

**MUDRA FINANCIAL SERVICES LIMITED**  
**ANNUAL REPORT**  
**(2018 - 2019)**

## NOTICE TO THE MEMBERS

**NOTICE** is hereby given that the Twenty Fifth Annual General Meeting (AGM) of the Members of **MUDRA FINANCIAL SERVICES LIMITED** will be held at the Registered Office of the company situated at 3<sup>rd</sup> Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai – 400 069, on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M. to transact, with or without modification(s) the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company which includes the Audited Balance Sheet as at 31<sup>st</sup> March, 2019, 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. Atul Jain (DIN No: 00096052), who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. **RE-APPOINTMENT OF MRS. ASHA RATHI AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including and any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Asha Rathi (DIN: 00156024), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of 5 (Five) consecutive years with effect from 24<sup>th</sup> March, 2020 upto 23<sup>rd</sup> March, 2025, not liable to retire by rotation;

**RESOLVED FURTHER THAT** anyone of the Director of the Company be and is hereby severally authorized to digitally sign and submit all the necessary e-Forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

4. **APPOINTMENT OF MR. JIYAN SHAH AS AN INDEPENDENT NON-EXECUTIVE DIRECTOR:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jiyan Shah, (DIN: 08395058), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from 30<sup>th</sup> March, 2019, and who holds office until the date of the AGM, in terms of Section 161(1) of the Companies Act, 2013, and who has proposed his candidature for the office of Director pursuant to the provisions of Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (Five) consecutive years for a term upto 29<sup>th</sup> March, 2024, not liable to retire by rotation;

**RESOLVED FURTHER THAT** anyone of the Directors of the Company be and is hereby severally authorized to digitally sign and submit all necessary e-Forms with the Registrar of Companies and to do all such acts, deeds and things as may be necessary to give effect to the above resolution”.

**5. TO INCREASE REMUNERATION OF MR. DIPEN MAHESHWARI, MANAGING DIRECTOR:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 197(1) and 198 of the Companies Act, 2013, as amended (the “Companies Act”), Schedule V of the Companies Act, Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Articles of Association of the Company and subject to such consents and permissions as may be required for amendment to the resolution passed at the 24<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2018 for the re-appointment and remuneration payable to Mr. Dipen Maheshwari, Managing Director (DIN:03148904), consent of the Members of the Company be and is hereby accorded by way of Special Resolution for the approval of the remuneration received by Mr. Dipen Maheshwari under Sections 197(1) of the Companies Act and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the period from 1<sup>st</sup> September, 2018 to 31<sup>st</sup> March, 2019 and the increase in the remuneration to be paid, for the remainder of the tenure of his appointment (i.e. including and upto 31<sup>st</sup> March, 2021), as approved by the Nomination and Remuneration Committee and Board at the Meeting of Board of Directors of the Company;

**RESOLVED FURTHER THAT** during the tenure of Mr. Dipen Maheshwari as the Managing Director of the Company, if the Company has no profits or if its profits are inadequate in any financial year, Mr. Dipen Maheshwari shall be eligible to draw the remuneration by way of basic salary, allowances, perquisites and commission from the Company as well as from other companies within the overall limits prescribed under Section II, Part II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board be and are hereby authorised to alter and vary the terms and conditions of the said remuneration in such manner as may be agreed to between the Board and Mr. Dipen Maheshwari, subject to the limits prescribed under the Companies Act, 2013;

A. Maximum Remuneration (including bonus/incentives) upto Rs.15,00,000/- (Rupees Fifteen Lakhs Only) per annum.

B. Perquisites: He will be entitled to medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to a ceiling of 20% of annual salary per annum.

C. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

**RESOLVED FURTHER THAT** the Board or any Committee authorised by the Board in this behalf, be and are hereby authorised to take such steps and to do all such acts, deeds, matters, things and settle any doubts, difficulties, issues and questions in this regard as may be considered necessary, proper, desirable and expedient to give effect to this resolution;

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorised to do all such acts, deeds and actions, as may be necessary to give effect to the above resolution, including filing the various forms required to be filed under the Companies Act electronically from time to time with the Registrar of Companies or such other concerned authorities.”

**Registered Office:**

3<sup>rd</sup> Floor, VaastuDarshan, “B” Wing,  
Azad Road, Andheri (East),  
Mumbai – 400 069.

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain  
Director**

**DIN: 00096052**

**Dipen Maheshwari  
Managing Director**

**DIN: 03148904**

## 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. If a proxy is appointed for more than fifty members, he shall choose any fifty Members and confirm the same to the Company before the commencement of the specified period for inspection. In case the proxy fails to do so, the Company shall consider only the first fifty proxies received as valid. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution or authority as applicable.**

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. 24. 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. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed hereto.
4. 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.
5. In case of joint holders attending the Meeting, only such joint holder who is first in order of names will be entitled to vote.
6. 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.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).
8. Brief resume of Directors proposed to be appointed/re-appointed along with such other details as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and Secretarial Standards on General Meetings (SS-2), are provided as **Annexure I** to this Notice.
9. During Financial Year 2018-19, the Securities and Exchange Board of India ('SEBI') and the Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after 1<sup>st</sup> April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at [mudrafinancial.1994@gmail.com](mailto:mudrafinancial.1994@gmail.com) or contact the Registrars and Transfer Agent –M/s. System Support Services at [sysss72@yahoo.com](mailto:syss72@yahoo.com) and [022 2850 0835](tel:02228500835) for assistance in this regard.

10. 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.
11. 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.
12. 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.
13. The shares of the company are listed on BSE Limited.
14. In view of Circular issued by the SEBI for appointing common agency the Company has appointed M/S. System Support Services as Registrar & Transfer Agent. Members are therefore requested to send their grievances for early disposal 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**

15. 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.
16. 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.
17. 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.
18. Members who are holding shares in dematerialized form are requested to bring their DP ID and Client ID number for easy identification at the meeting.
19. 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 DP ID and Client ID number.
20. 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.
21. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in their address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the depository participant(s) and holdings should be verified.

22. Electronic copy of the Annual Report for FY 2018-19 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2018-19 are being sent in the permitted mode.
23. A route map showing directions to reach the venue of the Twenty Fifth AGM forms part of the Annual Report.

**24. 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 Friday, 27<sup>th</sup> September, 2019 at 9.00 A.M. and ends on Sunday, 29<sup>th</sup> September, 2019 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, 20<sup>th</sup> September, 2019 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](http://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](mailto:trjnsti@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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 20<sup>th</sup> September, 2019.
- 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 20<sup>th</sup> September, 2019 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [sysss72@yahoo.com](mailto: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 BSE Limited where the shares of the company are listed.

**Registered Office:**

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

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain**

**Director**

**DIN: 00096052**

**Dipen Maheshwari**

**Managing Director**

**DIN: 03148904**



**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.3:**

Mrs. Asha Rathi was appointed as an Independent Non-Executive Director of the Company to hold office for five consecutive years for a term upto 24<sup>th</sup> March, 2020 by the Members of the Company at the 21<sup>st</sup> AGM of the company held on 30<sup>th</sup> September, 2015.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto 5 (Five) consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto 5(Five)consecutive years on the Board of a Company.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considered that, given her background and experience and contributions made by her during her tenure, the continued association of Mrs. Asha Rathi would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Mrs. Asha Rathi as an Independent Director of the Company, not liable to retire by rotation, for a second term of five(5) consecutive years from 24<sup>th</sup> March, 2020 upto 23<sup>rd</sup> March, 2025 on the Board of the Company.

The Company has received declaration from her stating that she meet sthe criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as an Independent Director of the Company, if so appointed by the members.

In the opinion of the Board, Mrs. Asha Rathi fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for her re-appointment as an Independent Director. The Board considers that their continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mrs. Asha Rathi as an Independent Director of the Company.

Accordingly, the Board recommends the Special Resolution set out at Item No. 3 with respect to eligibility and re-appointment of Mrs. Asha Rathi as an Independent Director of the Company for second term of five consecutive years with effect from 24<sup>th</sup> March, 2020 upto 23<sup>rd</sup> March, 2025 for approval of members of the company.

Except Mrs. Asha Rathi and her relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying notice of the AGM.

**ITEM NO. 4:**

Mr. Jiyan Shah was appointed as an Additional Independent Director of the Company with effect from 30<sup>th</sup> March, 2019. Your Board proposes to regularize his appointment and appoint him as an Independent Director of the Company under Section 149 and 161(1) of the Act for a term of 5 (Five) Years, commencing from 30<sup>th</sup> March, 2019 upto 29<sup>th</sup> March, 2024, not liable to retire by rotation.

