iv) Leave Travel	:	For Self, Spouse and Father to and from any place in India, once in a year, subject to the conditions that only actual fares will be paid

and no hotel expenses etc. will be allowed.

- v) Personal accident : Personal accident insurance of an amount the premium of which does not exceed Rs. 4,000/- per annum.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the re-appointment of Dipen Maheshwari, as Managing Director for a period of 3 years commencing 1st April, 2018.

None of the Directors/Key Managerial Personnel of the company/their relatives except Mr. Dipen Maheshwari, are in any way, concerned or interested, financially or otherwise, since this resolution relates to his appointment.

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**Place: Mumbai
Date : 28th May, 2018**

ANNEXURE “A” TO THE EXPLANATORY STATEMENT:

Statement as required under Section II of Part II of Schedule V to the Companies Act, 2013 giving details in respect of re-appointment of Mr. Dipen Maheshwari as Managing Director.

I. GENERAL INFORMATION:

1. Nature of Industry: The Company is a Non-Banking Financial Company having business activities mainly in the areas of rendering of financial services and granting loans and making investments.
2. Date or expected date of commencement of commercial production: Not Applicable, as the Company is an existing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not Applicable.**
4. Financial Performance based on given indicators:

(Amount in Rs)

Sr. No.	Particulars	2017-2018	2016-2017	2015-2016
1.	Gross Income	7,802,693	6,514,285	7,974,614
2.	Profit before tax	4,135,660	3,686,298	2,946,229
3.	Profit after tax	3,068,575	1,851,640	1,986,617
4.	Dividend paid (including tax)	--	--	--
5.	Rate of dividend %	--	--	--

5. Foreign Investments or collaborations, if any: Company does not have any investment outside India.

II. **Information about the appointee:**

Name of Director	Mr. Dipen Maheshwari
Date of Birth	22 nd November, 1985
Date of Appointment	1 st April, 2018
Brief resume of the Director	He is associated with the Company since 1 st April, 2015 as Managing Director of the Company and has an experience of over 6 years to his credit. He looks after overall affairs of the Company
Qualification	B.Com, M.B.A. in Finance.

Recognition or awards	NIL
Past remuneration	Mr. Dipen Maheshwari has earned remuneration of Rs. 6,92,646/- during the financial year 2017-18.
Nature of his expertise in specific functional areas	Finance and Management
Remuneration Proposed	Rs.7,92,000/- p.a. (This is proposed remuneration and actual will be decided from time to time by the Board within the overall ceiling limit).
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):	As compared to the size of our company, the remuneration to be paid is going to be very comparative as per the industry norms.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Dipen Maheshwari is directly related to Mr. Sanjeev Maheshwari, one of the Promoter Directors of the Company.

III. Other Information:

- (1) Reasons of loss or inadequate profits: Because of market competition and higher overhead cost.
- (2) Steps taken or proposed to be taken for improvement: With steps taken by the management, now the company has started making profits and is expected to improve further.
- (3) Expected increase in productivity and profits in measurable terms: The management expects about 10-25% increase in performance and profits.

IV. Disclosures: Not Applicable.

The Board recommends the resolution set forth in Item No. 4, subject to the approval of the Members at the ensuing Annual General Meeting.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015:

Name of Director	Mr. Dipen Maheshwari
Directors Identification Number (DIN)	03148904
Brief resume & Nature of expertise in specific functional areas	He is associated with the Company since 1 st April, 2015 as Managing Director of the Company and has an experience of over 6 years to his credit. He looks after the finance division, management and administration and the overall affairs of the Company.
Disclosure of relationship between directors inter-se	Nephew of Mr. Sanjeev Maheshwari, Director of the Company.
Names of listed entities in which the person also holds the directorship	NIL
No. of Shares held in the Company	75,000 Equity Shares of face value Rs. 10/- each.
Membership & Chairmanships of Committees of the Board	Not Applicable

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

Place: Mumbai

Date : 28th May, 2018

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the Twenty Fourth Annual Report along with the Audited Statement of Accounts for the year ended 31st March 2018.

1. FINANCIAL HIGHLIGHTS:

(Amount in Rs)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Revenue from Operations	1,550,000	7,65,385
Other Income	6,252,693	57,48,900
Total Revenue	7,802,693	65,14,285
Less : Total Expenses	3,667,033	28,27,987
Profit Before Tax	4,135,660	36,86,298
Less : Tax Expense		
Current Tax	1,068,000	10,83,500
Earlier Years Tax	-	7,50,925
Deferred Tax	(915)	233
Profit After Tax	3,068,575	18,51,640

2. OPERATIONAL REVIEW:

Your Company has earned total revenue of **Rs.78.03 lakhs** during the current year as compared to **Rs.65.14 lakhs** earned in the previous year. During the year under review, the company has earned Profit after Tax of **Rs.30.69 lakhs** as compared to Profit after Tax of **Rs.18.52 lakhs** in immediately preceding financial year. The company has posted better operational and financial performance for the year under review, which has happened due to the commitment and untiring efforts of management, executives and staff at all the levels who were instrumental in achieving these results.

3. DIVIDEND:

In view of nominal profits after taxes and in order to plough back the profits of the company for further growth and development the Directors have decided not to recommend any dividend for the year ended 31st March, 2018.

4. TRANSFER TO RESERVEES:

During the year under review, the company has transferred an amount of **Rs.6.14 lakhs** to the Statutory Reserve pursuant to Section 45-IC of RBI Act, 1934.

5. CHANGES IN NATURE OF BUSINESS:

No significant change has been made in the nature of the business of the company during the financial year 2017-18.

6. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital as at 31st March, 2018 is Rs. 50,100,000/- divided into 50,10,000 Equity shares, having face value of Rs. 10/- each fully paid up. During the year under review, the Company has not issued any shares with differential voting rights nor granted any stock neither options nor sweat equity.

7. SUSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

8. PUBLIC DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

9. PARTICULARS OF LOANS, GUARANTEES/SECURITIES OR INVESTMENTS:

There were no guarantees/securities or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review. The details of the loans given by the Company have been disclosed in the notes to the financial statements.

10. CORPORATE SOCIAL RESPONSIBILITY:

The Provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, were not applicable to the Company for the financial year ended 31st March, 2018.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

There were no significant or material orders passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

12. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure 'A'** and forms an integral part of this Report.

13. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

BOARD OF DIRECTORS:

Your Company has Five (5) Directors of which Two (2) are Independent Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company. Mr. Sanjeev Maheshwari, Director (DIN: 02431173) retires by rotation and being eligible offers himself for re-appointment. During the year, all the Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence provided under Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL:

The Board of Directors on the recommendation of the Nomination and Remuneration Committee have re-appointed Mr. Dipen Maheshwari as Managing Director for a period of 3(Three) years w.e.f. 1st April, 2018 subject to approval of the members at the Annual General Meeting.

During the year under Mr. Anirudh Kumar Tanvar tendered his resignation from the post of Company Secretary cum Compliance Officer of the company w.e.f. 15th November, 2017. Your Directors express their gratitude towards his valuable contribution for the growth and development of the company.

