

**MUDRA**  
**FINANCIAL SERVICES LIMITED**

**Annual Report**  
**2019-2020**

**NOTICE TO THE MEMBERS**

NOTICE is hereby given that the Twenty Sixth (26th) Annual General Meeting (AGM) of the Members of **MUDRA FINANCIAL SERVICES LIMITED** will be held through Video Conferencing/Other Audio Visual Means (VC/OAVM) on **Wednesday, 30th September, 2020 at 5.00 p.m.** to transact, with or without modification(s) the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company which includes the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss for the year ended 31st March, 2020 and the 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.

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

**Place: Mumbai**  
**Date: 12th August, 2020**

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

**Ekta Thakkar**  
**Company Secretary**  
**M. No.: A58633**

## NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020, and Circular No. SEBI/HO/CFD/ CMD1/ CIR /P/ 2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), physical attendance of the members to the AGM venue is not required and Annual General Meeting (AGM) be held through Video Conferencing (VC) or Other Audio Visual means (OAVM). Hence, the forthcoming 26th AGM of the Company scheduled on Wednesday, 30th September, 2020 be held through VC/OAVM. Hence, the members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, read with MCA General Circular No. 20/2020 dated 5th May, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this 26th AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend AGM through VC/OAVM and participate and cast their votes through e-voting. Accordingly, in terms of the MCA circulars and the SEBI circular, the proxy form, attendance slip and route map of AGM are not annexed to this Notice.
3. The members can join the 26th AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the Notice of AGM. The facility of participation at the 26th AGM through VC/OAVM will be made available for 600 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the 26th AGM has been uploaded on the website of the Company at <https://www.mudrafinancial.in/>. The Notice can also be accessed from the website of the BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of NSDL (agency for providing the Remote e-Voting facility) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
6. Corporate Members intending to send their authorized representative to attend the Meeting are requested to submit a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorising their representative to attend and vote along with specimen signature of Authorised representative(s) by e-mail to [mudrafinancial.1994@gmail.com](mailto:mudrafinancial.1994@gmail.com) before the commencement of the meeting.
7. In terms of Section 152 of the Companies Act, 2013, Mr. Atul Jain, (DIN No. 00096052) Director, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The details of the director seeking re-appointment as required Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and Secretarial Standards-2 issued by Institute of Company Secretaries of India and notified by Central Government, is annexed hereto.
8. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of names as per Register of Member will be entitled to vote, provided the votes are not already cast by remote e-voting.
9. All documents referred to in the accompanying Notice are open for inspection by the members at the registered office of the company during the business hours on all working days except Saturday and Sunday up to the date of the 26th Annual General Meeting.
10. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 22nd September, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
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 who would like to express their views/ask question during the AGM may register themselves as a speaker by sending their request, mentioning their name, Demat account no./Folio No., email id, mobile number at mudrafinancial.1994@gmail.com between 23rd September, 2020 at 9:00 a.m. to 26th September, 2020 at 5:00 p.m. The shareholders who do not want to speak during the AGM but have queries may send their queries mentioning their name, Demat account no./Folio No., email ID, mobile number to mudrafinancial.1994@gmail.com. These queries will be suitably replied to by the company by email.
13. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting for a maximum time of 3(three) minutes each, once the floor is open for shareholder queries. The company reserves the right to restrict the number of speaker and number of questions depending on the availability of time for the AGM.
14. In accordance with MCA Circulars dated 8th April, 2020 and 13th April, 2020 and SEBI Circular dated 12th May, 2020 due to COVID-19 pandemic, the Notice of 26th AGM along with the Annual Report for 2019-2020 inter alia indicating the process and manner of remote e-voting and voting through Video Conferencing is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company's Registrar & Share Transfer Agents, System Support Services ("RTA") / Depositories. Members may note that the Notice of the AGM along with the Annual Report 2019-2020 is also available for download on the website of the Company at <https://www.mudrafinancial.in/> and on the websites of the BSE Limited at [www.bseindia.com](http://www.bseindia.com).
15. For receiving all communication (including Notice and Annual Report) from the Company electronically:
  - (a) Members holding shares in physical mode and who have not registered/ updated their email addresses with the Company/ RTA are requested to register/ update the same by writing to the Company/ RTA with details of their folio number and attaching a self-attested copy of the PAN Card at mudrafinancial.1994@gmail.com or to the Company's RTA at Sysss72@yahoo.com.
  - (b) Members holding shares in dematerialised mode are requested to register/ update their email addresses with the relevant Depositories.
16. Members will be able to attend the meeting through VC/ OAVM or view the live webcast by logging on to the e-voting website of NSDL at [www.evotingindia.com](http://www.evotingindia.com) by using their e-voting login credentials. On this page, click on the link Shareholders / Members, the Video Conferencing/ webcast link would be available.
17. During Financial Year 2019-2020, 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 1st 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 or contact the Registrars and Transfer Agent – M/s. System Support Services at [syss72@yahoo.com](mailto:syss72@yahoo.com) and 022-2850 0835 for assistance in this regard.
18. 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.
19. The shares of the company are listed on BSE Limited.
20. 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:

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**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**

21. 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.
22. 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.
23. Remote e-voting Facility:-
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read along with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through remote e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting') will be provided by National Securities Depository Limited (NSDL).
  - 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 i.e. Wednesday, 23rd September, 2020.
  - The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Wednesday, 23rd September, 2020 ('cut-off date') only shall be entitled to avail the facility of remote e-voting.
24. The instructions for shareholders voting electronically are as under:
- The remote e-Voting period commences on Sunday, 27th September, 2020 at 9.00 a.m. and ends on Tuesday, 29th September, 2020 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. Wednesday, 23rd September, 2020 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.
  - Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - The process/manner for availing e-voting facility and the instructions for members voting electronically are as under:-

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>  
Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

## How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
For Members who hold shares demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
For Members who hold shares demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
For Members holding shares Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  - a) Select “EVEN” of “Mudra Financial Services Limited”.
  - b) Now you are ready for remote e-voting as Cast Vote page opens.
  - c) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
  - d) Upon confirmation, the message “Vote cast successfully” will be displayed.
  - e) Once you have voted on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [trjnsti@gmail.com](mailto:trjnsti@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
25. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice :
1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [mudrafinancial.1994@gmail.com](mailto:mudrafinancial.1994@gmail.com).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to mudrafinancial.1994@gmail.com
26. The instructions for members for e-voting on the day of the AGM are as under:-
  - a. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - b. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  - c. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - d. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
27. Instruction for members for attending the AGM through VC/OAVM are as under:-
  1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (company email id). The same will be replied by the company suitably.
28. The results declared along with the report of the Scrutinizer will be placed on the website of the Company i.e. <https://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 will also be immediately forwarded to the BSE Ltd where the shares of the company are listed.
29. Ms. Ekta Thakkar, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this Annual General Meeting including e-voting. Her contact details and Address: 3rd Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai – 400 069 Contact.: 6191 9245 E-mail : mudrafinancial.1994@gmail.com
30. Members are requested to intimate Registrar and Share Transfer Agent System Support Services for consolidation of their folios, in case they are having more than one folio along with copy of PAN card.

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

**Place: Mumbai**  
**Date: 12th August, 2020**

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

**Ekta Thakkar**  
**Company Secretary**  
**M. No.: A58633**



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

Name of Director and DIN	Mr. Atul Jain (DIN: 00096052)
Date of Birth	26/08/1962
Qualification	B.Com, Chartered Accountant, Insolvency and Bankruptcy Professional
Date of Appointment	27/06/1994
Brief resume & Nature of expertise in specific functional areas	Expertise in Merchant Banking, Project Finance, Liaisoning with Banks and other Financial Institutions, handling matters of insolvency and bankruptcy.
Directorship held in other Companies as on 31st March, 2020	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. 6. DTDC 3PL And Fulfilment Limited
Disclosure of relationship between directors inter-se	Not related to any Director.
Chairman/Member of the Committee of the Board of Directors in other Companies as on 31st March, 2020	Member of Audit Committee in DTDC Express Limited.
No. of Shares held in the Company	327,600 Equity Shares of face value Rs. 10/- each.
Number of Meetings of the Board attended	6 (Six)
Details of remuneration last Drawn	Nil

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

**Place: Mumbai**  
**Date: 12th August, 2020**

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

**Ekta Thakkar**  
**Company Secretary**  
**M. No.: A58633**

## DIRECTORS REPORT

Your Directors have great pleasure in presenting the Twenty Sixth (26th) Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2020.

**1. FINANCIAL HIGHLIGHTS:**

(In Rs.)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	11,044,606	6,482,457
Other Income	-	124
<b>Total Revenue</b>	<b>11,044,606</b>	<b>6,482,581</b>
Less: Total Expenses	4,740,700	4,175,747
<b>Profit Before Tax</b>	<b>6,303,906</b>	<b>2,306,834</b>
Less: Tax Expense		
Current Tax	2,527,500	1,031,000
Earlier Years Tax	3,628	-
Deferred Tax	(988,153)	(207,622)
<b>Profit After Tax</b>	<b>4,760,931</b>	<b>1,483,456</b>

**2. OPERATIONAL REVIEW:**

Your Company has earned total revenue of Rs. 110.45 lakhs during the current year as compared to Rs. 64.83 lakhs earned in the previous year. During the year under review, the company has earned Profit after Tax of Rs. 47.61 lakhs as compared to Profit after Tax of Rs. 14.83 lakhs in immediately preceding financial year.

**3. DIVIDEND:**

Your Directors have not recommended any dividend for the year ended 31st March, 2020, in order to plough back the profits for future growth and development of the Company.

**4. TRANSFER TO RESERVEES:**

During the year under review, the company has transferred an amount of Rs. 9.53 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 2019-2020.