Mr. Jiyan Shah is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The company has received notice in writing from Mr. Jiyan Shah proposing his candidature for the office of Director of the Company. The company has also received declaration from Mr. Jiyan Shah that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Mr. Jiyan Shah fulfils the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his appointment as an Independent Director.

Accordingly, the Board recommends the Special Resolution set out at Item No. 4 with respect to eligibility and appointment of Mr. Jiyan Shah as an Independent Non-Executive Director of the Company for a term of five consecutive years with effect from 30<sup>th</sup> March, 2019 upto 29<sup>th</sup> March, 2024 for approval of members of the company.

Except Mr. Jiyan Shah and his relatives, none of the Directors or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM.

#### **ITEM NO. 5:**

Pursuant to the provisions of Section 197 (3) of the Act read with Schedule V thereto, if in any Financial Year, the Company has no profits or its profits are inadequate, it can pay remuneration to its Managing Director in accordance with the provisions of Schedule V to the Act i.e. not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule with the approval of the members of the company.

Based on the audited financial statements for the year ended 31<sup>st</sup> March, 2019 the company does not have adequate profits to pay (Minimum) Remuneration to Mr. Dipen Maheshwari, Managing Director as was approved by the members at the time of hisre-appointment at the 24<sup>th</sup> AGM. It is therefore considered desirable to obtain fresh approval of members by way of Special Resolution for payment of minimum remuneration to Mr. Dipen Maheshwari, Managing Director for FY 2019-20 and onwards in case the Company has inadequacy of profits for that year.

In view of the above the members are requested to approve the aforesaid resolution set out at Item No.5 of the accompanying notice.

Except Mr. Dipen Maheshwari and Mr. Sanjeev Maheshwari and their relatives, none of the Director or Key Managerial Personnel of the Company and their relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM.

**Registered Office:**  
3<sup>rd</sup> Floor, Vaastu Darshan, “B” Wing,  
Azad Road, Andheri (East),  
Mumbai – 400 069.

**Place: Mumbai**  
**Date :13<sup>th</sup> August, 2019**

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

<b>Atul Jain</b>	<b>Dipen Maheshwari</b>
<b>Director</b>	<b>Managing Director</b>
<b>DIN: 00096052</b>	<b>DIN: 03148904</b>

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

<b>Name of Director and DIN</b>	Mr. Atul Jain (DIN: 00096052)	Mrs. Asha Rathi (DIN: 00156024)	Mr. Jiyam Shah (DIN: 08395058)
<b>Date of Birth</b>	26/08/1962	20/04/1965	20/11/1993
<b>Qualification</b>	B.Com, Chartered Accountant, Insolvency and Bankruptcy Professional	B.Com	B.Com and Chartered Accountant
<b>Date of Appointment</b>	27/06/1994	25/03/2015	30/03/2019
<b>Brief resume &amp; Nature of expertise in specific functional areas</b>	Expertise in Merchant Banking, Project Finance, Liaisoning with Banks and other Financial Institutions.	She is associated with the Company since 23 <sup>rd</sup> March, 2015 as an Independent Non-Executive Director and has experience of over 5 years to her credit. She looks after the Project Advisory, Corporate Finance and it's Management.	He has experience of 2 years, as practicing Chartered Accountant and professionally interacting with entrepreneurs from the fields of Pharmaceuticals, Hospitality, Gems & Jewellery, IT, Infrastructure, Education and Housing Societies.
<b>Directorship held in other Companies as on 31<sup>st</sup> March, 2019</b>	1. Rajul Mercantile Private Limited. 2. Jadstone Trading Private Limited. 3. Rajveer Trading Private Limited. 4. Mudra Share And Stock Brokers Limited. 5. DTDC Express Limited.	Ishwardas Clearing Agency Private Limited	Nil
<b>Disclosure of relationship between directors inter-se</b>	Not related to any Director.	Not related to any Director.	Not related to any Director.
<b>Chairman/Member of the Committee of the Board of Directors in other Companies as on 31<sup>st</sup> March, 2019</b>	Member of Audit Committee in DTDC Express Limited.	Nil	Nil

<b>No. of Shares held in the Company</b>	327,600 Equity Shares of face value Rs. 10/- each.	1,000 Equity Shares of face value Rs. 10/- each.	Nil
<b>Number of Meetings of the Board attended</b>	7 (Seven)	7 (Seven)	Not Applicable*
<b>Details of remuneration last drawn</b>	Nil	Nil	Nil

\*Note: Mr.Jiyan Shah was appointed as an Additional Director w.e.f. 30<sup>th</sup> March, 2019.

**Registered Office:**

3<sup>rd</sup> Floor, Vaastu Darshan, “B” Wing,  
Azad Road, Andheri (East),  
Mumbai – 400 069.

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain**

**Director**

**DIN: 00096052**

**Dipen Maheshwari**

**Managing Director**

**DIN: 03148904**

# BOARD'S REPORT

Your Directors have great pleasure in presenting the Twenty Fifth Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup>March,2019.

## 1. FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Revenue from Operations	7,931,266	7,736,766
Other Income	66,076	65,927
<b>Total Revenue</b>	<b>7,997,342</b>	<b>7,802,693</b>
<b>Less : Total Expenses</b>	<b>4,469,868</b>	<b>3,667,033</b>
<b>Profit Before Tax</b>	<b>3,527,474</b>	<b>4,135,660</b>
<b>Less : Tax Expense</b>		
Current Tax	10,31,000	10,68,000
Earlier Years Tax		-
Deferred Tax	171	(915)
<b>Profit After Tax</b>	<b>2,496,303</b>	<b>3,068,575</b>

## 2. OPERATIONAL REVIEW:

Your Company has earned total revenue of Rs.79.31 lakhs during the current year as compared to Rs.77.37 lakhs earned in the previous year. During the year under review, the company has earned Profit after Tax of Rs.24.96 lakhs as compared to Profit after Tax of Rs.30.69 lakhs in immediately preceding financial year. The profit of the company has dipped down by a small ratio due to sloppy market conditions and also increased competition. However, the management is positive towards achieving better operational and financial performance for the next year. The Board of Directors of the company has a positive approach towards the company's performance in near future and also expect rise in total revenue of the company.

## 3. DIVIDEND:

Your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2019, in order to plough back the profits for future growth and development of the Company.

## 4. TRANSFER TO RESERVES:

During the year under review, the company has transferred an amount of Rs.5 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 2018-19.

## 6. SHARE CAPITAL OF THE COMPANY:

The Paid up Equity Share Capital as at 31<sup>st</sup> March, 2019 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. 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.

**8. SUSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANIES:**

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

**9. 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.

**10. 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.

**11. 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 31<sup>st</sup> March, 2019.

**12. DETAILS OF 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.

**13. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. BOARD OF DIRECTORS:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Mr. Atul Jain, Director (DIN:00096052) retires by rotation and being eligible offers himself for re-appointment.

During the year under review, Mr. Jiyan Shah (DIN: 08395058), has been appointed as an Additional Independent Director not liable to retire by rotation, to hold office for a term of five years w.e.f. 30<sup>th</sup> March, 2019 and by virtue of the Act, is eligible to hold office up to the date of the ensuing AGM. Further, in conformity with the provisions of the Companies Act, 2013, Mr. Jiyan Shah (DIN: 08395058), being eligible has proposed his candidature to be appointed as an Independent Director of the Company. Your Directors propose to regularize his appointment as an Independent Director of the Company under Section 149 and 161(1) of the Act and the Listing Regulations to hold office for a term of five years with effect from 30<sup>th</sup> March, 2019 upto 29<sup>th</sup> March, 2024.

Pursuant to the provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the erstwhile Listing Agreement, Mrs. Asha Rathi was appointed as an Independent Non-Executive Director to hold office for five consecutive years for a term upto 24<sup>th</sup> March, 2020 by the members of the Company in the 21<sup>st</sup> AGM held on 30<sup>th</sup> September, 2015. She is eligible for re-appointment as an Independent Director for second term of five consecutive years.

Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board recommends re-appointment of Mrs. Asha Rathi as an Independent Director for second term of 5 (Five) consecutive years w.e.f. 24<sup>th</sup> March, 2020 upto 23<sup>rd</sup> March, 2025 for the approval of the members through Special Resolution at the ensuing Annual General Meeting.