Mr. Hemang Satra was appointed as the Company Secretary and Compliance officer of the company w.e.f. 2nd May, 2018. However, due to his pre-occupation he tendered his resignation from the office of Company Secretary & Compliance Officer of the Company with effect from 26th May, 2018.

Ms. Meghna Tank was appointed as the Chief Financial Officer (CFO) of the company w.e.f. 2nd May, 2018.

There was no other change in the composition of Board / Key Managerial Personnel of the Company during the financial year under review.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of our knowledge and belief and according to the information and explanations obtained, Directors make the following statement in terms of Section 134(5) of the Companies Act, 2013:

- (a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently

and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, and under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, remuneration, obligations and governance. The performance evaluation of the Independent Directors was carried out by the non-Independent Directors. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

16. MEETING OF BOARD OF DIRECTORS OF THE COMPANY:

Number of meetings of the Board of Directors: During the year 2017-18 Board Meetings were convened and held on 29th May 2017, 11th August, 2017, 13th November, 2017, 5th February, 2018 and 31st March, 2018. The details of these are as follows:

Name of the Director	Category of Directorship	No. of meetings during the year	
		Held	Attended
Mr. Dipen Maheshwari	Managing Director	5	5
Mr. Atul Jain	Non - Executive Director	5	5
Mr. Jagannathan Ramanuj Chakravarti	Non-Executive, Independent Director	5	5
Mr. Sanjeev Maheshwari	Non-Executive Director	5	5
Mrs. Asha Krishan Kumar Rathi	Non-Executive, Independent Director	5	5

17. AUDIT COMMITTEE:

In accordance with the provisions of the Listing Agreement and Corporate Governance and as per the provisions contained in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted an Audit Committee comprising of three Directors. The Board terms of reference of the Audit Committee are in consonance with the provisions of Section 177 of the Companies Act, 2013, the Listing Agreement and the Listing Regulations.

The Committee acts as a link between the Management, the Statutory Auditors and the Board of Directors of the Company. The Committee focuses its attention on monitoring the financial reporting system within the Company, considering Quarterly & Annual Financial Results of the Company and submitting its observations to the Board of Directors before it is adopted by the Board, review of internal audit report, internal control system, audit methodology and process, major accounting policies and practice, compliance with accounting standards. Committee also reviews the legal compliance reporting system.

The particulars of Members of Audit Committee and their attendance at the Meetings are as under:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Jagannathan Ramanuj Chakravarti	Chairman	Non-Executive, Independent Director	4	4
Mr. Atul Jain	Member	Non-Executive Director	4	4
Mrs. Asha Krishan Kumar Rathi	Member	Non-Executive, Independent Director	4	4

The Audit Committee meetings were held on 29th May, 2017, 11th August, 2017, 13th November, 2017 and 5th February, 2018 and all members of the Audit Committee were present.

18. NOMINATION AND REMUNERATION COMMITTEE:

The Company has a 'Nomination and Remuneration Committee' in order to align it with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has a policy in place which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy lays down the criteria determining qualifications, positive attributes, independence of a director and other matters pursuant to the provisions of sub-section (3) of Section 178 of the Companies Act, 2013. The particulars of the members of

MFSL

Nomination and Remuneration Committee and their attendance at the meeting are as under:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Jagannathan Ramanuj Chakravarti	Chairman	Non-Executive, Independent Director	2	2
Mr. Atul Jain	Member	Non-Executive, Director	2	2
Mrs. Asha Krishan Kumar Rathi	Member	Non-Executive, Independent Director	2	2

The Nomination and Remuneration Committee meetings were held on 29th May, 2017 and 5th February, 2018 respectively.

19. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The particulars of Members of Stakeholders Relationship Committee and their attendance at the Meetings are as under:

Name of the Director	Designation	Category of Directorship	No. of Meetings during the year	
			Held	Attended
Mr. Jagannathan Ramanuj Chakravarti	Chairman	Non-Executive, Independent Director	4	4
Mr. Atul Jain	Member	Non-Executive, Director	4	4
Mrs. Asha Krishan Kumar Rathi	Member	Non-Executive, Independent Director	4	4

The Stakeholders Relationship Committee Meetings were held on 29th May 2017, 11th August 2017, 13th November, 2017 and 5th February, 2018.

The details of the Complaints received during the year under review are as follows:

Sr. No.	Nature of Complaints	Received	Pending	Disposed
1.	Non receipt of Annual Report	-	-	-
2.	Non Receipt of Share Certificates after transfer	-	-	-

3.	Non Receipt of Demat Rejected S/C's	-	-	-
4.	Others	-	-	-
	Total	-	-	-

There were no complaints pending for action as on 31st March, 2018.

20. MEETING OF INDEPENDENT DIRECTORS:

During the year under review pursuant to Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company met on Saturday, 31st March, 2018 inter-alia to discuss:

1. Evaluation of performance of Non-Independent Directors and Board of Directors of the Company as whole.
2. Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
3. Assess the quality, quantity and timeliness of flow of information between the management of the listed company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

21. REMUNERATION AND SITTING FEES:

The details of remuneration and sitting fees paid are as follows:

Name of the Director	Category of Directorship	Remuneration paid to the Director	Sitting fees paid to the Director
Mr. Atul Jain	Non-Executive Director	-	-
Mr. Jagannathan Ramanuj Chakravarti	Non-Executive, Independent Director	NA	-
Mr. Sanjeev Maheshwari	Non-Executive Director	-	-
Mrs. Asha Krishan Rathi	Non-Executive, Independent Director	NA	-
Mr. Dipen Maheshwari	Managing Director	6,92,646	-

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Pursuant to Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Vigil Mechanism/Whistle Blower policy to report genuine concerns, grievances, frauds and mismanagements, if any. The Vigil Mechanism/Whistle Blower policy is posted on the website of the Company.

23. RELATED PARTY TRANSACTIONS:

All the related party transactions entered into by the company pursuant to the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder were in the ordinary course of business and at arm's length basis. Further, there are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company at large.

24. DEPOSITORY SERVICES:

The Company's Equity Shares have been admitted to the depository mechanism of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. The Company has been allotted **ISIN No. INE967S01014**.

Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

25. CODE OF CONDUCT:

Your Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and highest standards of business ethics. In recognition thereof, the Board of Directors has implemented a Code of Conduct for adherence by the Directors, Senior Management Personnel and Employees of the Company. This will help in dealing with ethical issues and also foster a culture of accountability and integrity. All the Board Members and Senior Management Personnel have confirmed compliance with the Code.

26. AUDITORS:

A. STATUTORY AUDITORS AND THEIR REPORT:

M/s. Sampat Mehta & Associates, Chartered Accountants, Mumbai, (Firm Registration No. 109038W) who were appointed as the Statutory Auditors of the Company for a period of 5 years from the conclusion of 23rd AGM until the conclusion of 28th AGM of the Company, be and is hereby recommended for ratification for the Financial Year 2018-19. As required under the provisions of Section 139 of the Companies Act, 2013, the

Company has obtained written confirmation from M/s. Sampat Mehta & Associates that their appointment, if made, would be in conformity with the limits specified in the said Section.

The report of the auditors does not contain any adverse remarks for the financial year ended 31st March, 2018.