**6. SHARE CAPITAL OF THE COMPANY:**

The Paid up Equity Share Capital as at 31st March, 2020 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 or securities given by the Company under Section 186 of the Companies Act, 2013 during the year under review. The details of the loans given and investments made 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 31st March, 2020.

**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:****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.

Pursuant to the provisions of the Act and based on the recommendation of the Nomination and Remuneration Committee, the Board had recommended re-appointment of Mrs. Asha Rathi as an Independent Non-Executive Director for a second term of 5 (Five) consecutive years w.e.f. 24th March, 2020 upto 23rd March, 2025 and the same was approved by the members through Special Resolution at the 25th Annual General Meeting held on 30th September, 2019.

During the year under review, the appointment of Mr. Jiyan Shah (DIN: 08395058) was regularized as the same was approved by the members at the 25th Annual General Meeting held on 30th September, 2019.

Mr. Sanjeev Maheshwari (DIN: 02431173), Director has resigned from the post of directorship w.e.f. 24th December, 2019 and the same was approved by the Board of Directors of the Company in their meeting held on 7th January, 2020. Your Directors place on record his sincere appreciation for the valuable contribution and the services rendered by him during his tenure as Director of the company.

**KEY MANAGERIAL PERSONNEL:**

There were no changes in the composition of Key Managerial Personnel of the company during the financial year under review.

However, Mr. Ajaykumar Nareshkumar Kabra resigned from the office of Company Secretary & Compliance Officer of the Company w.e.f. 30th June, 2020 due to personal reasons.

In order to fill the vacancy created by resignation of Mr. Ajaykumar Nareshkumar Kabra, the company has appointed Ms. Ekta Hitesh Thakkar as the Company Secretary and Compliance Officer of the Company w.e.f. 1st July, 2020, 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.

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

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.

**STATEMENT ON INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS:**

The Company has received declarations from all the Independent Directors regarding their Integrity, Expertise and Experience.

#### 14. DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2020, 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, 6 (Six) Board Meetings were convened and held on 30th May 2019, 13th August, 2019, 13th September, 2019, 21st November, 2019, 7th January, 2020 and 6th February, 2020. 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. Dipen Maheshwari	Managing Director	6	6
Mr. Atul Jain	Non-Executive Director	6	6
Mr. Sanjeev Maheshwari (resigned w.e.f. 24/12/2019)	Non-Executive Director	6	4
Mrs. Asha Rathi	Non-Executive Independent Director	6	6
Mr. Jiyam Shah	Non-Executive Independent Director	6	6

**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. Jiyah Shah	Chairperson	Non-Executive Independent Director	4	4
Mr. Atul Jain	Member	Non-Executive Director	4	4
Mrs. Asha Rathi	Member	Non-Executive Independent Director	4	4

The Audit Committee meetings were convened and held on 30th May, 2019, 13th September, 2019, 21st November, 2019 and 6th February, 2020 and all the members of the Audit Committee were present.

**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. Jiyah Shah	Chairperson	Non-Executive Independent Director	2	2
Mr. Atul Jain	Member	Non-Executive Director	2	2
Mrs. Asha Rathi	Chairperson	Non-Executive Independent Director	2	2

The NRC meetings were convened and held on 30th May, 2019 and 7th January, 2020.

**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
Mr. Jiyan Shah	Chairperson	Non-Executive Independent Director	4	4
Mr. Atul Jain	Member	Non-Executive Director	4	4
Mrs. Asha Rathi	Member	Non-Executive Independent Director	4	4

The SRC meetings were convened and held on 30th May, 2019, 13th September, 2019, 21st November, 2019 and 6th February, 2020.

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	-	-	-
	<b>Total</b>	-	-	-

There were no complaints pending for action as on 31st March, 2020.

**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 Thursday, 6th February, 2020 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	9,24,960/-	-
Mr. Sanjeev Maheshwari (Resigned w.e.f. 24/12/2019)	Non-Executive Director	-	-
Mrs. Asha Rathi	Non-Executive Independent Director	-	-
Mr. Jiyan Shah	Non-Executive Independent Director	-	-
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 28th Annual General Meeting.

The auditors have issued an unqualified report for the year ended 31st March, 2020, 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 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.

As required under Section 204(1) of the Companies Act, 2013 the Company has obtained a secretarial audit report which does not contain any qualification, reservation or adverse remark.

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 the 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. EMERGENCE OF COVID-19 – A GLOBAL PANDEMIC:**

In the last month of the financial year 2019-2020, there was an outbreak of COVID-19 commonly known as Coronavirus; a nationwide pandemic that developed rapidly into a global crisis which resulted in a lock-down of all the economic activities in the country affecting all the Companies across all industries. For the Company, the focus immediately shifted to ensure the health and well-being of all the employees and to curb the disruption to services for all our services globally.

The Company has also shown quick response and filled the voluntary form on COVID-19 (Company Affirmation of Readiness towards COVID-19) deployed on the website of the Ministry of Corporate Affairs and has followed all the necessary guidelines of the same.

**38. 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.

**39. 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.

**40. 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.

**41. DISCLOSURE ON MAINTENANCE OF COST RECORDS:**

Maintenance of Cost Records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is not applicable to the company.

**42. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As of 31st March, 2020 the Board had 4 members, 2 of who are Executive directors, 2 are Non-Executive and Independent members, 1 of the Independent directors of the Board is a Woman Director. The policy of the Company on Directors' appointment and remuneration, including the criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013, is available on our website, at <http://mudrafinancial.in/> We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

**43. APPRECIATION:**

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

**Registered Office:**

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

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

Place: Mumbai  
Date: 27th June, 2020

**Atul Jain**  
Director  
DIN: 00096052

**Dipen Maheshwari**  
Managing Director  
DIN: 03148904

**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 31/03/2020****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 :	3rd 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 :	mudra.financial.1994@gmail.com
	Website, if any:	www.mudrafinancial.in
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 :	sysss72@yahoo.com

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-"

Interest, Dividend, Long Term  
Profit on Shares, Fees  
an Commission

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

**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
- iv) Fees and Commission income

<b>S. No.</b>	<b>Name and Address of the company</b>	<b>CIN/GLN</b>	<b>Holding / Subsidiary / Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
NA					

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

## i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1279300	240500	1519800	30.34	1519800	0	1519800	30.34	0.00
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	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	1279300	240500	1519800	30.34	1519800	0	1519800	30.34	0.00
<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) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	695250	-	695250	13.88	695200	0.00	695200	13.88	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	179350	507700	687050	13.71	9000	281500	290500	5.80	7.91
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1179100	928800	2107900	42.07	2069800	434700	2504500	50.00	7.93
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	2053700	1436500	3490200	69.67	2774000	716200	3490200	69.68	15.84
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2053700</b>	<b>1436500</b>	<b>3490200</b>	<b>69.66</b>	<b>2774000</b>	<b>716200</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>3333000</b>	<b>1677000</b>	<b>5010000</b>	<b>100</b>	<b>4293800</b>	<b>716200</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 (As on 01.04.2019)			Share holding at the end of the year (31.03.2020)			% 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	327600	6.54	-	327600	6.54	-	0.00
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	375200	7.49	-	375200	7.49	-	0.00
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	247600	4.94	-	247600	4.94	-	0.00
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	0	0.00		0	0.00		0.00
	TOTAL	1519800	30.34	-	1519800	30.34	-	0.00

## 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 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	140100	2.80	140100	2.80

S. No.: 2. ATUL JAIN	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	327600	6.54	327600	6.54
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	327600	6.54	327600	6.54

S. No.: 3. DEEPAK MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	21100	0.42	21100	0.42

S. No.: 4. DIPEN MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	75000	1.50	75000	1.50

S. No.: 5. PRABHAT MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	375200	7.49	375200	7.49
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	375200	7.49	375200	7.49

S. No.: 6. RANJANA JAIN	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	121100	2.42	121100	2.42

S. No.: 7. RAJRATAN DAMANI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
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 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
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 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	247600	4.94	247600	4.94
Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	<b>247600</b>	<b>4.94</b>	<b>247600</b>	<b>4.94</b>



S. No.: 10. KUSHAL MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	65000	1.30	65000	1.30

S. No.: 11. AAYUSH JAIN	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	60000	1.20	60000	1.20

S. No.: 12. USHA MAHESHWARI	Shareholding at the beginning of the year (As on 01.04.2019)		Cumulative Shareholding during the year (2019-2020)	
	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 for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.)	-	-	-	-
At the End of the year (or on the date of separation, if separated during the year)	100	0.00	100	0.00

## 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 (2019-2020)	
		No. of shares at the beginning (01-04-2019)	% of total shares of the company				No. of shares	% of total Shares of the company
1	CYPRESS CONSULTANTS PRIVATE LIMITED	695200	13.88	01.04.2019	-	No Change	695200	13.88
				31.03.2020			695200	13.88
2	RAMA DUBE	241100	4.81	01.04.2019	-	No Change	241100	4.81
				31.03.2020			241100	4.81
3	DARSHINI DUBE	240000	4.79	01.04.2019	-	No Change	240000	4.79
				31.03.2020			240000	4.79
4	KISAN NIVRUTI PATIL	231400	4.62	01.04.2019	-	No Change	231400	4.62
				31.03.2020			231400	4.62
5	BISWANATH SARKAR	226200	4.51	01.04.2019	-	No Change	226200	4.51
				31.03.2020			226200	4.51
6	NILESH SHIGWAN	205000	4.09	01.04.2019	-	No Change	205000	4.51
				31.03.2020			205000	4.51
7	ASHOK KOTWANI	191000	3.81	01.04.2019	-	No Change	191000	3.81
				31.03.2020			191000	3.81
8	YASHWANT NATE	185500	3.70	01.04.2019	-	No Change	185500	3.70
				31.03.2020			185500	3.70
9	SUNIL KUNTE	170500	3.40	01.04.2019	-	No Change	170500	3.40
				31.03.2020			170500	3.40
10	SURESH VITHOBA BHUJBAL	160500	3.20	01.04.2019	-	No Change	160500	3.20
				31.03.2020			160500	3.20
11	KANCHAN KOTWANI	133700	2.67	01.04.2019	-	No Change	133700	2.67
				31.03.2020			133700	2.67
12	INDU MAHESHWARI	123000	2.46	01.04.2019	-	No Change	123000	2.46
				31.03.2020			123000	2.46
13	CHANDRA MISHRA	98000	1.96	01.04.2019	-	No Change	98000	1.96
				31.03.2020			98000	1.96
14	VIPUL MAHESHWARI	80000	1.60	01.04.2019	-	No Change	80000	1.60
				31.03.2020			80000	1.60
15	MAHENDRA SINGH	74400	1.49	01.04.2019	-	No Change	74400	1.49
				31.03.2020			74400	1.49