Profile and other information of Mr. Atul Jain, Mrs. Asha Rathi and Mr. Jiyan Shah as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 forms part of the notice convening the ensuing Annual General Meeting. The above proposal for re-appointment forms part of the Notice of the Twenty Fifth Annual General Meeting and the relevant resolution is recommended for your approval therein.

**KEY MANAGERIAL PERSONNEL:**

During the year under review, Mr. Hemang Satra was appointed as the Company Secretary and Compliance officer of the company w.e.f. 2<sup>nd</sup> May, 2018. Mr. Hemang Satra resigned from the office of



Company Secretary & Compliance Officer of the Company w.e.f. 26<sup>th</sup> May, 2018 due to pre-occupation.

In order to fill the vacancy created by resignation of Mr. Hemang Satra, the company has appointed Mr. Ajay Kumar Naresh Kumar Kabra as the Company Secretary and Compliance Officer of the Company w.e.f. 26<sup>th</sup> November, 2018, pursuant to provisions of Section 203 & 179 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

Your Company has 2(Two) Independent Directors as on the date of this meeting. During the year under review, 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.

**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 31<sup>st</sup> March, 2019, 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 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. MEETINGS OF BOARD OF DIRECTORS OF THE COMPANY:**

During the year under review, 7 (Seven) Board Meetings were convened and held on 2<sup>nd</sup> May 2018, 28<sup>th</sup> May, 2018, 13<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018, 26<sup>th</sup> November, 2018, 14<sup>th</sup> February, 2019 and 30<sup>th</sup> March, 2019. The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013. The details of these are as follows:

Name of the Director	Category of Directorship	No. of meetings during the year	
		Held	Attended
Mr. DipenMaheshwari	Managing Director	7	7
Mr. Atul Jain	Non-Executive Director	7	7
Mr. SanjeevMaheshwari	Non-Executive Director	7	7
Mr. JagannathChakravarti (resigned w.e.f. 30/03/2019)	Independent Non-Executive Director	7	7
Mrs. AshaRathi	Independent Non-Executive Director	7	7
Mr. Jiyan Shah (Appointed w.e.f 30/03/2019)	Independent Non-Executive Director	7	N.A

#### 17. AUDIT COMMITTEE:

In accordance with the provisions contained in Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in consonance with the provisions of Section 177 of the Companies Act, 2013, the Board of Directors had constituted an Audit Committee comprising of 3 Directors.

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. The 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. Jagannath Chakravarti (resigned w.e.f.30/03/2019)	Chairman	Independent Non-Executive Director	5	5
Mr. Atul Jain	Member	Non-Executive Director	5	5
Mrs. Asha Rathi	Member	Independent Non-Executive Director	5	5
Mr. Jiyan Shah (Appointed w.e.f 30/03/2019)	Member	Independent Non-Executive Director	5	N.A

The Audit Committee meetings were convened and held on 2<sup>nd</sup> May, 2018, 28<sup>th</sup> May, 2018, 13<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019 and all the members of the Audit Committee were present. The Board of directors at their meeting held on 30<sup>th</sup> March, 2019 has reconstituted the committee and appointed Mr. Jiyan Shah as a member of the Audit Committee in place of Mr. Jagannath Chakravarti and Mrs. Asha Rathi as a Chairperson of the Audit Committee.

#### 18. NOMINATION AND REMUNERATION COMMITTEE (“NRC”):

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 policy is posted on the website of the Company <https://www.mudrafinancial.in/>.

**The particulars of the members of NRC 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. Jagannath Chakravarti (resigned w.e.f.30/03/2019)	Chairman	Independent Non-Executive Director	5	5
Mr. Atul Jain	Member	Non-Executive Director	5	5
Mrs. Asha Rathi	Member	Independent Non-Executive Director	5	5
Mr. Jiyah Shah (Appointed w.e.f 30/03/2019)	Member	Independent Non-Executive Director	5	N.A

The NRC meetings were convened and held on 2<sup>nd</sup> May, 2018, 28<sup>th</sup> May, 2018, 26<sup>th</sup> November, 2018, 14<sup>th</sup> February, 2019 and 30<sup>th</sup> March, 2019 respectively. The Board of Directors at their meeting held on 30<sup>th</sup> March, 2019 has reconstituted the committee and appointed Mr. Jiyah Shah as a member of the NRC in place of Mr. Jagannath Chakravarti and Mrs. Asha Rathi as a Chairperson of the NRC.

**19. STAKEHOLDERS RELATIONSHIP COMMITTEE (“SRC”):**

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
Mrs. Asha Rathi	Chairperson	Independent Non-Executive Director	4	4
Mr. Atul Jain	Member	Non-Executive Director	4	4
Mr. Jagannath Chakravarti (resigned w.e.f.30/03/2019)	Member	Independent Non-Executive Director	4	4
Mr. Jiyah Shah (Appointed w.e.f 30/03/2019)	Member	Independent Non-Executive Director	4	N.A

The SRC meetings were convened and held on 28<sup>th</sup> May, 2018, 13<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. The Board of directors at their meeting held on 30<sup>th</sup> March, 2019 has reconstituted the committee and appointed Mr. Jiyah Shah as a member of the SRC in place of Mr. Jagannath Chakravarti.

**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, 2019.**

## 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 Wednesday, 14<sup>th</sup> February, 2019 inter-alia to discuss:

1. Evaluation of performance of Non-Independent Directors and Board of Directors of the Company as a whole;
2. Evaluation of performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors; and
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 (in Rs.)	Sitting fees paid to the Director
Mr. Dipen Maheshwari	Managing Director	815,709	-
Mr. Jagannath Chakravarti (resigned w.e.f. 30/03/2019)	Independent Non-Executive Director	NA	-
Mr. Sanjeev Maheshwari	Non-Executive Director	-	-
Mrs. Asha Rathi	Independent Non-Executive Director	NA	-
Mr. Jiyah Shah (Appointed w.e.f 30/03/2019)	Independent Non-Executive Director	NA	-
Mr. Atul Jain	Non-Executive Director	-	-

## 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 <https://www.mudrafinancial.in/>.

## 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 the 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. As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. 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:**

The Company has obtained written confirmation from M/s. Sampat Mehta & Associates, Chartered Accountants, (Firm Registration No. 109038W) that their appointment continues to be in conformity with the conditions specified in Section 139 of the Companies Act, 2013, and hence they continue to hold office until the conclusion of the 28<sup>th</sup> Annual General Meeting.

The auditors have issued an unqualified report for the year ended 31<sup>st</sup> March, 2019, however, the observations of the auditors contained in their Report have been adequately dealt with in the Notes to the Accounts which are self-explanatory and, therefore, do not call for any further comments.

**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 had appointed Mrs. Bijal Nagda, Practicing Company Secretary, to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Board of Directors at its meeting held on 30<sup>th</sup> May, 2019 has appointed Mr. Anirudh Kumar Tanvar (Membership No. A23145) as Secretarial Auditor of the Company for the Financial Year 2019-2020 in compliance with the applicable provisions of the Companies Act, 2013 in place of Mrs. Bijal Nagda, (Membership No. A26296); the retiring Secretarial Auditor.

As required under Section 204(1) of the Companies Act, 2013 the Company has obtained a secretarial audit report which contains observations with regard to constitution of the Board of Directors and Key Managerial Personnel. The company has complied with the same as on the date of the Secretarial Audit Report.

The Secretarial Audit report in the prescribed Form MR-3 is annexed herewith as **Annexure 'B'** and forms an integral part to this report.

**27. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has 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 efficiency 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 control system. 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 is attached as **Annexure 'C'** and forms 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 EARNINGS 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 has constituted 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. During the year under review, no complaints were reported.

**32. PARTICULARS OF EMPLOYEES:**

The requisite details in respect of employees of the Company required pursuant to 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.

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as **“Annexure E”** to the Board's Report.

**33. LISTING:**

The equity shares of the company are listed on BSE Limited.

**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 Act & 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 STANDARDS:**

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. SAFETY, ENVIRONMENT CONTROL AND PROTECTION:**

The Company is aware of the importance of environmentally clean and safe operations. The Company's policy requires conduct of operations in such a manner, so as to ensure safety of all concerned, compliances, environmental regulations and preservation of natural resources at the Plant.