B. SECRETARIAL AUDITORS AND THEIR REPORT:

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Rules made thereunder, the company has appointed Mrs. Bijal Nagda, Practising Company Secretary to undertake the Secretarial Audit of the Company.

The observations made by the Secretarial Auditor are more particularly given in the report in the prescribed Form MR-3 and is self-explanatory and does not call for further comments from the Directors of the company. The report is annexed herewith as **Annexure 'B'** and forms an integral part to this Report.

27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an in house Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the Audit Committee. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the internal audit function, the Company undertakes corrective action in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

28. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report are attached as **Annexure 'C'** and form an integral part of this report.

29. CORPORATE GOVERNANCE:

Pursuant to Schedule V of the SEBI (LODR) Regulations, 2015 a Corporate Governance Report is required to be attached to the Directors Report; however the same is not applicable to the company.

30. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information under Section 134(3)(m) of The Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014:

A. Conservation of Energy	:	Not Applicable
B. Technology Absorption	:	Not Applicable
C. Foreign Exchange Earnings and outgo	:	
Foreign Exchange Earned	:	Nil
Foreign Exchange Outgo	:	Nil

31. SEXUAL HARASSMENT:

The Company was not required to constitute an Internal Complaint Committee as required under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder as the company does not employ 10 or more employees during the financial year 2017-18.

32. PARTICULARS OF EMPLOYEES:

The requisite details as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as “**Annexure D**” and forms an integral part of this report.

33. LISTING:

The Company’s Equity Shares are listed on BSE Limited. The company has also paid listing fees to BSE Limited up to 31st March, 2018 and has complied with all the required formalities.

34. INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The company has in place adequate, internal financial controls commensurate with the size, scale and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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.

The company has adopted accounting policies, which are in line with the accounting standards and the Companies Act, 2013.

35. REPORTING OF FRAUDS:

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Acts & Rules framed thereunder either to the Company or to the Central Government.

36. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

37. SECRETARIAL STANDARD:

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by The Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

38. RISK MANAGEMENT POLICY:

According to the Directors of the Company, elements of risk that could threaten the existence of the Company are very minimal. Hence, no separate risk management policy is formulated by the Company.

39. APPRECIATION:

Your Directors would like to express their sincere appreciation to the company's Shareholders, Vendors and Stakeholders including Banks, other business associates, who have extended their valuable sustained support and encouragement during the year under review. Your Directors also wish to place on record their appreciation for impressive growth achieved through the competence, hard work, solidarity, cooperation and support of employees at all levels.

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**Place: Mumbai
Date : 28th May, 2018**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**Atul Jain
Director
DIN: 00096052**

ANNEXURE A
FORM NO. MGT 9

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014*

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2018

I REGISTRATION & OTHER DETAILS:

i	CIN	L65999MH1994PLC079222
ii	Registration Date	27/06/1994
iii	Name of the Company	MUDRA FINANCIAL SERVICES LIMITED
iv	Category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	
	Address :	3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069.
	Town / City :	Mumbai
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	022-6191 9293
	Fax Number :	-
	Email Address :	mudrafinancial.1994@gmail.com
Website, if any:	www.mudrafinancial.in	
vi	Whether listed company	Yes
vii	Name and Address of Registrar & Transfer Agents (RTA)	
	Name of RTA:	System Support Services
	Address :	209, Shivai Industrial Estate, 89, Andheri-Kurla Road, Saki Naka, Andheri (East), Mumbai - 400 072.
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400 072
	Telephone :	022-2850 0835
	Fax Number :	-
Email Address :	sysss72@yahoo.com	

II.	PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY		
	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-	Rendering Financial Services, Granting of Loans and Making Investments	
Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Non Banking Financial Services - lending activities	6492	88%
2	Non Banking Financial Services - other financial services	6499	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
NA					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2017				No. of Shares held at the end of the year as on 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	1279300	1279300	25.53	1232300	47000	1279300	25.53	0.00
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	0.00	1279300	1279300	25.53	1232300	47000	1279300	25.53	0.00

B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	0.00	0	0	0.00	0.00	0	0	0.00	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1019900	1019900	20.36	695200	324700	1019900	20.36	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	396700	396700	7.92	-	396700	396700	7.92	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	2314100	2314100	46.19	226200	2087900	2314100	46.19	0.00
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	0.00	3730700	3730700	74.47	921400	2809300	3730700	74.47	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0.00	3730700	3730700	74.47	921400	2809300	3730700	74.47	0.00
C. Shares held by Custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	0.00	5010000	5010000	100.00	2153700	2856300	5010000	100.00	0.00

ii *Shareholding of Promoters*

SI No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2017			Shareholding at the end of the year as on 31.03.2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	ANITA MAHESHWARI	140100	2.80	-	140100	2.80	-	0.00
2	ANJU MAHESHWARI	155100	3.10	-	-	-	-	-3.10
3	ATUL JAIN	201600	4.02	-	201600	4.02	-	0.00
4	DEEPAK MAHESHWARI	21100	0.42	-	21100	0.42	-	0.00
5	DIPEN MAHESHWARI	75000	1.50	-	75000	1.50	-	0.00
6	PRABHAT MAHESHWARI	180100	3.59	-	335200	6.69	-	3.10
7	RANJANA JAIN	121100	2.42	-	121100	2.42	-	0.00
8	RAJRATAN DAMANI	40500	0.81	-	40500	0.81	-	0.00
9	RENU DAMANI	46500	0.93	-	46500	0.93	-	0.00
10	SANJEEV MAHESHWARI	172600	3.45	-	172600	3.45	-	0.00
11	KUSHAL MAHESHWARI	65000	1.30	-	65000	1.30	-	0.00
12	AAYUSH JAIN	60000	1.20	-	60000	1.20	-	0.00
13	USHA MAHESHWARI	100	0.00		100	0.00		0.00
14	VIJAYA JAIN	500	0.01		500	0.01		0.00
	TOTAL	1279300	25.53	-	1279300	25.53	-	0.00

iii) Change in Promoters Shareholding:

Sl. No.	1. Mrs. Anju Maheshwari (passed away on 27.08.2017)	Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year (2017-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	155100	3.10	155100	3.10
	Transmission of Shares to Mr. Prabhat Maheshwari			-155100	-3.1
3	At the end of the year			0	0

Sl. No.	2. Mr. Prabhat Maheshwari	Shareholding at the beginning of the year as on 01.04.2017		Cumulative Shareholding during the year (2017-2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	180100	3.59	180100	3.59
	Transmission of Shares of Mrs. Anju Prabhat Maheshwari			155100	3.10
3	At the end of the year			335200	6.69

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and iv) :