## 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 (01-04-2019 to 31-03-2020)	
		No. of shares at the beginning (01-04-2019)	% of total shares of the company				No. of shares	% of total Shares of the company
1	ATUL JAIN	327600	6.54	01.04.2019	-	No Change	327600	6.54
				31.03.2020	-		327600	6.54
2	ASHA KRISHAN KUMAR RATHI	1000	0.20	01.04.2019	-	No Change	1000	0.02
				31.03.2020	-		1000	0.02
3	DIPEN PRABHAT MAHESHWARI	75000	1.50	01.04.2019	-	No Change	75000	1.50
				31.03.2020	-		75000	1.50
4	SANJEEV KRISHNAGOPAL MAHESHWARI (RESIGNED W.E.F. 24/12/2019)	247600	4.94	01.04.2019	-	No Change	247600	4.94
				31.03.2020	-		247600	4.94
5	JIYAN SHAH				NIL			
6	MEGHANA TANK (RESIGNED W.E.F. 12/08/2020)				NIL			
7	AJAY KABRA (RESIGNED W.E.F. 30/06/2020)				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 (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	924,960.00	924,960.00
	(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 (A)</b>	<b>924,960.00</b>	<b>924,960.00</b>
	Ceiling as per the Act	-	

**B. Remuneration to other directors :**

Sl. no.	Particulars of Remuneration	Name of Directors			
		Mrs. Asha Rathi	-	Mr. Jiyan Shah	Total Amount
1	Independent Directors	Mrs. Asha Rathi	-	Mr. Jiyan Shah	Total Amount
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non-Executive Directors	Atul Jain	-	Sanjeev Maheshwari (Resigned w.e.f. 24/12/2019)	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total (2)</b>	-	-	-	-
	<b>Total (B)=(1+2)</b>	-	-	-	-
	<b>Total Managerial Remuneration</b>	-	-	-	-
	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				Total
		Ajay Kabra (Company Secretary resigned w.e.f. 27.06.2020)	Ekta Thakkar (Company Secretary - appointed w.e.f. 01.07.2020)	Meghana Tank (CFO - resigned w.e.f. 12.08.2020)	Vishal Surve (CFO - appointed w.e.f. 13.08.2020)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	608,407.00	-	139,674.00	-	748,081.00
	(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>	608,407.00	-	139,674.00	-	748,081.00

## VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

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

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

**For and on behalf of the Board of Directors**

**For Mudra Financial Services Limited**

Place: Mumbai  
Date: 27th June, 2020

**Atul Jain**  
Director  
DIN: 00096052

**Dipen Maheshwari**  
Managing Director  
DIN: 03148904

**Annexure B**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

To,  
The Members,  
**Mudra Financial Services Limited**  
3rd 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 31st March, 2020 complied with the statutory provisions of the applicable acts listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2020 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, 2013 and dealing with client;
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [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 (Buy-Back of Securities) Regulations, 2018; **[Not applicable during the period of audit]**
- vi. I have relied on the representation made by the Company and its Officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations which are mentioned as under:



- 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:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- b) 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 period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 change in the composition of the Board of Directors that took place during the period under review was 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 the Chief Financial Officer/Company Secretary and 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, etc. referred to above.

**CS Anirudh Kumar Tanvar**  
**Practicing Company Secretary**

**Place: Mumbai**  
**Date : 27th June, 2020**

**ACS NO.: 23145**  
**COP No.: 19757**  
**UDIN : A023145B000391491**

Note: This report is to be read with my letter of even date which is annexed as Annexure I and forms an integral part of this report.

**ANNEXURE I**

To,  
The Members,  
**Mudra Financial Services Limited**  
3rd 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.

**CS Anirudh Kumar Tanvar**  
**Practicing Company Secretary**

**Place: Mumbai**  
**Date : 27th June, 2020**

**ACS NO.: 23145**  
**COP No.: 19757**  
**UDIN : A023145B000391491**

**Annexure C**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

The Directors of Mudra Financial Services Limited are pleased to present the Management Discussion & Analysis ("MD & A") Report for the year ended 31st March, 2020.

**A. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The company is engaged in the business of rendering all kinds of financial services including granting of loans and advances to various segments of industry.

**B. OPPORTUNITIES AND THREATS:**

NBFCs, Banks and various financial lenders are facing the threat of increase in Non-performing assets which had resulted in a slowing credit growth. However, the demand for credit has been increasing gradually due to various measures taken by the RBI and the Government to increase liquidity in the market. This bodes well for NBFC's as newer opportunities for lending may be available.

**C. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The Company had a total income from operations of Rs.110.45 lakhs during the current year as compared to Rs.64.83 lakhs earned in the previous year. During the year under review, the company has earned Profit after Tax of Rs.47.61 lakhs as compared to Profit after Tax of Rs.14.83 lakhs in immediately preceding financial year. The Company has been able to perform well during the year under review, which has happened due to the commitment and untiring efforts of management, executives and staff at all the levels who were instrumental in achieving these results.

**D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:**

The Company's main business is providing financial assistance independently and to make investment in shares, equity mutual funds, etc. All the activities of the Company are related to its main business. As such there are no separate reportable segments.

**E. OUTLOOK:**

In the present era of digital revolution, technology has been leaving its incredible mark in several areas, including finance. The Directors believe every Company with a captive user base, will begin to offer customized financial products to them. These financial products will be offered based on user data and have gathered on the basis of the user's actions on its platform. Technology's involvement is proving to be beneficial at providing efficiency gains by calculating credit scores based on machine learning algorithms, alternative data points such as social media footprints, call records, shopping histories, payments to utility service providers and various other data points. This data combined with traditional data such as CIBIL scores and bank statements will form the basis of new age credit underwriting. MFSL is extremely bullish on the fintech industry and sees this to be the inflection point in the lending industry of India.

**F. RISKS AND CONCERNS:**

The Company is mainly exposed to risks arising out of counterparty failures, funding and asset concentration, interest rate movement and risks pertaining to liquidity and solvency, as any other financial sector player. It is also exposed to market risk in the form of reduction in value of its investments and fall in returns due to dip in the investee Company's performance. As a result today's operating environment demands a rigorous and integrated approach to risk management, which the Company has incorporated in its strategic and operating decisions.

**G. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:**

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

**H. MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:**

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

**I. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIO:**

During the year under review, there were no significant changes in Key Financial Ratios of the Company as compared to previous financial year.

**J. CAUTIONARY STATEMENT:**

Statement in the Management Discussion and Analysis describing the Company's objectives, expectations, estimates or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement due to external factors. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**Registered Office:**

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

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

Place: Mumbai  
Date: 27th June, 2020

**Atul Jain**  
Director  
DIN: 00096052

**Dipen Maheshwari**  
Managing Director  
DIN: 03148904

## Annexure D

## Disclosure in the Board's Report under Rule 5 of Companies (Appointment &amp; 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 2019-2020.	Mr. Dipen Maheshwari : 6.62:1 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 2019-2020 as compared to 2018-2019 means part of the year.	a) Mr. Dipen Maheshwari - Managing Director: 13.39% b) Mr. Ajay Kumar Naresh Kumar Kabra (Company Secretary) : N.A* c) Ms. Meghana Jitendra Tank (Chief Financial Officer):10.39%  *Remuneration for financial year 2019-2020 is not comparable with the previous year since, Mr. Ajay Kumar Naresh Kumar Kabra was appointed on 26.11.2018.
3.	Percentage increase in the median remuneration of employees in the financial year 2019-2020 compared to 2018-2019.	10.39%
4.	Number of permanent employees on the rolls of the company.	8 employees as on 31st March, 2020
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 2019-2020, there was an increase of 55.07% in the average percentile of the salaries of employees other than managerial personnel. However the same is not strictly comparable.
6.	Percentile increase in managerial remuneration.	There was an increase of 50.42% in the managerial remuneration as compared to previous year. However the same is not strictly comparable, as one of the KMP had joined in the middle of the 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 of 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:**

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

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

Place: Mumbai  
Date: 27th June, 2020

**Atul Jain**  
Director  
DIN: 00096052

**Dipen Maheshwari**  
Managing Director  
DIN: 03148904

## Annexure E

Statement of particulars of employees pursuant to provisions of section 197(12) of the companies act 2013 read with the rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2020:

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:**

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

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

Place: Mumbai  
Date: 27th June, 2020

**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 Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **MUDRA FINANCIAL SERVICES LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies (hereinafter referred to as the "the Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit and total comprehensive income, changes in equity 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

**Emphasis of Matter**

We draw attention to Note No. 43 to the Financial Statements of the Company, wherein financial impact of COVID-19 on the operations of the Company has been disclosed. Further, the extent to which the COVID -19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

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

Description	Auditor's Response
As at the year end, the Company has granted loans of ₹6,83,00,000/-. 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 :	Principal audit procedures performed:  Management's judgement applied for the key assumptions used for the purpose of determination of impairment provision
Timely identification of the impaired loans Key assumptions in respect of determination of probability of defaults and loss given defaults.	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.