**40. 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:**

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

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain**

**Director**

**DIN: 00096052**

**Dipen Maheshwari**

**Managing Director**

**DIN: 03148904**

**FORM NO. MR - 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(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**  
**3<sup>rd</sup> Floor, Vaastu Darshan, “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 31<sup>st</sup> March, 2019 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 31<sup>st</sup> March, 2019 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;
  
- 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.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the Company has paid penalty of Rs. 56,000/- along with GST of Rs. 10,080/- levied by the Bombay Stock Exchange Limited for not appointing qualified Company Secretary as Compliance Officer of the Company for the quarter ended December, 2018 as Mr. Ajay Kumar Naresh Kumar Kabra, Company Secretary cum compliance officer was appointed w.e.f. 26<sup>th</sup> November, 2018 and Mr. Hemang Satra, Company Secretary cum compliance officer resigned w.e.f. 26<sup>th</sup> May, 2018.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

**Bijal Nagda**  
**Company Secretary**

**ACS No. : 26296**  
**COP No. : 13643**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2019**

**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.

# **Annexure I' to Secretarial Audit Report**

**To,  
The Members,  
Mudra Financial Services Limited  
3<sup>rd</sup> Floor, Vaastu Darshan, "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.

**Bijal Nagda  
Company Secretary**

**ACS No. : 26296  
COP No. : 13643**

**Place: Mumbai  
Date: 30<sup>th</sup> May, 2019**

# 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 31/03/2019**

#### 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	<b>Address of the Registered office &amp; contact details</b>	
	Address :	3 <sup>rd</sup> Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East)
	Town / City :	Mumbai- 400 069
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	022-61919293
	Fax Number :	-
	Email Address :	<a href="mailto:mudrafinancial.1994@gmail.com">mudrafinancial.1994@gmail.com</a>
	Website, if any:	<a href="http://www.mudrafinancial.in">www.mudrafinancial.in</a>
vi	Whether listed company	Yes
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA )</b>	
	Name of RTA:	System Support Services
	Address :	209, Shivai Industrial Estate, 89, Andheri-Kurla Road, Saki Naka, Andheri (East)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400 072
	Telephone :	022 28500835
	Fax Number :	-
	Email Address :	<a href="mailto:syss72@yahoo.com">sysss72@yahoo.com</a>

#### 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:- Interest, Dividend, Long Term Profit on Shares

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company

**NOTE: The Company is earning Income from:**

- i) Interest on Loans and Advances & Fixed Deposits
- ii) Dividend from Stock - in - Trade
- iii) Profit from investment in Shares

#### 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

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1232300	47000	1279300	25.53	1279300	240500	1519800	30.34	4.80
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Others	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>1232300</b>	<b>47000</b>	<b>1279300</b>	<b>25.53</b>	<b>1279300</b>	<b>240500</b>	<b>1519800</b>	<b>30.34</b>	<b>4.80</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	695200	324700	1019900	20.36	695250	-	695250	13.88	6.48
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	396700	396700	7.92	179350	507700	687050	13.71	-5.80
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	226200	2087900	2314100	46.19	1179100	928800	2107900	42.07	-4.12
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>921400</b>	<b>2809300</b>	<b>3730700</b>	<b>74.47</b>	<b>2053700</b>	<b>1436500</b>	<b>3490200</b>	<b>69.67</b>	<b>-3.43</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>921400</b>	<b>2809300</b>	<b>3730700</b>	<b>74.47</b>	<b>2053700</b>	<b>1436500</b>	<b>3490200</b>	<b>69.66</b>	<b>69.66</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>2153700</b>	<b>2856300</b>	<b>5010000</b>	<b>100</b>	<b>3333000</b>	<b>1677000</b>	<b>5010000</b>	<b>100</b>	<b>0.00</b>



ii Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	ATUL JAIN	201600	4.02	-	327600	6.54	-	2.51
3	DEEPAK MAHESHWARI	21100	0.42	-	21100	0.42	-	0.00
4	DIPEN MAHESHWARI	75000	1.50	-	75000	1.50	-	0.00
5	PRABHAT MAHESHWARI	335200	6.69	-	375200	7.49	-	0.80
6	RANJANA JAIN	121100	2.42	-	121100	2.42	-	0.00
7	RAJRATAN DAMANI	40500	0.81	-	40500	0.81	-	0.00
8	RENU DAMANI	46500	0.93	-	46500	0.93	-	0.00
9	SANJEEV MAHESHWARI	172600	3.45	-	247600	4.94	-	1.50
10	KUSHAL MAHESHWARI	65000	1.30	-	65000	1.30	-	0.00
11	AAYUSH JAIN	60000	1.20	-	60000	1.20	-	0.00
12	USHA MAHESHWARI	100	0.00	-	100	0.00	-	0.00
13	VIJAYA JAIN	500	0.01	-	0	0.00	-	-0.01
	<b>TOTAL</b>	<b>1279300</b>	<b>25.53</b>	<b>-</b>	<b>1519800</b>	<b>30.34</b>	<b>-</b>	<b>4.80</b>

iii Change in Promoters' Shareholding ( please specify, if there is no change)

S. No.: 1. ANITA MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	140100	2.80	140100	2.80
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>140100</b>	<b>2.80</b>	<b>140100</b>	<b>2.80</b>

S. No.: 2. ATUL JAIN	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	201600	4.02	201600	4.02
Transfer of shares from Vijaya Jain on 07/09/2018	-	-	500	0.01
Transfer of shares from Vipul Maheshwari on 30/03/2019	-	-	125500	2.50
At the End of the year (or on the date of separation, if separated during the year)	<b>201600</b>	<b>4.02</b>	<b>327600</b>	<b>6.54</b>

S. No.: 3. DEEPAK MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	21100	0.42	21100	0.42
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>21100</b>	<b>0.42</b>	<b>21100</b>	<b>0.42</b>

S. No.: 4. DIPEN MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	75000	1.50	75000	1.50
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>75000</b>	<b>1.50</b>	<b>75000</b>	<b>1.50</b>

S. No.: 5. PRABHAT MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	335200	6.69	335200	6.69
Transfer of shares from Indu Maheshwari on 30/03/2019	-	-	40000	0.80
At the End of the year	<b>335200</b>	<b>6.69</b>	<b>375200</b>	<b>7.49</b>

S. No.: 6. RANJANA JAIN	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	121100	2.42	121100	2.42
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>121100</b>	<b>2.42</b>	<b>121100</b>	<b>2.42</b>

S. No.: 7. RAJRATAN DAMANI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	40500	0.81	40500	0.81
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>40500</b>	<b>0.81</b>	<b>40500</b>	<b>0.81</b>

S. No.: 8. RENU DAMANI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	46500	0.93	46500	0.93
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>46500</b>	<b>0.93</b>	<b>46500</b>	<b>0.93</b>

S. No.: 9. SANJEEV MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	172600	3.45	172600	3.45
Transfer of shares from Indu Maheshwari on 30/03/2019	-	-	75000	1.50
At the End of the year (or on the date of separation, if separated during the year)	<b>172600</b>	<b>3.45</b>	<b>247600</b>	<b>4.94</b>

S. No.: 10. KUSHAL MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	65000	1.30	65000	1.30
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>65000</b>	<b>1.30</b>	<b>65000</b>	<b>1.30</b>

S. No.: 11. AAYUSH JAIN	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	60000	1.20	60000	1.20
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>60000</b>	<b>1.20</b>	<b>60000</b>	<b>1.20</b>

S. No.: 12. USHA MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	100	0.00	100	0.00
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>100</b>	<b>0.00</b>	<b>100</b>	<b>0.00</b>

S. No.: 13. VIJAYA JAIN	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (2018-19)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	500	0.01	500	0.01
Transfer to Atul Jain on 07/09/2018	-	-	-500	-
At the End of the year (or on the date of separation, if separated during the year)	<b>500</b>	<b>0.01</b>	<b>0</b>	<b>0.00</b>

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

Sr. No.	Name	Shareholding at the beginning of the year		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (2018-2019)	
		No. of shares at the beginning (01-04-2018)	% of total shares of the company				No. of shares	% of total Shares of the company
1	CYPRESS CONSULTANTS PRIVATE LIMITED	695200	13.88	01.04.2018	-	No Change	695200	13.88
				31.03.2019			695200	13.88
2	RAMA DUBE	241100	4.81	01.04.2018	-	No Change	241100	4.81
				31.03.2019			241100	4.81
3	DARSHINI DUBE	240000	4.79	01.04.2018	-	No Change	240000	4.79
				31.03.2019			240000	4.79
4	INDU MAHESHWARI	238000	4.75	01.04.2018			238000	4.75
				30.03.2019	-40000	Transferred to Prabhat Maheshwari	198000	3.95
				30.03.2019	-75000	Transferred to Sanjeev Maheshwari	123000	2.46