Sr. No.	Name	Shareholding at the beginning of the year	Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (2017-2018)
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		No. of shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the company				No. of shares	% of total Shares of the company
1	CYPRESS CONSULTANTS PRIVATE LIMITED	695200	13.88	01.04.2017	-	No Change	695200	13.88
		695200	13.88	31.03.2018			695200	13.88
2	RAMA DUBE	241100	4.81	01.04.2017	-	No Change	241100	4.81
		241100	4.81	31.03.2018			241100	4.81
3	DARSHINI DUBE	240000	4.79	01.04.2017	-	No Change	240000	4.79
		240000	4.79	31.03.2018			240000	4.79
4	INDU MAHESHWARI	238000	4.75	01.04.2017	-	No Change	238000	4.75
		238000	4.75	31.03.2018			238000	4.75
5	KISAN NIVRUTI PATIL	231400	4.62	01.04.2017	-	No Change	231400	4.62
		231400	4.62	31.03.2018			231400	4.62
6	BISWANATH SARKAR	226200	4.51	01.04.2017	-	No Change	226200	4.51
		226200	4.51	31.03.2018			226200	4.51
7	VIPUL MAHESHWARI	205500	4.10	01.04.2017	-	No Change	205500	4.10
		205500	4.10	31.03.2018			205500	4.10
8	NILESH SHIGWAN	205000	4.09	01.04.2017	-	No Change	205000	4.09
		205000	4.09	31.03.2018			205000	4.09

9	FLASH SECURITIES PRIVATE LIMITED	191000	3.81	01.04.2017	-	No Change	191000	3.81
		191000	3.81	31.03.2018			191000	3.81
10	YASHWANT NATE	185500	3.70	01.04.2017	-	No Change	185500	3.70
		185500	3.70	31.03.2018			185500	3.70

v Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-17 to 31-03-18)	
		No. of shares at the beginning (01-04-2017) / end of the year (31-03-2018)	% of total shares of the company				No. of shares	% of total Shares of the company
1	ATUL JAIN	201600	4.02	01.04.2017		No Change	201600	4.02
				31.03.2018	-	No Change	201600	4.02
2	JAGANNATH RAMANUJ CHAKRAVARTI	NIL						
3	SANJEEV KRISHNA GOPAL MAHESHWARI	172600	3.45	01.04.2017		No Change	172600	3.45
				31.03.2018	-	No Change	172600	3.45
4	ASHA KRISHAN	1000	0	01.04.2017		No Change	1000	0

	KUMAR RATHI							
				31.03.2018	-	No Change	1000	0
5	DIPEN PRABHAT MAHESHWARI	75000	1.5	01.04.2017	-	No Change	75000	1.5
				31.03.2018		No Change	75000	1.5
6	ANIRUDH KUMAR TANVAR (Resigned w.e.f. 15.11.2017)	-	-	-	-	-	-	-

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In Rs.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness

* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. *Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (In Rs.)
		Dipen Maheshwari (Managing Director)	
1	Gross salary	692646.00	692646.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	692646.00	692646.00
	Ceiling as per the Act	-	-

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				
		Atul Jain	Jagannath Ramanuj Chakravarti	Sanjeev Maheshwari	Mrs. Asha Krishan Rathi	Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors					-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act					

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

(In Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel	
		Anirudh Kumar Tanwar (Company Secretary resigned w.e.f. 15th November, 2017)	Total
1	Gross salary	424564.00	424564.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total	424564.00	424564.00

VII. **PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ COURT)	Appeal made, if any (Give details)
A. COMPANY					

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	301	Compounding Application u/s 441 for the offence committed u/s 301 of the Companies Act, 1956	Rs.5,000/- (Penalty for Compounding Application)	Regional Director (RD)	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	301	1. Mr. Atul Jain. 2. Mr. Jagannath Chakravarti. 3. Mr. Sanjeev Maheshwari. 4. Mr. Prabhat Maheshwari (Ex-Director). Compounding Application u/s 441 for the offence committed u/s 301 of the Companies Act, 1956.	Rs.20,000/- (Rs.5,000/- each - Penalty for Compounding Application)	Regional Director (RD)	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Place: Mumbai
Date : 28th May, 2018**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**Atul Jain
Director
DIN: 00096052**

BIJAL NAGDA

(Practicing Company Secretary)

☒:743/D-4, Shiv Sahkari CHS Ltd., Sector-7, Charkop, Kandivali (West), Mumbai - 400 067

☎: +91-9969064067; ✉: csbijalgada@gmail.com

FORM NO. MR - 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Mudra Financial Services Limited
3rd Floor, VaastuDarshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai - 400 069

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Mudra Financial Services Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions of the applicable acts listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Companies Amendment Act, 2017 (to the extent notified)
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

[Cont...2]

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), viz;
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable during the period of audit]**.
 - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and SEBI (Share based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit]**.
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable during the period of audit]**.
 - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable during the period of audit]**.
 - i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **[Not applicable during the period of audit]**.
- vi. Other applicable acts:
- a. The RBI Act, 1934.
 - b. The Finance Act, 1994.
 - c. Chapter V of the Finance Act, 1994.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii. The Listing Agreement entered into by the Company with BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

[Cont...3]

... 3 ...

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, **except that:**

- I. *the Company Secretary cum Compliance Officer of the Company has resigned with effect from 15th November, 2017 and the Company is under process of appointment of a qualified Company Secretary and Compliance officer;*
- II. *the Company is still under process of appointing a Chief Financial Officer.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors that took place during the year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, Board Committee Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that based on the information provided and the representation made by its officers, agents and authorized representatives, taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above. However the Company had received following notices from Registrar of Companies for which compounding applications have been filed:

1. Notice No.ROC/STA(DG)/INSP/u/s 207/A-13 79222/11261 dated 20th December, 2017 with respect to violation of Section 295 of the Companies Act, 1956 and compounding application has been filed on 13th March, 2018 vide SRN G79240958;
2. Notice No.ROC/STA(DG)/INSP207/79222/9616 dated 27th October, 2017 with respect to violation of Section 269(1) of the Companies Act, 1956 and Section 203 of the Companies Act, 2013 R/W Rule 8 of the Companies Act (Appointment and Remuneration of Managerial Personnel) Rule, 2014 for not appointing Key Managerial Personnel (KMP) and compounding application has been filed on 13th March, 2018 vide SRN G79238879;
3. Notice No.ROC/STA(DG)/Ins.u/s 207/79222/1459 dated 12th February, 2018 with respect to violation of Section 227(3) of the Companies Act, 1956 (Corresponding Section 143(3) of the Companies Act, 2013) which requires the Auditors of the company to report on certain matter and compounding application has been filed on 5th April, 2018 vide SRN G82740705.

[Cont...3]

... 4 ...

4. Notice No. ROC/STA(DG)/INSP/u/s207/79222/4856 dated 17th May, 2017 with respect to violation of Section 285 of the Companies Act, 1956 stating that the gap between two consecutive Board Meetings held on 10/10/2013 and 14/02/2014 in the year 2013-14 was more than three months and compounding application has been filed by the company on 13th November, 2017 vide SRN G61418521.
5. Notice No. ROC/STA(DG)/INSP/u/s207/79222/4861 dated 17th May, 2017 with respect to violation of Section 293(1)(e) of the Companies Act, 1956 for granting donation in excess of the threshold limit without obtaining consent of the shareholders in the general meeting and compounding application has been filed by the company on 28th July, 2017 vide SRN G49285737. The company has taken the approval of the shareholders for the said donation at the AGM of the company held on 21st September, 2017.
6. Notice No. ROC/STA(DG)/INSP/u/s207/79222/4866 dated 17th May, 2017 with respect to violation of Section 301 of the Companies Act, 1956 for not maintaining Statutory Register u/s 301 of the Companies Act, 1956 for the year 2013-14 and compounding application has been filed by the company on 13th November, 2017 vide SRN G61419057. The compounding order was passed by the office of the Regional Director, Western Region, Mumbai which is duly complied by the company by payment of the imposed compounding application fees of Rs.25,000/-.
7. Notice No. ROC/STA(DG)/INSP/207/79222/9605 dated 27th October, 2017 with respect to violation of Section 12(3)(a) of the Companies Act, 2013 in respect of not painting or affixing the address of the registered office outside the office premises. The compounding application has been filed by the company on 13th March, 2018 vide SRN G79228102.
8. Notice No. ROC/STA(DG)/INSP u/s 207/B-17/79222/2257 dated 20th December, 2017 with respect to violation of Section 134(6) of the Companies Act, 2013 as it was noticed that the Director's Report as at 31st March, 2014 was signed by only one Director. The compounding application has been filed by the company on 13th March, 2018 vide SRN G79229712.