**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 Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 Ind AS Financial Statements**

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

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 Ind AS 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 of the aforesaid Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Ind AS financial statements 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- g) With respect to adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”
- h) 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, remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) In our opinion and to the best of our information and according to the explanations given to us, we report as under 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 as referred to Note 31 to the Ind AS financial statement.
  - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - (iii) There 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**  
**F.R. No. 109038W**

**Trushit Shah**  
**Partner**  
**M. No.148777**  
**UDIN: 20148777AAAACQ6298**

**Place : Mumbai**  
**Date : 27th June, 2020**

**Re: MUDRA FINANCIAL SERVICES LIMITED**  
**Annexure 'A' to the Independent Auditors' Report**

(Referred to in paragraph 9 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 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 of the 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 inventory has been verified during the year by the management with Demat statements and no material discrepancies have been noticed upon such verification.
- iii. The Company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said Order 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) According to the information and explanations given to us and on the basis of our examination of our records of the Company, in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, sales tax, Goods and service tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax or service tax, customs duty, excise duty or value added tax not been deposited on account of any dispute except for the following:

(Amount in INR)

Name of Statute	Nature of Demand	Period to which it relates	Amount of dispute	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	FY 2014-15	5,40,750/-	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. As the company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, therefore the provisions of clause (xii) of paragraph 3 of Companies (Auditor's Report) Order, 2016 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 Indian Accounting standard.
- 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 the Reserve Bank of India Act, 1934.

**For Sampat Mehta & Associates**  
**Chartered Accountants**  
**F.R. No. 109038W**

**Trushit Shah**  
**Partner**  
**M. No.148777**  
**UDIN: 20148777AAAACQ6298**

**Place : Mumbai**  
**Date : 27th June 2020**

**Re: MUDRA FINANCIAL SERVICES LIMITED  
Annexure – ‘B’ to the Auditors’ Report**

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

We have audited the internal financial controls over financial reporting of “MUDRA FINANCIAL SERVICES LIMITED” (“the Company”) as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Sampat Mehta & Associates**  
**Chartered Accountants**  
**F.R. No. 109038W**

**Trushit Shah**  
**Partner**  
**M. No.148777**  
**UDIN: 20148777AAAACQ6298**

**Place : Mumbai**  
**Date : 27th June, 2020**

## BALANCE SHEET AS AT 31ST MARCH, 2020

(Amount in INR)

PARTICULARS	NOTE NO.	AS AT 31.03.2020	AS AT 31.03.2019	AS AT 1.04.2018
<b>ASSETS</b>				
<b>Financial Assets</b>				
(a) Cash and Cash Equivalents	4	554,056	468,712	1,020,690
(b) Stock in Trade	5	313,729	4,419,009	5,744,690
(c) Receivables				
(i) Trade Receivables	6(i)	255,033	-	-
(ii) Other Receivables	6(ii)	-	-	-
(d) Loans	7	67,966,500	62,057,750	66,799,000
(e) Investments	8	11,578,196	9,550,152	1,739,232
(f) Other Financial Assets	9	5,185,503	4,900,537	4,438,018
		<b>85,853,017</b>	<b>81,396,160</b>	<b>79,741,630</b>
<b>Non-financial Assets</b>				
(a) Current Tax Assets (Net)	10	326,304	277,353	225,032
(b) Deferred Tax Assets (Net)	11	143,865	-	-
(c) Property, Plant and Equipment	12	19,483	24,310	24,310
(d) Other Non-financial Assets	13	7,359	700,000	700,000
		<b>497,011</b>	<b>1,001,663</b>	<b>949,342</b>
<b>TOTAL</b>		<b>86,350,028</b>	<b>82,397,823</b>	<b>80,690,972</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
<b>Financial Liabilities</b>				
(a) Other financial liabilities	14	40,900	47,630	15,000
		<b>40,900</b>	<b>47,630</b>	<b>15,000</b>
<b>Non-Financial Liabilities</b>				
(a) Provisions	15	427,982	293,115	-
(b) Deferred tax liabilities (Net)	11	-	843,169	1,050,790
(c) Other non-financial liabilities	16	82,092	179,115	79,707
		<b>510,074</b>	<b>1,315,399</b>	<b>1,130,497</b>
<b>Equity</b>				
(a) Equity Share capital	17	50,100,000	50,100,000	50,100,000
(b) Other Equity	18	35,699,054	30,934,794	29,445,475
		<b>85,799,054</b>	<b>81,034,794</b>	<b>79,545,475</b>
<b>TOTAL</b>		<b>86,350,028</b>	<b>82,397,823</b>	<b>80,690,972</b>

Significant Accounting Policies and Notes forming part 1 to 48  
of the Financial Statements

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

**Trushit Shah**  
Partner  
M No.148777  
UDIN : 20148777AAAACQ6298

For and on behalf of the Board of Directors

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

**Ajay Kabra**      **Meghana Tank**  
Company Secretary      Chief Financial Officer

Place : Mumbai  
Date: 27th June, 2020

Place : Mumbai  
Date: 27th June, 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in INR)

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
<b>Revenue from operations</b>			
Interest Income	19	5,941,515	5,891,291
Dividend Income	20	75,683	65,927
Fees and commission Income	21	2,647,809	-
Net gain on fair value changes (Net of Loss)	22	2,379,599	(1,474,761)
Sale of services	23	-	2,000,000
<b>Total Revenue from operations</b>		<b>11,044,606</b>	<b>6,482,457</b>
Other Income	24	-	124
<b>Total Income</b>		<b>11,044,606</b>	<b>6,482,581</b>
<b>EXPENSES</b>			
Finance Costs	25	-	9,336
Impairment on financial instruments	26	184,250	(113,750)
Employee Benefits Expenses	27	2,808,315	2,624,641
Others expenses	28	1,748,135	1,655,520
<b>Total Expenses</b>		<b>4,740,700</b>	<b>4,175,747</b>
<b>Profit before tax</b>		<b>6,303,906</b>	<b>2,306,834</b>
<b>Tax Expense:</b>			
(1) Current Tax		2,527,500	1,031,000
(2) Adjustment of tax relating to earlier periods		3,628	-
(3) Deferred Tax		(988,153)	(207,622)
<b>Profit after Tax</b>		<b>4,760,931</b>	<b>1,483,456</b>
<b>Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Remeasurement of gains (losses) on defined benefit plans		4,448	5,862
Income tax effect		(1,119)	-
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>		-	-
<b>Other Comprehensive income for the year, net of tax</b>		<b>3,329</b>	<b>5,862</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>4,764,260</b>	<b>1,489,318</b>
<b>Earnings per equity share</b>			
Basic EPS	29	0.95	0.30
Dilluted EPS	29	0.95	0.30

Significant Accounting Policies and Notes forming part 1 to 48  
of the Financial Statements

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

**Trushit Shah**  
Partner  
M No.148777  
UDIN : 20148777AAAACQ6298

Place : Mumbai  
Date: 27th June, 2020

For and on behalf of the Board of Directors

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

**Ajay Kabra**      **Meghana Tank**  
Company Secretary      Chief Financial Officer

Place : Mumbai  
Date: 27th June, 2020



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in INR)

PARTICULARS	YEAR ENDED 31.03.2020	YEAR ENDED 31.03.2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before income tax :	6,303,906	2,306,834
<b>Adjustments for:</b>		
Depreciation and amortisation expense	-	-
Fixed Assets w/off	4,827	-
Changes in fair value of Financial Assets at fair value through profit or loss	2,778,978	1,474,761
Dividend and interest income classified as investing cash flows	(75,683)	(65,927)
Provision for Gratuity	139,315	298,977
Impairment of Financial Instrument	184,250	(113,750)
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	(255,033)	-
(Increase)/decrease in other Financial Assets	(284,966)	(462,519)
(Increase)/decrease in other Non- Financial Assets	692,641	-
(Increase)/decrease in Stock in Trade	1,298,260	40,000
(Increase)/decrease in Loans	(6,093,000)	4,855,000
Increase/(decrease) in other financials liabilities	(6,730)	32,630
Increase/(decrease) in other Non - financials liabilities	(97,023)	99,408
<b>Cash generated from operations</b>	<b>4,589,741</b>	<b>8,465,414</b>
Less: Income taxes paid	2,580,080	1,083,319
<b>Net cash inflow from operating activities</b>	<b>2,009,661</b>	<b>7,382,095</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchase of investments	(2,000,000)	(8,000,000)
Dividends received	75,683	65,927
Interest received	-	-
<b>Net cash outflow from investing activities</b>	<b>(1,924,317)</b>	<b>(7,934,073)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash and cash equivalents	85,344	(551,978)
Cash and Cash Equivalents at the beginning of the financial year	468,712	1,020,690
<b>Cash and Cash Equivalents at end of the year</b>	<b>554,056</b>	<b>468,712</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	554,056	468,712
Bank overdrafts	-	-
<b>Balances per statement of cash flows</b>	<b>554,056</b>	<b>468,712</b>

**Note : a) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - Statement of Cash Flow.**

Significant Accounting Policies and Notes forming part 1 to 48 of the Financial Statements

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

**Trushit Shah**  
Partner  
M No.148777  
UDIN : 20148777AAAACQ6298

Place : Mumbai  
Date: 27th June, 2020

For and on behalf of the Board of Directors

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

**Ajay Kabra**      **Meghana Tank**  
Company Secretary      Chief Financial Officer

Place : Mumbai  
Date: 27th June, 2020

## STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2020

## A Equity Share Capital

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
<b>March 31, 2019</b>			
Numbers	5,010,000	-	5,010,000
Amount	50,100,000	-	50,100,000
<b>March 31, 2020</b>			
Numbers	5,010,000	-	5,010,000
Amount	50,100,000	-	50,100,000

## B Other Equity

Particulars	Reserves and Surplus		Total
	Retained Earnings	Statutory Reserves	
<b>As at April 1, 2018</b>	<b>25,324,820</b>	<b>4,120,655</b>	<b>29,445,475</b>
Profit for the period	1,483,456	-	1,483,456
Other comprehensive income	5,862	-	5,862
<b>Total comprehensive income for the year</b>	<b>26,814,138</b>	<b>4,120,655</b>	<b>30,934,794</b>
Transfer to Statutory Reserve	(558,000)	558,000	-
<b>As at March 31, 2019</b>	<b>26,256,138</b>	<b>4,678,655</b>	<b>30,934,794</b>
Profit for the period	4,760,931	-	4,760,931
Other comprehensive income	3,329	-	3,329
<b>Total comprehensive income for the year</b>	<b>31,020,398</b>	<b>4,678,655</b>	<b>35,699,054</b>
Transfer to Statutory reserve	(953,000)	953,000	-
<b>As at March 31, 2020</b>	<b>30,067,398</b>	<b>5,631,655</b>	<b>35,699,054</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020****1 Corporate Information**

Mudra Financial Services Limited (the 'Company') was incorporated in India on June 27, 1994 under the provision of Companies Act, 1956 ('the Act').