				31.03.2019			123000	2.46
5	KISAN NIVRUTI PATIL	231400	4.62	01.04.2018	-	No Change	231400	4.62
				31.03.2019			231400	4.62
6	BISWANATH SARKAR	226200	4.51	01.04.2018	-	No Change	226200	4.51
				31.03.2019			226200	4.51
7	VIPUL MAHESHWARI	205500	4.10	01.04.2018	-		205500	4.10
				30.03.2019	-125500	Transferred to Atul Jain	80000	1.60
				31.03.2019			80000	1.60
8	NILESH SHIGWAN	205000	4.09	01.04.2018	-	No Change	205000	4.09
				31.03.2019			205000	4.09
9	FLASH SECURITIES PRIVATE LIMITED	191000	3.81	01.04.2018	-		191000	3.81
				31.01.2019	-191000	Transferred to Ashok Kotwani	0	0.00
				31.03.2019			0	0
10	ASHOK KOTWANI	0	0.00	01.04.2018	-		-	-
				31.01.2019	191000	Transferred from Flash Securities Private Limited	191000	3.81
				31.03.2019			191000	3.81
10	YASHWANT NATE	185500	3.70	01.04.2018	-	No Change	185500	3.70
				31.03.2019			185500	3.70
11	SUNIL KUNTE	170500	3.40	01.04.2018	-	No Change	170500	3.40
				31.03.2019			170500	3.40
12	SURESH VITHOBA BHUJBAL	160500	3.20	01.04.2018	-	No Change	160500	3.20
				31.03.2019			160500	3.20
13	KANCHAN KOTWANI	0	0	01.04.2018	-		-	-
				15.01.2019	133700	Transferred from Goldline Equipments Private Limited	133700	2.67
				31.03.2019			133700	2.67

v Shareholding of Directors and Key Managerial Personnel:								
Sr. No.	Name	Shareholding at the beginning of the year		Date	Increasing / Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to 31-03-19)	
		No. of shares at the beginning (01-04-2018) /	% of total shares of the company				No. of shares	% of total Shares of the company
1	ATUL JAIN	201600	4.02	01.04.2018			201600	4.02
				07.09.2018	500	Transferred from Vipul Maheshwari	202100	4.03
				30.03.2019	125500	Transferred from Vipul Maheshwari	327600	6.54
				31.03.2019			327600	6.54
2	JAGANNATH RAMANUJ CHAKRAVARTI (RESIGNED W.E.F. 30/03/2019)					NIL		
3	SANJEEV KRISHNA GOPAL MAHESHWARI	172600	3.45	01.04.2018			172600	3.45
				30.03.2019	75000	Transferred from Vipul Maheshwari	247600	4.94
				31.03.2019	-		247600	4.94
4	ASHA KRISHAN KUMAR RATHI	1000	0	01.04.2018			1000	0
				31.03.2019	-	No Change	1000	0
5	DIPEN PRABHAT MAHESHWARI	75000	1.50	01.04.2018			75000	1.50
				31.03.2019			75000	1.50
6	JIYAN SHAH (APPOINTED W.E.F. 30/03/2019)					NIL		
7	AJAY KABRA (APPOINTED W.E.F. 26/11/2018)					NIL		
8	MEGHANA TANK (APPOINTED W.E.F. 02/05/2018)					NIL		

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	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
* Addition	-	-	-	-
* Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
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	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Dipen Maheshwari (Managing Director)	
1	Gross salary	815709.00	815709.00
	(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	-	-
	<b>Total (A)</b>	<b>815709.00</b>	<b>815709.00</b>
	Ceiling as per the Act	-	-

B. *Remuneration to other directors:*

Sl. no.	Particulars of Remuneration	Name of Directors			
					Total Amount
1	<b>Independent Directors</b>	<b>Jagannath Chakravarti (resigned w.e.f. 30/03/2019)</b>	<b>Mrs. Asha Rathi</b>	<b>Jiyan Shah (Appointed w.e.f. 30/03/2019)</b>	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	<b>Other Non-Executive Directors</b>	<b>Atul Jain</b>	-	<b>Sanjeev Maheshwari</b>	-
	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		
		Ajay Kabra (Company Secretary w.e.f. 26.11.2018)	Meghana Tank (CFO - appointed w.e.f. 02.05.2018)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	170,016.00	118,814.00	288,830.00
	(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	-	-	-
	<b>Total</b>	<b>170,016.00</b>	<b>118,814.00</b>	<b>288,830.00</b>

**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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Registered Office:**

3<sup>rd</sup> Floor, Vaastu Darshan, “B” Wing,  
Azad Road, Andheri (East),  
Mumbai – 400 069.

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain  
Director**

**DIN: 00096052**

**Dipen Maheshwari  
Managing Director**

**DIN: 03148904**



## Annexure 'D' to Directors Report 2018-2019

**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 2018-19.	Mr. DipenMaheshwari : 11.19:1 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 2018-19 as compared to 2017-18 means part of the year.	a) Mr. Dipen Maheshwari - Managing Director: 17.77% b) Mr. Ajay Kumar Naresh Kumar Kabra (Company Secretary) : NA* c) Ms. Meghana Jitendra Tank (Chief Financial Officer): NA**  *Remuneration for financial year 2018-19 is not comparable with the previous year since, Mr. Ajay Kumar Naresh Kumar Kabra 26.11.2018.  **Remuneration for financial year 2018 -19 is not comparable with the previous year since, Ms. Meghana Tank was Appointed on 02.05.2018.
3.	Percentage increase in the median remuneration of employees in the financial year 2018-19 compared to 2017-18	(18.09)%
4.	Number of permanent employees on the rolls of the company.	12 employees as on 31 <sup>st</sup> March, 2019
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year.	During the financial year 2018-19,there was an increase of 60% in the average percentile of the salaries of employees other than managerial personnel.
6.	Percentile increase in managerial remuneration.	There was an increase of 17.77% in the managerial remuneration as compared to previous year.
7.	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.
8.	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:**

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

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain  
Director**

**DIN: 00096052**

**Dipen Maheshwari  
Managing Director**

**DIN: 03148904**

## Annexure 'E' to Directors Report 2018-19

**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 31<sup>st</sup> March, 2019:**

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.1,02,00,000/-.	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:**

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

**Place: Mumbai**

**Date :13<sup>th</sup> August, 2019**

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

**Atul Jain  
Director**

**DIN: 00096052**

**Dipen Maheshwari  
Managing Director**

**DIN: 03148904**

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Mudra Financial Services Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Mudra Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Description	Auditor's Response
<p>As at the year end, the Company has granted loans of Rs. 6,29,00,000. Management estimates impairment provision using specific approach method. We have reported this as a key audit matter because measurement of loan impairment involves application of significant judgement by the management. The most significant judgements are :</p> <ul style="list-style-type: none"><li>• Timely identification of the impaired loans</li><li>• Key assumptions in respect of determination of probability of defaults and loss given defaults.</li></ul>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"><li>• Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision</li><li>• For loans identified by management as potentially impaired, examined on a test check basis, calculation of the impairment, critically assessed the underlying assumptions and corroborated these to supporting evidence.</li></ul>

### Other Information

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

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

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

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. 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 judgements 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

•Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

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 company does not have any branches. Hence, the provisions of section 143(3)(c) is not applicable.
- d. 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.
- e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

i. 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 information and according to the explanations given to us:

- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 23 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Sampat Mehta & Associates**  
Chartered Accountants  
Firm's Registration No: 109038W

**Place: Mumbai**  
**Date: 30<sup>th</sup> May 2019**

**Sanjay Rambhia**  
**Partner**  
Membership Number: 046265

**Annexure A referred to in our Report of even date to the members of  
Mudra Financial Services Limited  
for the year ended March 31, 2019**

As required by Companies (Auditors Report) Order, 2016 issued by the Ministry of Corporate Affairs, on the basis of checks of the books and records as we considered appropriate and according to the information and explanations given to us during the course of audit, we state as under:-

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size Company and the nature of its assets. As informed to us, no material discrepancies have been noticed upon such verification.
- c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the Order is not applicable.
- ii. The management has conducted physical verification of inventories at reasonable interval during the period and also at the year end. As informed to us no material discrepancies have been noticed upon such verification.
- iii. The Company has not granted loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 and hence the provisions of clause (iii) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- iv. According to the information and explanation given to us, the company has not granted any loans or made any investments, or provided any guarantees or given any security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
- v. The Company being NBFC, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company. Hence the provisions of Clause (v) of Paragraph 3 of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- 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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, service tax, custom duty, value added tax, cess and other material statutory dues.