BijalNagda
Company Secretary

ACS No. : 26296
COP No. : 13643

Place: Mumbai
Date: 28th May, 2018

Note: This report is to be read with our letter of even date that is annexed as “**Annexure I**” and forms an integral part of this report.

BIJAL NAGDA

(Practicing Company Secretary)

☒:743/D-4, Shiv Sahkari CHS Ltd., Sector-7, Charkop, Kandivali (West), Mumbai - 400 067

☎: +91-9969064067; ✉: csbijalgada@gmail.com

'Annexure I' to Secretarial Audit Report

To,
The Members,
MUDRA FINANCIAL SERVICES LIMITED
3rd Floor, VaastuDarshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai - 400 069.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

BijalNagda
Company Secretary

ACS No. : 26296

COP No. : 13643

Place: Mumbai

Date: 28th May, 2018

ANNEXURE-C MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The company is engaged in the business of rendering all kinds of financial services, to undertake all types of leasing and hire purchase business etc.

B. OVERALL REVIEW:

The Company has earned income from operations of **Rs.15.50 lakhs** during the year as compared to **Rs.7.65 lakhs** earned in the previous year. The profit after tax of the company stood at **Rs.30.69 lakhs** as compared to **Rs.18.51 lakhs** in immediately preceding financial year. The Company has posted better operational and financial performance for the year under review, which has happened due to the commitment and untiring efforts of management, executives and staff at all the levels who were instrumental in achieving these results.

C. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Company is following a proper and adequate system of internal controls in respect of all its activities including safeguarding and protecting its assets against loss from unauthorized use or disposition. Further all transaction entered into by the company are fully authorised, recorded and reported correctly.

D. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the Company has achieved Profit after Tax of Rs. 30.69 lakhs as against Profit after Tax of Rs. 18.51 lakhs during the previous year.

E. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

The relationship with the staff with all levels remained cordial during the year.

F. CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement due to external factors. The company

MFSL

assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

Place: Mumbai

Date : 28th May, 2018

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**Atul Jain
Director
DIN: 00096052**

Annexure 'D' to Directors Report 2017-2018

Disclosure in the Board's Report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014:

Sr. No.	Particulars	Disclosures
1.	The Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18.	Mr. Dipen Maheshwari : 6.73:1 Managing Director
2.	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2017-18 as compared to 2016-17 means part of the year.	a) Mr. Dipen Maheshwari - Managing Director: 17.65% b) Mr. Anirudh Kumar Tanvar (Company Secretary till 15.11.2017): 19.57%
3.	Percentage increase in the median remuneration of employees in the financial year 2017-18 compared to 2016-17.	45%
4.	Number of permanent employees on the rolls of the company.	9 employees as on 31 st March, 2018
5.	The explanation on the relationship between average increase in remuneration and company performance.	The average remuneration increased by around 21% as compared to the company performance which increased around 66% as compared to 2016-17.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	The remuneration of the KMPs increased by around 18.61% as compared to the company performance which increased around 66% as compared to 2016-17.
7.	Average percentile increase in salaries of Employees other than managerial personnel.	26.43%
8.	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year.	Not Applicable
9.	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Registered Office:

**3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069**

**Place: Mumbai
Date : 28th May, 2018**

**For and on behalf of the Board of Directors
For Mudra Financial Services Limited**

**Sanjeev Maheshwari
Director
DIN: 02431173**

**Atul Jain
Director
DIN: 00096052**

Annexure 'E' to Directors Report 2017-18

Statement of particulars of employees pursuant to provisions of section 197(12) of the companies act 2013 read with the rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2018:

Sr. No.	Particulars	Disclosures
1.	If Employed throughout the financial year, was in receipt of remuneration for the year in aggregate of not less than Rs.60,00,000	Not Applicable
2.	Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs.8,50,000/- per month	Not Applicable
3.	Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company	Not Applicable

Registered Office:

3rd Floor, Vaastu Darshan, "B" Wing,
Azad Road, Andheri (East),
Mumbai – 400 069

Place: Mumbai

Date : 28th May, 2018

For and on behalf of the Board of Directors

For Mudra Financial Services Limited

Sanjeev Maheshwari
Director
DIN: 02431173

Atul Jain
Director
DIN: 00096052

Independent Auditor's Report

**To the Members of
MUDRA FINANCIAL SERVICES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **Mudra Financial Services Limited** ('the Company'), which comprise the Balance Sheet as at 31stMarch, 2018, the Statement of Profit and Loss and the Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section134(5) of the Companies Act,2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section133 of the Act, read with Rule7 of the Companies(Accounts)Rules,2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section143 (10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment

of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and Fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31stMarch, 2018 and its profit and its cash flows for the year ended on that date.

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. (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A**, a statement on the matters specified in the paragraph 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the a fore said financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate reporting "**Annexure B**"; and
 - (g) 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, in our opinion and to the best of our knowledge and belief and according to the 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; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Sampat Mehta & Associates
Chartered Accountants
Firm Reg. No.: 109038W

CA Mahendra Merchant
Partner
Mem. No. 013190
Mumbai,

Annexure-A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31stMarch, 2018, we report that:

- i. a) The Company maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is a reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
c) The title deeds of immovable properties, as disclosed in Note on fixed assets to the financial statements, are held in the name of the Company.
- ii. The management has conducted the physical verification of inventories at reasonable intervals and no discrepancies were noticed;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company and hence not commented upon;
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments made and guarantee/ security provided by it as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government has not prescribed maintenance of Cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company;
- vii. a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed applicable statutory dues, including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute;
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The company has not taken any loan from the Government. It has not issued any debenture.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable;
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. Based upon the audit procedures performed and the information and explanations given by the management, the transactions with Related Parties are in compliance with Sections 177 & 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards;
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. Based upon the audit procedures performed and 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. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable;
- xvi. In our opinion, the company is required to be registered as Non-Banking Finance Company as required under section 45 IA of the Reserve Bank of India Act, 1934 and it obtained certificate of registration dated 06th March, 1998

For Sampat Mehta & Associates
Chartered Accountants
Firm Reg. No.: 109038W

CA Mahendra Merchant
Partner
Mem. No. 013190
Mumbai,

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of Mudra Financial Services Limited.