The Company engaged in the business of financial activities which includes trading and investment in shares, granting of loans, etc.

The Company holds a Certificate of Registration (CoR) as Non-Banking Financial Institution, without accepting public deposits, registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934.

The Registered office of the company is 3rd Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri East, Mumbai-400069.

The financial statements of the Company for the year ended March 31, 2020 were authorised for issue in accordance with the resolution of the Board of Director on June 27, 2020.

**2 Significant Accounting Policies****2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2020 are the first, the Company has prepared in accordance with Ind AS. Refer to note 44 for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest Rupees, except when otherwise indicated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 3 - Significant accounting judgements, estimates and assumptions.

**2.2 Presentation of financial statements**

The financial statement of the company are presented as per Division III of the Schedule III to the Companies Act 2013.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- a. The normal course of business
- b. The event of default.
- c. The event of insolvency or bankruptcy of the Company and/or its counterparties"

**2.3 Statement of Compliance**

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

**2.4 Summary of significant accounting policies**

(a) Revenue from operations

(i) Interest income

- Income from lending Business

Interest Income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').

The EIR in case of a financial asset is computed:-

- a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.
- b. By considering all the contractual terms of the financial instrument in estimating the cash flows.
- c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset."

## (ii) Fees and Commission Income

Fees and commissions are recognised when the Company satisfies the performance obligation, at fair value of the consideration received or receivable based on a five-step model as set out below, unless included in the effective interest calculation:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

## (iii) Dividend income

Dividend income is recognised

- a. When the right to receive the payment is established,
- b. it is probable that the economic benefits associated with the dividend will flow to the entity and
- c. the amount of the dividend can be measured reliably

Dividend Income is disclosed separately in Statement of Profit and Loss and not as Fair Value Changes on Financial Assets at FVTPL.

## (iv) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

## (b) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Initial measurement of financial instruments**

Financial assets and financial liability are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities recorded at fair value through profit & loss (FVTPL)), are added to or subtracted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

**(ii) Day 1 profit or loss**

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

**(iii) Classification & measurement categories of financial assets and liabilities:**

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

**Financial assets at amortised cost (AC)**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets for collecting contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely for the payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

**Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

**Financial Assets at fair value through profit & loss (FVTPL)**

A financial asset which is not classified in any of above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

**(c) Financial assets and liabilities****(i) Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For the financial instrument other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance."

**(ii) Financial assets held for trading**

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the balance sheet at fair value. Changes in fair value are recognised in net gain on fair value changes.

**(iii) Investment in Equity instruments**

The Company subsequently measures all equity investments at FVTPL, unless the Company's management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

**(iv) Financial Liabilities**

All the financial liabilities are measured at amortised cost except loan commitments, financial guarantees.

**(v) Financial liabilities and equity instruments**

"Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

**(vi) Reclassification of financial assets and financial liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

**(d) Derecognition of financial assets and liabilities****(i) Derecognition of financial asset**

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if and only if; either

- The Company has transferred the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset but assumed a contractual obligation to pay the cash flows in full without material delay to third party under 'pass through' arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

**(ii) Derecognition of financial liabilities**

A Financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, is recognised statement of profit and loss.

**Impairment of financial assets**

The Company records allowance for expected credit losses for financial assets carried at amortised cost and all debt financial assets not held at FVTPL, in this section all referred to as 'Financial instruments'. Equity instruments are not subject to impairment under Ind AS 109. "ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due.

**Simplified Approach**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

**General Approach**

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss as outlined in Note 35).

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

**(e) Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date using various valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortized cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows:

**Level 1 financial instruments:**

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments:**

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the "entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Group will classify the instruments as Level 3."

**Level 3 financial instruments:**

Those that include one or more unobservable input that is significant to the measurement as whole.

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

The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations. Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period."

**(iv) Offsetting of financial instruments**

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

**(f) Earnings per share:**

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

**(g) Retirement and other employee benefit:****Gratuity:**

The company provides for gratuity for employees who are in continuous service for a period of five years . The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

**(h) Property, plant and equipment**

All items of property, plant and equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost comprises the purchase price and incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Changes in the expected useful life are accounted for by changing the amortization period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized in profit or loss during the reporting period, as and when they are incurred.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013 .

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Nature of assets	Estimated useful lives
Office equipment	5 years
Computer Systems	3 years
Furniture & fixtures	10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**(i) Intangible assets:**

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.



The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortization period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

**(j) Impairment of non-financial assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized 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 impairment is reversed subject to a maximum carrying value of the asset before impairment.

**(k) Leases**

The company has applied Ind AS 116 and therefore the comparative information has not been restated and continues to be reported under Ind AS 17 where applicable.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(i) As a lessee**

There is only one lease for which recognition exemption of short term is opted by the company and thus the company was not required to create any Right-to-use asset and corresponding Lease liability.

**Short-term leases and leases of low-value assets**

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

**(l) Provisions and other contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and is recognized.

**(m) Taxes****(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

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

**(ii) Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

**(iii) Current and deferred tax for the year:**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**(iv) Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**(n) Cash and cash equivalents**

"Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above."

**3 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the

period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

**Critical judgements in applying accounting policies :**

**(i) Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

**(ii) Impairment of Non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**(iii) Provision and contingent liabilities**

"The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of its business.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates."

**(iv) Provisions for Income Taxes**

Significant judgements are involved in determining the provision for income taxes including judgement on whether tax positions are probable of being sustained in tax assessments. A tax assessment can involve complex issues, which can only be resolved over extended time periods.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

## FINANCIAL ASSETS

## 4. CASH AND CASH EQUIVALENTS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Balance with bank in current accounts	429,642	437,729	735,694
Cash on hand	124,414	30,983	284,996
<b>Total</b>	<b>554,056</b>	<b>468,712</b>	<b>1,020,690</b>

## 5. STOCK IN TRADE (Securities held for trading) at FVTPL

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Quoted Equity Shares	313,729	4,419,009	5,744,690
<b>Total</b>	<b>313,729</b>	<b>4,419,009</b>	<b>5,744,690</b>
Investment in India	313,729	4,419,009	5,744,690
Investment in outside India	-	-	-
<b>Total</b>	<b>313,729</b>	<b>4,419,009</b>	<b>5,744,690</b>

## 6. RECEIVABLES

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
<b>(I) TRADE RECEIVABLES</b>			
Secured, considered good	-	-	-
Unsecured, considered good	255,033	-	-
Receivables which have significant increase in Credit Risk	-	-	-
Receivables - credit impaired	-	-	-
	<b>255,033</b>		
Impairment Allowance (allowance for bad and doubtful debts)			
Unsecured, considered good	-	-	-
Doubtful	-	-	-
<b>Total</b>	<b>255,033</b>	-	-
<b>(II) OTHER RECEIVABLES</b>			
Other Receivables	-	-	-
<b>Total</b>	-	-	-

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, or from firms or private companies respectively in which any director is a partner, a director or a member.

The managements expects no default in receipt of trade receivables; also there is no history of default observed by the management. Hence no ECL has been recognised.

## 7. LOANS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
<b>(1) Loans carried at Cost</b>			
<b>(A) LOANS</b>			
(i) Loans repayable on Demand	68,300,000	62,200,000	67,050,000
(ii) Others*	8,000	15,000	20,000
<b>Total (A)</b>	<b>68,308,000</b>	<b>62,215,000</b>	<b>67,070,000</b>
Less: Impairment loss allowance	(341,500)	(157,250)	(271,000)
<b>Total (A) Net</b>	<b>67,966,500</b>	<b>62,057,750</b>	<b>66,799,000</b>

\* Loans to Staff

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
<b>(B) SECURED / UNSECURED</b>			
(i) Secured by Tangible assets	-	-	-
(ii) Secured by Intangible assets	-	-	-
(iii) Covered by Bank/ Government Guarantees	-	-	-
(iv) Unsecured	68,308,000	62,215,000	67,070,000
<b>Total (B)</b>	<b>68,308,000</b>	<b>62,215,000</b>	<b>67,070,000</b>
Less: Impairment loss allowance	(341,500)	(157,250)	(271,000)
<b>Total (B) Net</b>	<b>67,966,500</b>	<b>62,057,750</b>	<b>66,799,000</b>
<b>(C) (I) LOANS IN INDIA</b>			
(i) Public Sector	-	-	-
(ii) Others	68,308,000	62,215,000	67,070,000
<b>Total (C)</b>	<b>68,308,000</b>	<b>62,215,000</b>	<b>67,070,000</b>
Less: Impairment loss allowance	(341,500)	(157,250)	(271,000)
<b>Total (C) Net</b>	<b>67,966,500</b>	<b>62,057,750</b>	<b>66,799,000</b>
<b>(C) (II) LOANS OUTSIDE INDIA</b>	-	-	-
<b>Total ( C ) (I) and ( C ) (II)</b>	<b>67,966,500</b>	<b>62,057,750</b>	<b>66,799,000</b>