According to the information and explanations given to us, no undisputed amounts payable in respect of applicable statutory dues were in arrears for a period exceeding six months as at the end of the financial year from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of income tax, sales tax or service tax, customs duty, excise duty or value added tax not been deposited on account of any dispute except for the following:



<b>Name of Statute</b>	<b>Nature of Due</b>	<b>Amount in Rs.</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	5,40,750/-	FY 2014-15	Income Tax Appellate Tribunal

- viii. The Company has not taken any loan from financial institutions or banks during the year; hence the provisions of clause (viii) of paragraph 3 of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year hence the provisions of clause (ix) of paragraph 3 of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- x. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given, no fraud on or by the Company, by its officers or employees has been noticed or reported during the course of audit.
- xi. In our opinion and according to the information and explanations given to us, managerial remuneration paid or provided by the Company is in accordance with section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him, hence the provisions of clause (xv) of paragraph 3 of Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi. The Company is registered under section 45-IA of Reserve Bank of India Act, 1934

**For Sampat Mehta & Associates**  
Chartered Accountants  
Firm's Registration No: 109038W

**Place: Mumbai**  
**Date: 30<sup>th</sup> May 2019**

**Sanjay Rambhia**  
**Partner**  
Membership Number: 046265

Annexure B referred to in our Report of even date to the members of  
**Mudra Financial Services Limited**  
for the year ended 31<sup>st</sup> March, 2019

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

We have audited the internal financial controls over financial reporting of Mudra Financial Services Limited ("the Company") as at March 31, 2019 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 financial 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 ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's 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, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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 including 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 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 accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 compliances 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, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal financial control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Sampat Mehta & Associates**

Chartered Accountants

Firm's Registration No: 109038W

**Place: Mumbai**

**Date: 30<sup>th</sup> May 2019**

**Sanjay Rambhia**

**Partner**

Membership Number: 046265

# MUDRA FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

PARTICULARS	NOTE NO.	AS AT 31.03.2019	AS AT (Amount in Rs.) 31.03.2018
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	50,100,000	50,100,000
(b) Reserves and surplus	3	28,966,657	26,470,354
		<b>79,066,657</b>	<b>76,570,354</b>
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	4	5,648	5,477
(b) Long-term provisions	5	450,365	271,000
		<b>456,013</b>	<b>276,477</b>
<b>3 Current liabilities</b>			
(a) Other current liabilities	6	226,745	94,707
		<b>226,745</b>	<b>94,707</b>
<b>TOTAL</b>		<b>79,749,415</b>	<b>76,941,538</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible assets	7	24,311	24,311
		<b>24,311</b>	<b>24,311</b>
(b) Non-current investments	8	512,067	772,050
(c) Long-term loans and advances	9	63,177,353	67,975,032
		<b>63,713,731</b>	<b>68,771,393</b>
<b>2 Current assets</b>			
(a) Inventories	10	2,651,437	2,691,437
(b) Current Investments	11	8,000,000	-
(c) Cash and cash equivalents	12	468,710	1,020,690
(d) Short-term loans and advances	13	44,300	32,470
(e) Other current assets	14	4,871,237	4,425,548
		<b>16,035,684</b>	<b>8,170,145</b>
<b>TOTAL</b>		<b>79,749,415</b>	<b>76,941,538</b>
Significant accounting policies and notes forming part of the financial statements	1 to 29		

As per our report of even date attached  
For Sampat Mehta & Associates  
Chartered Accountants

For and on behalf of the board

**F.R. No. 109038W**  
**CA Sanjay Rambhia**  
**Partner**  
**M No.046265**

**Dipen Maheshwari**  
**Managing Director**  
**DIN: 03148904**

**Atul Jain**  
**Director**  
**DIN: 00096052**

**Place: Mumbai**  
**Date: 30<sup>th</sup> May, 2019**

**Sanjeev Maheshwari**  
**Director**  
**DIN: 02431173**

**Meghana Tank**  
**Chief Financial Officer**

**Ajay Kabra**  
**Company Secretary**

**MUDRA FINANCIAL SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Amount in Rs. )			
PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
<b>INCOME</b>			
Revenue from Operations	15	7,931,266	7,736,766
Other Income	16	66,076	65,927
<b>Total Revenue</b>		<b>7,997,342</b>	<b>7,802,693</b>
<b>EXPENSES</b>			
Changes in Inventories	17	40,000	-
Employee benefits expense	18	2,618,779	2,246,102
Depreciation	7	-	-
Other expenses	19	1,811,089	1,420,931
<b>Total expenses</b>		<b>4,469,868</b>	<b>3,667,033</b>
<b>Profit before tax</b>		<b>3,527,474</b>	<b>4,135,660</b>
<b>Tax expense:</b>			
Current tax		1,031,000	1,068,000
Deferred Tax		171	(915)
<b>Profit after tax</b>		<b>2,496,303</b>	<b>3,068,575</b>
Basic & Diluted Earning per share	20	<b>0.50</b>	<b>0.61</b>
Significant accounting policies and notes forming part of the financial statements	1 to 29		

As per our report of even date attached  
For Sampat Mehta & Associates  
Chartered Accountants

For and on behalf of the board

F.R. No. 109038W  
CA Sanjay Rambhia  
Partner  
M No.046265

Dipen Maheshwari  
Managing Director  
DIN: 03148904

Atul Jain  
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Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

Sanjeev Maheshwari  
Director  
DIN: 02431173

Meghana Tank  
Chief Financial Officer

Ajay Kabra  
Company Secretary

**MUDRA FINANCIAL SERVICES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

(Amount in Rs.)

PARTICULARS	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before tax	3,527,474	4,135,660
<b>Adjustments for:</b>		
Depreciation	-	-
Contingent Provision against Standard Assets	(113,750)	82,000
Provision for Payment of Gratuity	293,115	
Interest Income	(5,891,266)	(6,186,766)
Dividend Income	(65,927)	(65,927)
<b>Operating Profit Before Working Capital Changes</b>	<b>(2,250,354)</b>	<b>(2,035,033)</b>
<b>Adjustment for:</b>		
<b>Increase/Decrease in Working Capital</b>		
(Increase)/Decrease in Inventories	40,000	-
(Increase)/ Decrease in Other Current Assets	(445,689)	(933,608)
(Increase)/ Decrease in Current Investments	(8,000,000)	-
(Decrease)/Increase in Other Current Liabilities	132,038	76,857
(Increase)/ Decrease in Short Term Loans & Advance	(11,830)	(20,876)
<b>Cash Generated from Operations</b>	<b>(10,535,835)</b>	<b>(2,912,660)</b>
Less: Tax Paid	(1,031,000)	(1,068,000)
<b>Net Cash from Operating Activities</b>	<b>(11,566,835)</b>	<b>(3,980,660)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets & Capital WIP	-	-
Sale/(Purchase) of Investments (Net)	259,983	-
Sale of Fixed Assets	-	-
Interest Received	5,891,266	6,186,766
Dividend Income	65,927	65,927
(Increase)/ Decrease in Long term Loans & Advance	4,797,679	(4,342,359)
<b>Net Cash flow from Investing Activities</b>	<b>11,014,855</b>	<b>1,910,334</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital (Equity + Share Premium)	-	-
Borrowings (Net)	-	-
Interest Paid	-	-
Allotment money in arrears received	-	-
<b>Net Cash flow from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(551,980)</b>	<b>(2,070,326)</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>1,020,690</b>	<b>3,091,016</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>468,710</b>	<b>1,020,690</b>

**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.

**For and on behalf of the board**

**Dipen Maheshwari**      **Atul Jain**  
**Managing Director**      **Director**  
**DIN: 03148904**      **DIN: 00096052**

**Sanjeev Maheshwari**      **Meghana Tank**  
**Director**      **Chief Financial Officer**  
**DIN: 02431173**

**Ajay Kabra**  
**Company Secretary**

**As per our report of even date attached**  
**For Sampat Mehta & Associates**  
**Chartered Accountants**

**F.R. No. 109038W**  
**CA Sanjay Rambhia**  
**Partner**  
**M No.046265**

**Place : Mumbai**  
**Date: 30<sup>th</sup> May, 2019**

## MUDRA FINANCIAL SERVICES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

#### 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.

##### 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 PROPERTY, PLANT AND EQUIPMENT

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. 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.

##### IV 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.

##### 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 Goods and Services 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 when title passes to the customer, i.e upon delivery.

(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. 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.



## MUDRA FINANCIAL SERVICES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

#### **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. Provision for Gratuity payment is made as per Payment of Gratuity Act, 1972.