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

We have audited the internal financial controls over financial reporting of **Mudra Financial Services Limited** (“the Company”) as of March 31st, 2018 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sampat Mehta & Associates
Chartered Accountants
Firm Reg. No.: 109038W**

**CA Mahendra Merchant
Partner
Mem. No. 013190
Mumbai,**

MUDRA FINANCIAL SERVICES LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2018**

(Amount in Rs.)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	50,100,000	50,100,000
(b) Reserves and surplus	3	26,470,354	23,401,779
		76,570,354	73,501,779
2 Non-current liabilities			
(a) Deferred tax liabilities (Net)	4	5,477	6,392
(b) Long-term provisions	5	271,000	189,000
		276,477	195,392
3 Current liabilities			
(a) Other current liabilities	6	94,707	17,850
		94,707	17,850
TOTAL		76,941,538	73,715,021
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	7	24,311	24,311
		24,311	24,311
(b) Non-current investments	8	772,050	772,050
(c) Long-term loans and advances	9	67,975,032	63,632,673
		68,771,393	64,429,034
2 Current assets			
(a) Inventories	10	2,691,437	2,691,437
(b) Cash and cash equivalents	11	1,020,690	3,091,016
(c) Short-term loans and advances	12	32,470	11,594
(d) Other current assets	13	4,425,548	3,491,940
		8,170,145	9,285,987
TOTAL		76,941,538	73,715,021
Significant accounting policies and notes forming part of the financial statements	1 to 26		

As per our report of even date attached
For Sampat Mehta & Associates
Chartered Accountants
F.R. No. 109038W

For and on behalf of the board

CA Mahendra Merchant
Partner
M No.013190

Sanjeev Maheshwari
Director
DIN: 02431173

Dipen Maheshwari
Managing Director
DIN: 03148904

Place : Mumbai
Date:

Atul Jain
Director
DIN: 00096052

Meghana Tank
Chief Financial Officer

MUDRA FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
INCOME			
Revenue from Operations	14	1,550,000	765,385
Other Income	15	6,252,693	5,748,900
Total Revenue		7,802,693	6,514,285
EXPENSES			
Changes in Inventories	16	-	-
Employee benefits expense	17	2,246,102	1,909,769
Depreciation and amortisation expense	7	-	-
Other expenses	18	1,420,931	918,218
Total expenses		3,667,033	2,827,987
Profit before tax		4,135,660	3,686,298
Tax expense:			
Current tax		1,068,000	1,083,500
Current tax expense relating to prior years		-	750,925
Deferred Tax		(915)	233
Profit after tax		3,068,575	1,851,640
Basic & Diluted Earning per share	19	0.61	0.37
Significant accounting policies and notes forming part of the financial statements	1 to 26		

As per our report of even date attached
For Sampat Mehta & Associates
Chartered Accountants
F.R. No. 109038W

For and on behalf of the board

CA Mahendra Merchant
Partner
M No.013190

Sanjeev Maheshwari
Director
DIN: 02431173

Dipen Maheshwari
Managing Director
DIN: 03148904

Place: Mumbai
Date:

Atul Jain
Director
DIN: 00096052

Meghana Tank
Chief Financial Officer

MUDRA FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before tax	4,135,660	3,686,298
Adjustments for:		
Depreciation	-	-
Contingent Provision against Standard Assets	82,000	-
Interest Income	(6,186,766)	(5,686,651)
Interest Expense	-	-
Dividend Income	(65,927)	(62,249)
Investment w/off	-	500
Provision for retirement benefits	-	-
Operating Profit Before Working Capital Changes	(2,035,033)	(2,062,102)
Adjustment for:		
Increase/Decrease in Working Capital		
(Increase)/Decrease in Inventories		-
(Increase)/ Decrease in Other Current Assets	(933,608)	(7,371)
(Decrease)/Increase in Other Current Liabilities	76,857	(25,368)
(Increase)/ Decrease in Short Term Loans & Advance	(20,876)	25,262
Cash Generated from Operations	(2,912,660)	(2,069,579)
Less: Tax Paid	(1,068,000)	(1,926,739)
Net Cash from Operating Activities	(3,980,660)	(3,996,318)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets & Capital WIP	-	-
Sale/(Purchase) of Investments (Net)	-	-
Sale of Fixed Assets	-	-
Interest Received	6,186,766	5,686,651
Dividend Income	65,927	62,249
(Increase)/ Decrease in Long term Loans & Advance	(4,342,359)	(167,734)
Net Cash flow from Investing Activities	1,910,334	5,581,166
CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital (Equity + Share Premium)	-	-
Borrowings (Net)	-	-
Interest Paid	-	-
Allotment money in arrears received	-	-
Net Cash flow from Financing Activities	-	-
INCREASE IN CASH AND CASH EQUIVALENTS	(2,070,326)	1,584,847
Opening Cash & Cash Equivalents	3,091,016	1,506,169
Closing Cash & Cash Equivalents	1,020,690	3,091,016

Notes to Cash flow statement:

- The above Cash flow statement has been prepared as per the indirect method prescribed by Accounting Standard 3 issued by "The Institute of Chartered Accountants of India".
- All Figures in bracket are outflow
- The total of cash and cash equivalent is as per Balance Sheet.

As per our report of even date attached

For Sampat Mehta & Associates

Chartered Accountants

F.R. No. 109038W

For and on behalf of the board

CA Mahendra Merchant

Partner

M No.013190

Sanjeev Maheshwari

Director

DIN: 02431173

Dipen Maheshwari

Managing Director

DIN: 03148904

Place : Mumbai

Date:

Atul Jain

Director

DIN: 00096052

Meghana Tank

Chief Financial Officer

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING

The financial statements are prepared to comply in all material aspects under the Historical Cost convention and in accordance with generally accepted accounting principles in India and the mandatory Accounting Standards prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule- 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

II USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

III FIXED ASSETS

Fixed assets are recorded at cost of acquisition or at revalued figures. Cost includes purchase cost together with all incidental charges and other related costs.

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use.

IV DEPRECIATION

Depreciation on fixed assets is provided under written down value method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

V REVENUE RECOGNITION

Revenue (income) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized

- (a) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- (b) Revenues from the sale of shares are recognized upon delivery, which is when title passes to the customer
- (c) Interest Revenue is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate
- (d) Dividend Income is recognized when the company's right to receive dividend is established.

VI INVESTMENTS

Investments are classified into current investments and non current investments. Current investments are stated at the lower of cost and fair value. Non current investments are stated at cost unless in the opinion of the Management, there is decline, other than temporary, in the value thereof in which case the recorded value is reduced to recognize the decline.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investment are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investments basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

VII INVENTORIES

Stock in trade comprising of shares is valued at cost. Cost of stock of shares is on FIFO basis.

VIII EMPLOYEE BENEFITS

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

IX IMPAIRMENT LOSS

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss 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 maximum of depreciated historical costs.

X LEASE

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

XI CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand.

XII INCOME TAX

Tax expense comprises both current and deferred tax at the enacted rates/substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period.

Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of The Income tax Act, 1961.

Deferred tax represents the effect of "timing differences" between taxable income and accounting income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only on reasonable certainty of realization and on unabsorbed depreciation and brought forward losses only on virtual certainty

XIII PROVISION FOR STANDARD ASSETS

Provisions for Standard Assets are made in accordance with the RBI Guidelines

XIV PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, unless likelihood of an outflow of resources is remote. Contingent assets are not recognized in the accounts, unless there is virtual certainty as to its realization.