## 8. INVESTMENTS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Investments carried at fair value through Profit and Loss Quoted/Unquoted			
(a) Investments in Equity Instruments			
Electrosteel Integrated Ltd	16,767	10,800	65,880
Makers Laboratories Ltd	681,228	1,203,579	1,673,352
(b) Investments in Mutual Funds			
ICICI Prudential Liquid Plan	10,880,201	8,335,773	-
<b>Total</b>	<b>11,578,196</b>	<b>9,550,152</b>	<b>1,739,232</b>
(i) Investments outside India	-	-	-
(ii) Investments in India	11,578,196	9,550,152	1,739,232
<b>Total</b>	<b>11,578,196</b>	<b>9,550,152</b>	<b>1,739,232</b>
Less: Allowances for Impairment Loss	-	-	-
<b>Total</b>	<b>11,578,196</b>	<b>9,550,152</b>	<b>1,739,232</b>

## 9. OTHER FINANCIAL ASSETS

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Interest Accrued and due	5,174,812	4,871,237	4,425,548
Other financial assets	10,691	29,300	12,470
<b>Total</b>	<b>5,185,503</b>	<b>4,900,537</b>	<b>4,438,018</b>

## 10. CURRENT TAX ASSETS (Net)

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Opening balance	277,353	225,032	(866,746)
Less: Current tax payable for the year	(2,527,500)	(1,031,000)	-
Add: Taxes paid	2,591,669	1,109,596	1,091,778
Less: Others(Refund)	(15,218)	(26,275)	-
<b>Closing Balance</b>	<b>326,304</b>	<b>277,353</b>	<b>225,032</b>

**11. INCOME TAX****Deferred Tax****(Amount in INR)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
<b>Deferred tax relates to the following:</b>			
Accelerated Depreciation for tax purposes	(5,747)	(5,648)	(5,477)
Gratuity	-	-	-
Fair Valuation of Stock in Trade and Investments	149,612	(837,521)	(1,045,313)
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>143,865</b>	<b>(843,169)</b>	<b>(1,050,790)</b>

**Movement in deferred tax liabilities/assets**

Particulars	March 31, 2020	March 31, 2019
<b>Opening balance as of April 1</b>	<b>(843,169)</b>	<b>(1,050,790)</b>
Tax income/(expense) during the period recognised in profit or loss	988,153	207,622
Tax income/(expense) during the period recognised in OCI	(1,119)	-
<b>Closing balance as at March 31</b>	<b>143,865</b>	<b>(843,169)</b>

**Major Components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:**

**i. Income tax recognised in profit or loss****(Amount in INR)**

Particulars	2019-20	2018-19
Current income tax charge	2,527,500	1,031,000
Adjustment in respect of current income tax of previous year	3,628	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(988,153)	(207,622)
<b>Income tax expense recognised in profit or loss</b>	<b>1,542,975</b>	<b>823,378</b>

**ii. Income tax recognised in OCI**

Particulars	2019-20	2018-19
Net loss/(gain) on remeasurements of defined benefit plans	(1,119)	-
<b>Income tax expense recognised in OCI</b>	<b>(1,119)</b>	<b>-</b>

## Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019

Particulars	2019-20	2018-19
Profit before tax from continuing operations	6,303,906	2,306,834
Accounting profit before income tax	6,303,906	2,306,834
Enacted tax rate in India	25.17%	26.00%
Income tax on accounting profits	1,586,693	599,777
<b>Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:</b>		
Net expenses that are not deductible in determining taxable profit	260,372	133,799
Incomes which are exempt from tax	-19,049	-17,141
Others	699,469	315,842
Short/Excess Provision	-	(1,277)
Round off	15	-
<b>Tax at effective income tax rate</b>	<b>25,27,500</b>	<b>1,031,000</b>

## 12. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR)

Particulars	Office Equipments	Computer Hardwares	Total
<b>GROSS CARRYING VALUE</b>			
<b>As at April 1, 2018</b>	4,827	19,483	24,310
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2019</b>	<b>4,827</b>	<b>19,483</b>	<b>24,310</b>
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2020</b>	<b>4,827</b>	<b>19,483</b>	<b>24,310</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>			
<b>As at April 1, 2018</b>			
Depreciation for the year	-	-	-
Deductions\Adjustments during the period	-	-	-
<b>As at March 31, 2019</b>	-	-	-
Depreciation for the year	-	-	-
Deductions\Adjustments during the period	4,827	-	4,827
<b>As at March 31, 2020</b>	<b>4,827</b>	-	<b>4,827</b>
<b>Net Carrying value as at March 31, 2020</b>	-	<b>19,483</b>	<b>19,483</b>
<b>Net Carrying value as at March 31, 2019</b>	<b>4,827</b>	<b>19,483</b>	<b>24,310</b>
<b>Net Carrying value as at April 1, 2018</b>	<b>4,827</b>	<b>19,483</b>	<b>24,310</b>

\* The company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2018 (Transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



**13. OTHER NON FINANCIAL ASSETS**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Non Current			
Capital Advances	-	700,000	700,000
Others			
- Prepaid expenses	7,083	-	-
- Balances with Statutory, Government Authorities	276	-	-
<b>Total</b>	<b>7,359</b>	<b>700,000</b>	<b>700,000</b>

**14. OTHER FINANCIAL LIABILITIES**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Financial Liabilities at amortised cost			
Others			
Payable for Expenses	40,900	47,630	15,000
<b>Total</b>	<b>40,900</b>	<b>47,630</b>	<b>15,000</b>

**NON FINANCIAL LIABILITIES****15. PROVISIONS**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Provision for employee benefits			
Gratuity	427,982	293,115	-
<b>Total</b>	<b>427,982</b>	<b>293,115</b>	<b>-</b>

**16. OTHER NON FINANCIAL LIABILITIES**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Statutory Liabilities*	82,092	179,115	79,707
<b>Total</b>	<b>82,092</b>	<b>179,115</b>	<b>79,707</b>

## 17. EQUITY SHARE CAPITAL

## i. Authorised Share Capital

(Amount in Rs.)

	Equity Share	
	Number	Amount
<b>At April 1, 2018</b>	5,250,000	52,500,000
Increase/(decrease) during the year	-	-
<b>At March 31, 2019</b>	5,250,000	52,500,000
Increase/(decrease) during the year	-	-
<b>At March 31, 2020</b>	5,250,000	52,500,000

## ii. Issued Capital

	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At April 1, 2018</b>	5,010,000	50,100,000
Issued during the period	-	-
<b>At March 31, 2019</b>	5,010,000	50,100,000
Issued during the period	-	-
<b>At March 31, 2020</b>	5,010,000	50,100,000

**Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## iii. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates

NIL

## iv. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% holding	Number	% holding
Equity shares of Rs 10 each fully paid				
Cypress Consultants Private Limited	695,200	13.88%	695,200	13.88%
Prabhat Maheshwari	375,200	7.49%	375,200	7.49%
Atul Jain	327,600	6.54%	327,600	6.54%

v. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

vi. Shares reserved for issue under options : NIL

**18. OTHER EQUITY****i. Reserves and Surplus****(Amount in INR)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Retained Earnings	30,067,399	26,256,138	25,324,820
Statutory Reserve	5,631,655	4,678,655	4,120,655
	<b>35,699,054</b>	<b>30,934,794</b>	<b>29,445,475</b>

**(a) Retained Earnings****(Amount in INR)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Opening balance	26,256,138	25,324,820	25,938,820
Add : Profit for the year	4,760,931	1,483,456	-
Add : Other comprehensive income	3,329	5,862	-
	31,020,399	26,814,138	25,938,820
Amount available for appropriation	(953,000)	(558,000)	(614,000)
Transfer to Statutory Reserve			
<b>Closing balance</b>	<b>30,067,399</b>	<b>26,256,138</b>	<b>25,324,820</b>

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

**(b) Statutory Reserve****(Amount in INR)**

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Opening balance	4,678,655	4,120,655	3,506,655
Add : Transfer from retained earnings	953,000	558,000	614,000
<b>Closing balance</b>	<b>5,631,655</b>	<b>4,678,655</b>	<b>4,120,655</b>

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation. Section 45-IC of Reserve Bank of India Act, 1934 requires every non-banking financial company to create a reserve fund to transfer a sum not less than twenty per cent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

## PROFIT AND LOSS

## 19. INTEREST INCOME

(Amount in INR)

Particulars	2019-20	2018-19
Interest Income on Financial Assets measured at Amortised Cost		
Interest on loans	5,941,515	5,891,266
Other Interest Income	-	25
<b>Total</b>	<b>5,941,515</b>	<b>5,891,291</b>

## 20. DIVIDEND INCOME

(Amount in INR)

Particulars	2019-20	2018-19
Dividend Income	75,683	65,927
<b>Total</b>	<b>75,683</b>	<b>65,927</b>

## 21. FEES AND COMMISSION INCOME

(Amount in INR)

Particulars	2019-20	2018-19
Fees and Commission Income	2,647,809	-
<b>Total</b>	<b>2,647,809</b>	<b>-</b>

## 22. NET GAIN ON FAIR VALUE CHANGES

(Amount in INR)