#### **IX 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.

#### **X CASH AND CASH EQUIVALENTS**

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

#### **XI 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.

#### **XII PROVISION FOR STANDARD ASSETS**

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

#### **XIII 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.

#### **XIV 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 31<sup>ST</sup> MARCH, 2019**

**NOTE 2 - SHARE CAPITAL**

(Amount in Rs.)

Particulars	AS AT 31.03.2019		AS AT 31.03.2018	
	No. of shares	Rupees	No. of shares	Rupees
<b>(a) Authorised</b> - Equity shares of Rs.10/- each with voting rights	5,250,000	52,500,000	5,250,000	52,500,000
<b>(b) Issued</b> - Equity shares of Rs. 10/- each with voting rights	5,010,000	50,100,000	5,010,000	50,100,000
<b>(c) Subscribed and fully paid up</b> - Equity shares of Rs. 10/- each with voting rights	5,010,000	50,100,000	5,010,000	50,100,000
<b>Total</b>	<b>5,010,000</b>	<b>50,100,000</b>	<b>5,010,000</b>	<b>50,100,000</b>

- (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
<b>Equity shares with voting rights</b>			
Year ended 31st March, 2019			
- Number of shares	5,010,000	-	5,010,000
- Amount (Rs.)	50,100,000	-	50,100,000
Year ended 31st March, 2018			
- 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 as on 31<sup>st</sup> March, 2019:

Class of shares / Name of shareholder	AS AT 31.03.2019		AS AT 31.03.2018	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of Rs.10/- each fully paid up</b>				
Cypress Consultants Private Limited	695,200	13.88%	695,200	13.88%
Prabhat Maheshwari	375,200	7.49%	335,200	6.69%
Atul Jain	327,600	6.54%	-	-

# MUDRA FINANCIAL SERVICES LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

### NOTE 3 - RESERVES AND SURPLUS

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<u>Statutory Reserve*</u>		
Balance as per last financial statements	4,120,655	3,506,655
Add : Amount transferred during the year	500,000	614,000
	4,620,655	4,120,655
<u>Balance in Statement of Profit and Loss</u>		
Opening Balance	22,349,699	19,895,124
Add: Profit for the year	2,496,303	3,068,575
Less: Transferred to Statutory Reserve	(500,000)	(614,000)
	24,346,002	22,349,699
	<b>28,966,657</b>	<b>26,470,354</b>

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

### NOTE 4 - DEFERRED TAX

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<b>Deferred Tax Liability</b>		
Related to property, plant and equipment	5,648	5,477
<b>Deferred Tax Liability</b>	<b>5,648</b>	<b>5,477</b>

### NOTE 5 - LONG TERM PROVISIONS

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
Contingent Provision against Standard Assets*	157,250	271,000
Provision for Payment of Gratuity	293,115	-
	<b>450,365</b>	<b>271,000</b>

A contingent provision against standard assets has been created at 0.25% of the outstanding standard assets in accordance with the RBI guidelines.

### NOTE 6 - OTHER CURRENT LIABILITES

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
Payable for expenses	47,630	15,000
Statutory dues*	179,115	79,707
	<b>226,745</b>	<b>94,707</b>

\* Includes Professional Tax, TDS and GST Payable

### NOTE : 7 PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

DETAILS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS AT 01.04.2018	Purchase/ Additions/ Adjustments	Sale/ Deductions/ Adjustments	AS AT 31.03.2019	Upto 01.04.2018	For the Year	Adjustments	AS AT 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>TANGIBLE ASSETS</b>										
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
<b>AS AT 31.03.2019 Total</b>	<b>762,645</b>	<b>-</b>	<b>-</b>	<b>762,645</b>	<b>738,334</b>	<b>-</b>	<b>-</b>	<b>738,334</b>	<b>24,311</b>	<b>24,311</b>
<b>AS AT 31.03.2018</b>	<b>762,645</b>	<b>-</b>	<b>-</b>	<b>762,645</b>	<b>738,334</b>	<b>-</b>	<b>-</b>	<b>738,334</b>	<b>24,311</b>	<b>-</b>

**MUDRA FINANCIAL SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**NOTE 8 - NON-CURRENT INVESTMENTS**

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<b>NON TRADE INVESTMENT</b>		
<b>Quoted</b>		
<b>In Equity Shares</b>		
540 (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
<b>Less:</b> Provision for Diminution of Investments	(259,983)	-
<b>Total</b>	<b>512,067</b>	<b>772,050</b>
<b>Aggregate amount of quoted investments (At Cost)</b>	<b>772,050</b>	<b>772,050</b>
<b>Aggregate amount of quoted investments (Market Value)</b>	<b>1,220,346</b>	<b>1,739,232</b>

**NOTE 9 - LONG TERM LOANS AND ADVANCES**

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<b>Unsecured, considered good</b>		
Loans to Others	62,900,000	67,750,000
<b>Other Loans and Advances</b>		
Payment of Taxes (Net)	277,353	225,032
	<b>63,177,353</b>	<b>67,975,032</b>

**NOTE 10 - INVENTORIES**

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<b>(Valued at Cost)</b>		
Stock of Shares (Refer Note 22)	2,651,437	2,691,437
	<b>2,651,437</b>	<b>2,691,437</b>

**NOTE 11 - CURRENT INVESTMENTS**

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<b>Unquoted Investments</b>		
30,156.58 units (NIL) of ICICI Prudential Liquid Fund - Growth	8,000,000	-
<b>Total</b>	<b>8,000,000</b>	<b>-</b>
<b>Aggregate amount of Unquoted Investments (At Cost)</b>	<b>8,000,000</b>	<b>-</b>
<b>Aggregate amount of Unquoted Investments (Market Value)</b>	<b>8,297,053</b>	<b>-</b>

## NOTE 12 - CASH AND CASH EQUIVALENTS

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
Cash on hand	30,981	284,996
<b>Bank Balances with Scheduled Banks</b>		
In Current Accounts	437,729	735,694
	<b>468,710</b>	<b>1,020,690</b>

## NOTE 13 - SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
<i>Unsecured, considered good</i>		
<b>Other Advances</b>		
Advances to Staff and Others	44,300	32,470
	<b>44,300</b>	<b>32,470</b>

## NOTE 14 - OTHER CURRENT ASSETS

(Amount in Rs.)

	AS AT 31.03.2019	AS AT 31.03.2018
Interest accrued but not received	4,871,237	4,425,548
	<b>4,871,237</b>	<b>4,425,548</b>

## NOTE 15 : REVENUE FROM OPERATIONS

(Amount in Rs.)

	YEAR ENDED 31.3.2019	YEAR ENDED 31.3.2018
Service Income	2,000,000	1,550,000
Redemption of Preference Shares	40,000	-
<u>Other Operating Income</u>		
Interest Received	5,891,266	6,186,766
	<b>7,931,266</b>	<b>7,736,766</b>

## NOTE 16 - OTHER INCOME

(Amount in Rs.)

	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
Interest on Income Tax Refund	25	-
Dividend Income on Stock-in-trade	65,927	65,927
Miscellaneous Income	124	-
	<b>66,076</b>	<b>65,927</b>

## NOTE 17 - CHANGES IN INVENTORIES

(Amount in Rs.)

	YEAR ENDED 31.03.2019	YEAR ENDED 31.03.2018
<b>Inventories at the end of the year</b>		
Stock of Shares	2,651,437	2,691,437
<b>Inventories at the beginning of the year</b>		
Stock of Shares	2,691,437	2,691,437
	<b>40,000</b>	<b>-</b>

**NOTE 18 - EMPLOYEE BENEFITS EXPENSE****(Amount in Rs.)**

	<b>YEAR ENDED 31.03.2019</b>	<b>YEAR ENDED 31.03.2018</b>
Salaries, Bonus and Other Allowances	1,372,943	1,464,835
Director's Remunertaion	815,709	692,646
Gratuity Expenses	293,115	-
Staff Welfare Expenses	137,012	88,621
	<b>2,618,779</b>	<b>2,246,102</b>