XV EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 2 - SHARE CAPITAL

(Amount in Rs.)

Particulars	AS AT 31.03.2018		AS AT 31.03.2017	
	No. of shares	Rupees	No. of shares	Rupees
(a) Authorised				
- Equity shares of Rs.10/- each with voting rights	5,250,000	52,500,000	5,250,000	52,500,000
(b) Issued				
- Equity shares of Rs. 10/- each with voting rights	5,010,000	50,100,000	5,010,000	50,100,000
(c) Subscribed and fully paid up				
- Equity shares of Rs. 10/- each with voting rights	5,010,000	50,100,000	5,010,000	50,100,000
Total	5,010,000	50,100,000	5,010,000	50,100,000

(i) The company has only one class of shares referred to as equity shares having par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion of the number of equity shares held by the shareholders.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Issued during the year	Closing Balance
Equity shares with voting rights			
Year ended 31st March, 2018			
- Number of shares	5,010,000	-	5,010,000
- Amount (Rs.)	50,100,000	-	50,100,000
Year ended 31st March, 2017			
- Number of shares	5,010,000	-	5,010,000
- Amount (Rs.)	50,100,000	-	50,100,000

(iii) None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestment.

(iv) Shares allotted, as fully paid up, pursuant to contracts without payment being effected in cash / bonus shares / bought back / forfeited / call unpaid in previous five years-NIL.

(v) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	AS AT 31.03.2018		AS AT 31.03.2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares of ₹10/- each fully paid up				
Cypress Consultants Private Limited	695,200	13.88%	695,200	13.88%
Prabhat Maheshwari	335,200	6.69%	-	-

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 3 - RESERVES AND SURPLUS

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
<u>Statutory Reserve*</u>		
Balance as per last financial statements	3,506,655	3,136,327
Add : Amount transferred during the year	614,000	370,328
	4,120,655	3,506,655
<u>Balance in Statement of Profit and Loss</u>		
Opening Balance	19,895,124	18,413,812
Add: Profit for the year	3,068,575	1,851,640
Less: Transferred to Statutory Reserve	(614,000)	(370,328)
	22,349,699	19,895,124
	26,470,354	23,401,779

* Created Pursuant to Section 45-IC of Reserve Bank of India Act, 1934

NOTE 4 - DEFERRED TAX

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
Deferred Tax Liability		
Related to fixed assets	5,477	6,392
Deferred Tax Liability	5,477	6,392

NOTE 5 - LONG TERM PROVISIONS

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
Contingent Provision against Standard Assets*	271,000	189,000
	271,000	189,000

A contingent provision against standard assets has been created at 0.40% of the outstanding standard assets in accordance with the RBI guidelines.

NOTE 6 - OTHER CURRENT LIABILITES

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
Payable for expenses	15,000	17,250
Statutory dues*	79,707	600
	94,707	17,850

* Includes Professional Tax and GST Payable

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE : 7 FIXED ASSETS										(Amount in Rs.)
DETAILS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2017	Purchase/ Additions/ Adjustments	Sale/ Deductions/ Adjustments	AS AT 31.03.2018	Upto 01.04.2017	For the Year	Adjustments	AS AT 31.03.2018	AS AT 31.03.2018	AS AT 31.03.2017
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
TANGIBLE ASSETS					-					
Computers and Peripherals	666,100	-	-	666,100	646,617	-	-	646,617	19,483	19,483
Fax Machine	33,000	-	-	33,000	31,350	-	-	31,350	1,650	1,650
Air Conditioner	10,100	-	-	10,100	9,595	-	-	9,595	505	505
Telephone Instruments	53,445	-	-	53,445	50,773	-	-	50,773	2,672	2,672
AS AT 31.03.2018 Total	762,645	-	-	762,645	738,334	-	-	738,334	24,311	24,311
AS AT 31.03.2017	762,645	-	-	762,645	738,334	-	-	738,334	24,311	-

MUDRA FINANCIAL SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 8 - NON-CURRENT INVESTMENTS

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
NON TRADE INVESTMENT		
Quoted		
In Equity Shares		
27,000 (27,000) Equity Shares of Electrosteel Steels Limited of Rs.10/- each	276,750	276,750
22,860 (22,860) Equity Shares of Makers Laboratories Limited of Rs.10/- each	495,300	495,300
	772,050	772,050
Aggregate amount of quoted investments (At Cost)	772,050	772,050
Aggregate amount of quoted investments (Market Value)	1,739,232	3,022,830
Total	772,050	772,050

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 9 - LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

	AS AT 31.03.2018	AS AT 31.03.2017
<i>Unsecured, considered good</i>		
Loans to Others	67,750,000	63,350,000
Other Loans and Advances		
Payment of Taxes (Net)	225,032	282,673
	67,975,032	63,632,673

NOTE 10 - INVENTORIES

	AS AT 31.03.2018	AS AT 31.03.2017
(Valued at Cost)		
Stock of Shares	2,691,437	2,691,437
	2,691,437	2,691,437

NOTE 11 - CASH AND CASH EQUIVALENTS

	AS AT 31.03.2018	AS AT 31.03.2017
Cash on hand	284,996	168,967
<u>Bank Balances with Scheduled Banks</u>		
In Current Accounts	735,694	2,922,049
	1,020,690	3,091,016

NOTE 12 - SHORT TERM LOANS AND ADVANCES

	AS AT 31.03.2018	AS AT 31.03.2017
<i>Unsecured, considered good</i>		
Other Advances		
Advances to Staff and Others	32,470	-
Balances with Government Authorities	-	9,594
Prepaid expenses	-	2,000
	32,470	11,594

NOTE 13 - OTHER CURRENT ASSETS

	AS AT 31.03.2018	AS AT 31.03.2017
Interest accrued but not received	4,425,548	3,491,940
	4,425,548	3,491,940

MUDRA FINANCIAL SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 14 : REVENUE FROM OPERATIONS (Amount in Rs.)		
	YEAR ENDED 31.3.2018	YEAR ENDED 31.3.2017
Sale of services	1,550,000	765,385
	1,550,000	765,385

NOTE 15 - OTHER INCOME (Amount in Rs.)		
	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Interest Income		
i. On loans and advances	6,186,766	5,667,657
ii. On Fixed Deposit	-	18,994
Dividend Income on Stock-in-trade	65,927	62,249
	6,252,693	5,748,900

NOTE 16 - CHANGES IN INVENTORIES (Amount in Rs.)		
	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Inventories at the end of the year		
Stock of Shares	2,691,437	2,691,437
Inventories at the beginning of the year		
Stock of Shares	2,691,437	2,691,437
Total	-	-

NOTE 17 - EMPLOYEE BENEFITS EXPENSE (Amount in Rs.)		
	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Salaries, Bonus and Other Allowances	2,157,481	1,777,894
Staff Welfare Expenses	88,621	131,875
	2,246,102	1,909,769