Particulars	2019-20	2018-19
<b>(A) Net gain on financial instruments at fair value through profit or loss</b>		
(i) On trading portfolio		
- Investments	(2,807,021)	(1,285,681)
- Derivatives	-	-
- Others	-	-
(ii) Equity investment at FVTPL	(516,384)	(524,853)
(iii) Debt instrument at FVTPL	544,427	335,773
(iv) On financial instruments designated at fair value through profit or loss	-	-
	(2,778,978)	(1,474,761)
<b>(B) Others</b>		
(i) Gain on sale of debt FVOCI instrument	-	-
(ii) Gain on sale of Equity investment at FVTPL	5,158,577	-
<b>Total Net gain on fair value changes</b>	<b>2,379,599</b>	<b>(1,474,761)</b>
Fair Value changes:		
-Realised	5,158,577	-
-Unrealised	(2,778,978)	(1,474,761)
<b>Total</b>	<b>2,379,599</b>	<b>(1,474,761)</b>

**23. SALE OF SERVICES**

(Amount in INR)

Particulars	2019-20	2018-19
Income that are recognised over a certain period of time	-	-
Income that are recognised at a point in time	-	2,000,000
<b>Total</b>	<b>-</b>	<b>2,000,000</b>

**24. OTHER INCOME**

(Amount in INR)

Particulars	2019-20	2018-19
Miscellaneous Income	-	124
<b>Total</b>	<b>-</b>	<b>124</b>

**25. FIANANCE COST**

(Amount in INR)

Particulars	2019-20	2018-19
Finance cost on financial liabilities measured at amortised cost		
Others	-	9,336
<b>Total</b>	<b>-</b>	<b>9,336</b>

**26. IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(Amount in INR)

Particulars	2019-20	2018-19
On financial instruments measured at amortised cost		
Loans	184,250	(113,750)
Others	-	-
<b>Total</b>	<b>184,250</b>	<b>(113,750)</b>

**27. EMPLOYEE BENEFITS EXPENSES**

(Amount in Rs.)

Particulars	2019-20	2018-19
Salaries, wages and bonus	2,669,000	2,188,652
Staff welfare expenses	-	137,012
Gratuity Expense	139,315	298,977
<b>Total</b>	<b>2,808,315</b>	<b>2,624,641</b>

## 28. OTHER EXPENSES

(Amount in INR)

Particulars	2019-20	2018-19
Advertisement	29,941	23,632
Legal and professional fees	28,000	266,000
Rates and taxes	50,382	2,500
Rent	120,000	120,000
Printing and Stationery	57,442	86,874
Telephone and internet expenses	38,051	48,265
Travelling & conveyance expenses	145,802	224,113
Bank charges	153	-
Miscellaneous expenses	25,988	-
Office Expenses	67,603	181,661
Listing and Other expenses	355,000	397,630
Computer and software expenses	59,467	85,753
Demat Charges	8,870	2,065
Membership & Subscription	15,509	62,675
Share Transfer Agent Fees	18,500	129,610
Website Design Expenses	7,600	8,392
Payment to Auditor's	15,000	16,350
Bad Debts written off	700,000	-
Fixed assets written off	4,827	-
<b>Total</b>	<b>1,748,135</b>	<b>1,655,520</b>

## Details of Payments to auditors

(Amount in INR)

Particulars	2019-20	2018-19
As auditor Audit Fee	15,000	16,350
<b>Total</b>	<b>15,000</b>	<b>16,350</b>

## 29. EARNINGS PER SHARE

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

Diluted EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year adjusted for assumed conversion of all dilutive potential equity shares.

(Amount in INR)

Particulars	2019-20	2018-19
Net Profit attributable to Equity holders of the Company	4,764,260	1,489,318
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,010,000	5,010,000
Face Value per Share	10	10
Basic and diluted earnings per share	<b>0.95</b>	<b>0.30</b>

The basic and diluted earnings per share are the same as there are no dilutive/ potential equity shares issued or outstanding as at the year end.

**30. EMPLOYEES BENEFIT OBLIGATIONS****Post Employment obligations****Gratuity**

The company provides for gratuity for employees who are in continuous service for a period of five years . The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The Company has less than 10 employees.

(Amount in INR)

Particulars	2019-20			2018-19		
	Current	Non-Current	Total	Current	Non-Current	Total
Gratuity	427,982	-	427,982	293,115	-	293,115
<b>Total Employee Benefit Obligations</b>	<b>427,982</b>	<b>-</b>	<b>427,982</b>	<b>293,115</b>	<b>-</b>	<b>293,115</b>

**Reconciliation of Opening and Closing Balances of Defined Benefit Obligation**

(Amount in INR)

Particulars	2019-20	2018-19
Gratuity Opening Balance	293,115	-
Add: During the year created / (reversed)	134,867	293,115
<b>Closing Balance</b>	<b>427,982</b>	<b>293,115</b>

**31. COMMITMENTS AND CONTINGENCIES AND LEASING ARRANGEMENTS**

(Amount in INR)

<b>A. Contingent Liabilities</b>	March 31, 2020	March 31, 2019
<b>Claim against the company not acknowledged as debt</b> In Respect of Income Tax Penalty Demand for AY 2014-15, where the company has filed appeal before Income Tax Authorities. * * The above Penalty Demand is Payable in respect of the matter in Appeal and company is of the opinion that the above demand is not sustainable and expects to succeed in Appeal.	540,750	540,750

**B. Lease Disclosure****Operating lease commitments - Company as lessee**

Except as specified below, the company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of April 1 , 2019. As a result, the company has changed its accounting policy for lease contracts. However, due to short term nature of lease, the company has opted for recognition exemption as per the standard.

**Operating lease commitments - Company as lessee**

The company has taken its office premises on Operating Lease. This lease arrangement is for a period of 1 year along with cancellable option.

**Amounts recognised in profit or loss :**

(Amount in INR)

	March 31, 2020	March 31, 2019
Expenses relating to short term lease	120,000	120,000
	<b>120,000</b>	<b>120,000</b>

## 32. RELATED PARTY TRANSACTIONS

## (i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Nature of Relationship	Country of Incorporation
GMJ & Co	Entity in which KMP exercises significant influence	India
Rajveer Trading Private Limited	Entity in which KMP exercises significant influence	India
Rajul Mercantile Private Limited	Entity in which KMP exercises significant influence	India
Jadstone Trading Private Limited	Entity in which KMP exercises significant influence	India
Mudra Share and Stock Brokers Limited	Entity in which KMP exercises significant influence	India
Mr. Dipen Maheshwari - Managing Director	Key Managerial Personnel (KMP)	
Mr. Atul Jain - Director	Key Managerial Personnel (KMP)	
Mrs. Asha Krishan Kumar Rathi - Independent Director	Key Managerial Personnel (KMP)	
Mr. Jiyan Shah - Additional Independent Director	Key Managerial Personnel (KMP)	
Mrs. Meghana Tank - Chief Financial Officer	Key Managerial Personnel (KMP)	
Mr. Ajay Kabra - Company Secretary	Key Managerial Personnel (KMP)	

## (ii) Transactions with related parties

The following transactions occurred with related parties

Name	Nature of Relationship	Nature of Transaction	March 31, 2020	March 31, 2019
Rajveer Trading Private Limited	Entity in which KMP exercises significant influence	Rent Paid	120,000	120,000
GMJ & Co	Entity in which KMP exercises significant influence	Service Income	-	2,000,000
Mr. Dipen Maheshwari	Key Managerial Personnel (KMP)	Managerial Remuneration	924,960	815,709
Mr. Ajay Kabra	Key Managerial Personnel (KMP)	Legal and Professional Fees	-	20,000
Mr. Ajay Kabra	Key Managerial Personnel (KMP)	Managerial Remuneration	608,407	170,016
Mrs. Meghana Tank	Key Managerial Personnel (KMP)	Managerial Remuneration	139,694	118,814

## (iii) Key management personnel compensation

	March 31, 2020	March 31, 2019
Short term employee benefits	1,586,677	1,104,539
	1,586,677	1,104,539

The Company does not have any outstanding Balances with Related Parties as on March 31, 2020 and also for March 31, 2019.

All the arrangements and transactions entered into by the company with related parties, during the financial year 2019-20 were in ordinary course of business and on arm's length price.



### 33. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

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

Particulars	As at March 31, 2020			As at March 31, 2019			As at April 01, 2018		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>									
<b>Financial assets</b>									
Cash and cash equivalents	554,056	-	554,056	468,712	-	468,712	1,020,690	-	1,020,690
Stock in Trade	-	313,729	313,729	-	4,419,009	4,419,009	-	5,744,690	5,744,690
Receivables									
(I) Trade receivables	255,033	-	255,033	-	-	-	-	-	-
(II) Other receivables	-	-	-	-	-	-	-	-	-
Loans	-	67,966,500	67,966,500	-	62,057,750	62,057,750	-	66,799,000	66,799,000
Investments	-	11,578,196	11,578,196	-	9,550,152	9,550,152	-	1,739,232	1,739,232
Other Financial assets	5,185,503	-	5,185,503	4,900,537	-	4,900,537	4,438,018	-	4,438,018
<b>Sub total</b>	<b>5,994,592</b>	<b>79,858,425</b>	<b>85,853,017</b>	<b>5,369,249</b>	<b>76,026,911</b>	<b>81,396,160</b>	<b>5,458,708</b>	<b>74,282,922</b>	<b>79,741,630</b>
<b>Non-financial assets</b>									
Current Tax assets (Net)	326,304	-	326,304	277,353	-	277,353	225,032	-	225,032
Deferred Tax assets (Net)	-	143,865	143,865	-	-	-	-	-	-
Property, plant and equipment	-	19,483	19,483	-	24,310	24,310	-	24,310	24,310
Other non-financial assets	7,359	-	7,359	-	700,000	700,000	-	700,000	700,000
<b>Sub total</b>	<b>333,663</b>	<b>163,348</b>	<b>497,011</b>	<b>277,353</b>	<b>724,310</b>	<b>1,001,663</b>	<b>225,032</b>	<b>724,310</b>	<b>949,342</b>
<b>Total assets</b>	<b>6,328,255</b>	<b>80,021,773</b>	<b>86,350,028</b>	<b>5,646,602</b>	<b>76,751,221</b>	<b>82,397,823</b>	<b>5,683,740</b>	<b>75,007,232</b>	<b>80,690,972</b>
<b>LIABILITIES</b>									
<b>Financial liabilities</b>									
Other Financial liabilities	40,900	-	40,900	47,630	-	47,630	15,000	-	15,000
Sub total	40,900	-	40,900	47,630	-	47,630	15,000	-	15,000
<b>Non-Financial liabilities</b>									
Provisions	-	427,982	427,982	-	293,115	293,115	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	843,169	843,169	-	1,050,790	1,050,790
Other non-financial liabilities	82,092	-	82,092	179,115	-	179,115	79,707	-	79,707
<b>Sub total</b>	<b>82,092</b>	<b>427,982</b>	<b>510,074</b>	<b>179,115</b>	<b>1,136,284</b>	<b>1,315,399</b>	<b>79,707</b>	<b>1,050,790</b>	<b>1,130,497</b>
<b>Total liabilities</b>	<b>122,992</b>	<b>427,982</b>	<b>550,974</b>	<b>226,745</b>	<b>1,136,284</b>	<b>1,363,029</b>	<b>94,707</b>	<b>1,050,790</b>	<b>1,145,497</b>