**NOTE 19 - OTHER EXPENSES****(Amount in Rs.)**

	<b>YEAR ENDED 31.03.2019</b>	<b>YEAR ENDED 31.03.2018</b>
Demat Charges	2,065	4,092
Share Transfer Agent Fees	129,610	17,229
Membership and Subscription	62,675	-
Rent	120,000	120,000
Website Expenses	8,392	8,800
Advertisement Expenses	23,632	34,784
Listing and Other Fees	397,630	317,500
Legal and Professional Fees	266,000	17,500
Telephone Expenses	48,265	29,307
Duties and Taxes	2,500	2,000
Office Expenses	181,661	135,812
Computer and Software Expenses	85,753	387,045
Conveyance Expenses	224,113	152,918
Printing and Stationery	86,874	96,944
Statutory Audit Fees	16,350	15,000
Provision for Diminution of Investments	259,983	-
Interest on GST	9,336	-
Contingent Provision against Standard Assets (Refer Note - 5)	(113,750)	82,000
	<b>1,811,089</b>	<b>1,420,931</b>

**NOTE 20 - EARNING PER SHARE****(Amount in Rs.)**

		<b>YEAR ENDED 31.03.2019</b>	<b>YEAR ENDED 31.03.2018</b>
Profit after tax	(A)	2,496,303	3,068,575
Weighted average number of equity shares	(B)	5,010,000	5,010,000
Basic earnings per share	<b>(A)/(B)</b>	0.50	0.61
Diluted earnings per share	<b>(A)/(B)</b>	0.50	0.61
Face Value of Share		10.00	10.00

**MUDRA FINANCIAL SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

**NOTE 21 - CAPITAL ASSET RATIO (CRAR)**

**Capital to Risk Assets Ratio (CRAR)**

Sr. No.	Particulars	As at 31.03.2019	As at 31.03.2018
(i)	CRAR (%)	103.62%	104.93%
(ii)	CRAR – Tier I capital (%)	103.86%	104.93%
(iii)	CRAR – Tier II capital (%)	0%	0%
(iv)	Amount of subordinate debt raised as Tier II capital	Nil	Nil
(v)	Amount raised by issue of Perpetual Debt Instruments	Nil	Nil

**NOTE 22 - 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	40,000
			<b>76,560</b>	<b>2,651,437</b>

Notes: 1. \* The Value of equity shares are valued at cost.

2. Aggregate market value of quoted Shares is Rs.76,13,848/-

**NOTE 23 - CONTINGENT LIABILITY**

Income Tax Demand for AY 2014-15 disputed in appeal Rs. 5,40,750/- (NIL)

**NOTE 24 - CAPITAL COMMITMENTS: NIL**

**NOTE 25 - FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL**

**NOTE 26 - 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 - Independent Director (upto 30/03/2019) Asha Krishan Kumar Rathi - Independent Director Jiyan Shah - Additional Independent Director (w.e.f 30/03/2019) Meghana Tank - Chief Financial Officer (w.e.f 02/05/2018) Ajay Kabra - Company Secretary (w.e.f 26/11/2018)

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

**Details of related party transactions during the year ended 31.03.2019 and balances outstanding as at 31.03.2019:**

Particulars	Enterprises over which KMP are able to exercise significant influence	KMP	Total
(a) Directors Remuneration-Dipen Maheshwari (Previous Year)			
(b) Service Income (Previous Year)	-	815,709	815,709
(c) Rent Paid - Rajveer Trading Private Limited (Previous Year)	-	(692,646)	(692,646)
(d) Legal and Professional Fees (Previous Year)	2,000,000	-	2,000,000
(e) Salary Paid - CFO (Previous Year)	(800,000)	-	(800,000)
(f) Salary Paid - Company Secretary (Previous Year)	120,000	-	120,000
	(120,000)	-	(120,000)
	20,000	-	20,000
	-	-	-
	118,814	-	118,814
	(76,500)	-	(76,500)
	170,016	-	170,016
	-	-	-



## MUDRA FINANCIAL SERVICES LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

**NOTE 27 - 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 28 - PROVISIONING NORMS:**

The Company has made provision for standard, sub standard and doubtful assets as per the RBI prudential norms.

(Amount in Rs.)

Provisions For Non-Performing Assets	As at 31.03.2019	As at 31.03.2018
<b>(a) Standard Assets</b>		
Opening Balance	271,000	189,000
Add: During the year created/ (reversed)	(113,750)	82,000
Closing Balance	157,250	271,000
<b>(b) Sub - Standard Assets</b>		
Opening Balance	-	-
Add: During the year created/ (reversed)	-	-
Closing Balance	-	-
<b>(a) Doubtful Assets</b>		
Opening Balance	-	-
Add: During the year created/ (reversed)	-	-
Closing Balance	-	-
<b>TOTAL</b>	<b>157,250</b>	<b>271,000</b>

**NOTE 29**

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

'Signature to Notes 1 to 29

For and on behalf of the board

As per our report of even date attached  
For Sampat Mehta & Associates  
Chartered Accountants

F.R. No. 109038W  
CA Sanjay Rambhia  
Partner  
M No.046265

Place : Mumbai  
Date: 30<sup>th</sup> May, 2019

**Dipen Maheshwari**  
Managing Director  
DIN: 03148904

**Sanjeev Maheshwari**  
Director  
DIN: 02431173

**Ajay Kabra**  
Company Secretary

**Atul Jain**  
Director  
DIN: 00096052

**Meghana Tank**  
Chief Financial Officer

**MUDRA FINANCIAL SERVICES LIMITED**

**ATTENDANCE SLIP**

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

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

**E- mail: [mudrafinancial.1994@gmail.com](mailto:mudrafinancial.1994@gmail.com), Website: [www.mudrafinancial.in](http://www.mudrafinancial.in).**

**TWENTY FIFTH ANNUAL GENERAL MEETING ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2019**

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

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

\*Applicable for Members holding shares in electronic form.

I hereby record my presence at the Twenty Fifth Annual General Meeting of the company held on Monday, 30<sup>th</sup> September, 2019 at 11:00 A.M at 3<sup>rd</sup> Floor, Vaastu Darshan “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069.

**SIGNATURE OF THE SHARE HOLDER/PROXY**

# MUDRAFINANCIAL SERVICES LIMITED

Form No. MGT-11

## PROXYFORM

[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:** 3<sup>rd</sup> Floor, Vaastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai – 400 069

**Phone:** 022 –61919293

**E-mail:** [mudrafinancial.1994@gmail.com](mailto:mudrafinancial.1994@gmail.com), [Website:www.mudrafinancial.in](http://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 the member(s) of shares of Mudra Financial Services Limited, hereby appoint:

1. Name: \_\_\_\_\_ Email \_\_\_\_\_

Address: \_\_\_\_\_ Signature:  or failing him/her

2. Name: \_\_\_\_\_ Email \_\_\_\_\_

Address: \_\_\_\_\_ Signature:  or failing him/her

3. Name: \_\_\_\_\_ Email \_\_\_\_\_

Address: \_\_\_\_\_ Signature:  or failing him/her

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M. at 3<sup>rd</sup> Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai – 400 069, and at any adjournment there of in respect of such resolutions and in such manner as is indicated below:

**Reso No. Description** \_\_\_\_\_

### ORDINARY BUSINESS:

- |   | For                      | Against                  |
|---|--------------------------|--------------------------|
| 1) To receive, consider and adopt the Audited Financial Statements of the Company which includes the Audited Balance Sheet as at 31 <sup>st</sup> March, 2019, 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. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2) To appoint a Director in place of Mr. Atul Jain (DIN No: 00096052), who retires by rotation and being eligible offers himself for re-appointment.  | <input type="checkbox"/> | <input type="checkbox"/> |

### SPECIAL BUSINESS:

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 3) To re-appoint Mrs. Asha Rathi as an Independent Non-Executive Director for second term of 5 (Five) consecutive years w.e.f. 24 <sup>th</sup> March, 2020 upto 23 <sup>rd</sup> March, 2025, not liable to retire by rotation. | <input type="checkbox"/> | <input type="checkbox"/> |
| 4) To appoint Mr. Jiyan Shah as an Independent Non-Executive Director to hold office for 5 (Five) consecutive years for a term upto 29 <sup>th</sup> March, 2024, not liable to retire by rotation.                              | <input type="checkbox"/> | <input type="checkbox"/> |
| 5) To increase remuneration of Mr. Dipen Maheshwari, Managing Director of the company.   | <input type="checkbox"/> | <input type="checkbox"/> |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

### **Note:**

Proxy need not be a member, Proxy form, complete in all respects, should reach the Company's Registered Office at 402, 3<sup>rd</sup> 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

\_\_\_\_\_  
Signature of Proxy holder

Affix  
Revenue  
Stamp Rs. 1

## ROUTE MAP TO REACH AGM VENUE

Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 11.00 A.M  
Venue Address: 3<sup>rd</sup> Floor, Vaastu Darshan, “B” Wing, Azad Road, Andheri (East), Mumbai – 400 069