NOTE 18 - OTHER EXPENSES (Amount in Rs.)		
	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Demat Charges	4,092	1,725
Share Transfer Agent Fees	17,229	13,200
Listing and Other Fees	317,500	47,500
Legal and Professional Fees	17,500	264,100
Telephone Expenses	29,307	19,747
Duties and Taxes	2,000	2,000
Office Expenses	135,812	80,522
Computer and Software Expenses	387,045	78,764
Advertisement Expenses	34,784	42,248
Travelling and Conveyance Expenses	152,918	169,468
Printing and Stationery	96,944	53,842
Website Design Expenses	8,800	6,915
Statutory Audit Fees	15,000	15,075
Contingent Provision against Standard Assets (Refer Note - 5)	82,000	-
Rent	120,000	120,000
Interest on Delayed Payment	-	3,112
	1,420,931	918,218

NOTE 19 - EARNING PER SHARE		
	YEAR ENDED 31.03.2018	YEAR ENDED 31.03.2017
Profit after tax (A)	3,068,575	1,851,640
Weighted average number of equity shares (B)	5,010,000	5,010,000
Basic earnings per share (A)/(B)	0.61	0.37
Diluted earnings per share (A)/(B)	0.61	0.37
Face Value of Share	10.00	10.00

MUDRA FINANCIAL SERVICES LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****20 CAPITAL ASSET RATIO (CRAR)****Capital to Risk Assets Ratio (CRAR)**

Sr. No.	Particulars	As at March 31, 2018
(i)	CRAR (%)	104.93%
(ii)	CRAR – Tier I capital (%)	104.93%
(iii)	CRAR – Tier II capital (%)	0%
(iv)	Amount of subordinate debt raised as Tier II capital	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil

21 DISCLOSURE OF CLOSING STOCK

Sr. No.	Name of the Script (Quoted Shares)	Face Value	No of Shares	Value* (Rs)
1	Aqua Logistics Limited	1	26,000	357,948
2	ION Exchange (I) Limited	10	9,756	962,420
3	Makers Laboratories Limited	10	8,921	89,690
4	Omega Interactive Technologies Limited	10	19,383	775,324
5	Timbor Home Limited	10	2,500	130,216
6	Veer Energy and Infrastructure Limited	10	2,000	295,839
7	JSW Steel Limited - Preference Shares	10	8,000	80,000
			76,560	2,691,437

- Notes: 1. * The Value of equity shares are valued at cost.
2. Aggregate market value of quoted Shares is Rs.76,13,848/-

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE 22 - CONTINGENT LIABILITY / CAPITAL COMMITMENTS :

NIL

NOTE 23 - FOREIGN EXCHANGE EARNINGS AND OUTGO:

NIL

NOTE 24 - RELATED PARTY DISCLOSURE:

Description of relationship	Names of related parties
Holding Company	-
Subsidiary	-
Enterprises over which Key Managerial Personnel are able to exercise significant influence	GMJ & Co Rajveer Trading Private Limited Rajul Mercantile Private Limited Jadstone Trading Private Limited Mudra Share and Stock Brokers Limited
Key Management Personnel (KMP)	Dipen Maheshwari - Managing Director Atul Jain - Director Sanjeev Maheshwari - Director Jagannath Ramanuj Chakravarti - Director Asha Krishan Kumar Rathi - Director

Note: Related parties have been identified by the Management and relied on by the auditors.

Details of related party transactions during the year ended 31.03.2018 and balances outstanding as at 31.03.2018:

(In Rs.)

Particulars	Enterprises over which Key Managerial Personnel are able to exercise significant influence	KMP	Total
(a) Directors Remuneration-Dipen Maheshwari (Previous Year)	-	692,646 (596,809)	692,646 (596,809)
(b) Professional Income (Previous Year)	800,000 -	-	800,000 -
(c) Rent Paid - Rajveer Trading Private Limited (Previous Year)	120,000 (120,000)	-	120,000 (120,000)

Notes: 1. Figures in bracket relate to the previous year

NOTE 25 - SEGMENT REPORTING:

The business activity of the company consists of financial activities which includes trading and investment in shares, granting of loans, etc. Thus, the Company has only one reportable business segment which is finance and investment and only one reportable geographical segment. Accordingly the segment information as required by Accounting Standard 17 on "Segment Reporting" is not required to be disclosed.

NOTE 26

Previous year figures have been regrouped / rearranged wherever necessary to conform to the current years' presentation.

Signature to Notes 1 to 26

As per our report of even date attached
For Sampat Mehta & Associates
Chartered Accountants
F.R. No. 109038W

For and on behalf of the board

CA Mahendra Merchant
Partner
M No.013190

Sanjeev Maheshwari
Director
DIN: 02431173

Dipen Maheshwari
Managing Director
DIN: 03148904

Place: Mumbai
Date:

Atul Jain
Director
DIN: 00096052

Meghana Tank
Chief Financial Officer

MUDRA FINANCIAL SERVICES LIMITED

ATTENDANCE SLIP

REGISTERED OFFICE: 3rd Floor, Vaastu Darshan, “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069.

CIN: L65999MH1994PLC079222 **Phone:** 022 – 61919293

E- mail: mudrafinancial.1994@gmail.com, **Website:** www.mudrafinancial.in.

24TH ANNUAL GENERAL MEETING ON FRIDAY, 28TH SEPTEMBER, 2018

Please complete this Attendance Slip and hand over at the entrance of the Meeting Hall

Registered Folio / DP & CLIENT ID*	No. of Shares	
Name and Address of the Shareholder(s)/Proxy		
Joint Holder 1		
Joint Holder 2		

*Applicable for Members holding shares in an electronic form.

I hereby record my presence at the 24th Annual General Meeting held on Friday, 28th September, 2018 at 11:00 A.M at 3rd Floor, Vaastu Darshan “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069.

SIGNATURE OF THE SHARE HOLDER/PROXY

MUDRA FINANCIAL SERVICES LIMITED

Form No. MGT-11
PROXY FORM

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

Corporate Identification No: (CIN) - L65999MH1994PLC079222
Regd. Office: 3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069
Phone: 022 - 61919293
E-mail: mudrafinancial.1994@gmail.com, Website: www.mudrafinancial.in

Name of the Member(s):
Registered address :
E-mail ID: Folio No./D. P. ID.and Client ID No.*

*Applicable for members holding shares in electronic form.

I/We being a member(s) of shares of Mudra Financial Services Limited, hereby appoint:

- 1. Name: Address: E-mail Id: Signature: or failing him
2. Name: Address: E-mail Id: Signature: or failing him
3. Name: Address: E-mail Id: Signature:

As my /our Proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 11.00 A.M. at 3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069 and at any adjournment thereof in respect of such resolutions and in such manner as is indicated below:

Table with columns: Reso.No., Description, For, Against. Rows include ORDINARY BUSINESS (3 items) and SPECIAL BUSINESS (1 item).

Signed this day of 2018.

Note:

Proxy need not be a member, Proxy form, complete in all respects, should reach the Company's Registered Office at 3rd Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069, not less than 48 hours before the scheduled time of the meeting.



Signature of Shareholder/ Proxy holder

ROUTE MAP TO REACH AGM VENUE

Annual General Meeting of the Company to be held on Friday, 28th September, 2018 at 11.00 A.M

Venue Address: 3rd Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai – 400 069