**34. SEGMENT REPORTING**

The Company is exclusively engaged in the business of financial activities which includes trading and investment in shares, granting of loans, etc., since the nature of these business are exposed to similar risks and return profiles, hence they are collectively operating under a single segment. Accordingly the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments."

**35. FAIR VALUE MEASUREMENTS****A. Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques:

**Level 1** - Valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that Company can access at the measurement date.

**Level 2** - Valuation technique using observable inputs: Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3** - Valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

**B. The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy**

Particulars	As at March 31, 2020			Total	As at March 31, 2019			Total
	Fair value measurement using				Fair value measurement using			
	(Level 1)	(Level 2)	(Level 3)		(Level 1)	(Level 2)	(Level 3)	
Financial Assets								
Financial Investments at FVTPL								
Quoted equity shares	697,995	-	-	697,995	1,214,379	-	-	1,214,379
Mutual Funds	10,880,201	-	-	10,880,201	8,335,773	-	-	8,335,773
Stock in Trade Equity Shares	313,729	-	-	313,729	4,419,009	-	-	4,419,009
<b>Total Assets</b>	<b>11,891,925</b>	<b>-</b>	<b>-</b>	<b>11,891,925</b>	<b>13,969,161</b>	<b>-</b>	<b>-</b>	<b>13,969,161</b>

Particulars	As at April 1, 2018			Total
	Fair value measurement using			
	(Level 1)	(Level 2)	(Level 3)	
Financial Assets				
Financial Investments at FVTPL				
Quoted equity shares	1,739,232	-	-	1,739,232
Mutual Funds	-	-	-	-
Stock in Trade Equity Shares	5,744,690	-	-	5,744,690
<b>Total Assets</b>	<b>7,483,922</b>	<b>-</b>	<b>-</b>	<b>7,483,922</b>

**C. Valuation Methodologies of Financial Instruments measured at fair value****Mutual Funds**

The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**Equity Shares**

Equity shares are fair valued based on their quoted market prices at the end of reporting period. The quoted market price used for financial asset held by the Company is the current bid price. Such instruments are classified as Level 1.

**D. Fair value of financial instrument not measured at fair value**

The table below is a comparison, of the carrying amounts and fair values of the Company's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities

**i. Financial Instruments by Category**

Particulars	Carrying Amount			Fair Value		
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
<b>FINANCIAL ASSETS</b>						
Trade Receivables	255,033	-	-	255,033	-	-
Loans	67,966,500	62,057,750	66,799,000	67,966,500	62,057,750	66,799,000
Cash and Cash Equivalents	554,056	468,712	1,020,690	554,056	468,712	1,020,690
Other Financial Assets	5,185,503	4,900,537	4,438,018	5,185,503	4,900,537	4,438,018
<b>Total</b>	<b>73,961,092</b>	<b>67,426,999</b>	<b>72,257,708</b>	<b>73,961,092</b>	<b>67,426,999</b>	<b>72,257,708</b>
<b>FINANCIAL LIABILITIES</b>						
Other financial liabilities	40,900	47,630	15,000	40,900	47,630	15,000
<b>Total</b>	<b>40,900</b>	<b>47,630</b>	<b>15,000</b>	<b>40,900</b>	<b>47,630</b>	<b>15,000</b>

**E. Valuation Methodologies of Financial Instruments not measured at fair value**

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques and assumptions explained in notes.

**Short Term Financial Assets and Liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value. Such instruments include: cash and cash equivalents, trade receivables, other financial assets and other financial liabilities.

**Loans**

These Financial Assets are recorded at Amortised Cost.

**36. FINANCIAL RISK MANAGEMENT**

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors. The Company's Board of Directors has overall responsibility for managing the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

Risk	Exposure arising from
Credit risk	Trade & other receivables, financial assets measured at amortised cost
Liquidity risk	Financial Liabilities
Market risk – security prices	Investments in equity securities, units of mutual funds, measured at FVTPL

**(A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, other bank balances and financial assets measured at amortised cost. "Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

**Exposure to Credit Risk**

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of trade and other receivables and financial assets measured at amortised cost.

Particular	March 31, 2020	March 31, 2019	April 1, 2018
Maximum exposure to credit risk	73,407,036	66,958,287	71,237,018

**Expected Credit Loss (ECL) on Financial Assets**

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12mECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive).

**The Company has following type of financial assets that are subject to the expected credit loss:****(i) Trade and other receivables**

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables.

**(ii) Cash and cash equivalents and other bank balances**

The Company holds cash and cash equivalents. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

**(B) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms.

To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the company.

**Exposure to Liquidity Risk**

The table below analyses the Company's financial assets and liabilities into relevant maturity pattern based on their contractual maturities for all financial assets and liabilities.

Particulars	Upto 1 year	Between 1 and 3 years	Between 3 and 5 years	Total
As at March 31, 2020				
Financial Liability				
Other financial liabilities	40,900	-	-	40,900
As at March 31, 2019				
Financial Liability				
Other financial liabilities	47,630	-	-	47,630
As at April 1, 2018				
Financial Liability				
Other financial liabilities	15,000	-	-	15,000

**(C) Market Risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to interest rate risk and price risk.

**(i) Interest Rate Risk**

"The Company is mainly exposed to the interest rate risk for its Loans and Advances. The interest rate risk arises due to uncertainties about the future market interest rate on these Loans.

As at March 31, 2020, Gross Amount of Loan given is INR 6,83,00,000 (March 31, 2019: INR 6,22,00,000). These are exposed to interest rate risk.

**Sensitivity Analysis**

The table below sets out the effect of increase/decrease in interest rates of 1%:

Particular	(Amount in INR)	
	March 31, 2020	March 31, 2019
1% Increase in interest rate	683,000	622,000
1% decrease in interest rate	(683,000)	(622,000)

**(ii) Price Risk**

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds and debt securities, whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities and units of mutual funds which are classified as financial assets at Fair Value Through Profit and Loss and is as follows:

(Amount in INR)

Particular	March 31, 2020	March 31, 2019	April 1, 2018
Exposure to price risk	11,891,925	13,969,161	7,483,922

To manage its price risk arising from investments in equity securities and units of mutual funds, the company diversifies its portfolio.

**Sensitivity Analysis**

The table below sets out the effect on profit or loss due to reasonable possible increase/ decrease in prices of 1% :

(Amount in INR)

Particular	March 31, 2020	March 31, 2019	April 1, 2018
Effect on Profit and Loss			
1% increase in the prices	118,919	139,692	74,839
1% decrease in the prices	(118,919)	(139,692)	(74,839)

**37. CAPITAL MANAGEMENT**

The Company maintains an actively managed capital base to cover risks inherent in the business which includes issued equity capital and all other equity reserves attributable to equity holders of the Company.

As an NBFC, the RBI requires to maintain a minimum capital to risk weighted assets ratio ("CRAR") consisting of Tier I and Tier II Capital of 15% of our aggregate risk weighted assets. Further, the total of Tier II capital cannot exceed 100% of Tier I capital at any point of time. The capital management process of the Company ensures to maintain a healthy CRAR at all the times.

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Capital to Risk Assets Ratio (CRAR) %	100.58%	99.27%
CRAR – Tier I capital (%)	100.58%	99.27%
CRAR – Tier II capital (%)	-	-
Amount of subordinate debt raised as Tier II capital	-	-
Amount raised by issue of Perpetual Debt Instruments	-	-

Tier 1 capital, which comprises share capital, Statutory Reserve, and retained earnings including current year profit . Certain adjustments are made to ind AS-based results and reserves, as prescribed by the Reserve Bank of india.

Tier 2 Capital includes subordinated debt.

The Company is meeting the capital adequacy requirements of Reserve Bank of India (RBI) of India.

**38. PROVISIONING NORMS**

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

(Amount in INR)

<b>Provisions For Non-Performing Assets</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>(a) Standard Assets</b>		
Opening Balance	157,250	271,000
Add: During the year created/ (reversed)	184,250	(113,750)
Closing Balance	341,500	157,250
<b>(b) Sub - Standard Assets</b>		
Opening Balance	-	-
Add: During the year created/ (reversed)	-	-
Closing Balance	-	-
<b>(c) Doubtful Assets</b>		
Opening Balance	-	-
Add: During the year created/ (reversed)	-	-
Closing Balance	-	-

Every NBFC shall make minimum provision for Standard Assets at 0.25% of the Outstanding. Company has made Provision of 0.5% on the amount outstanding.

## 39. SCHEDULE OF A NON-DEPOSIT TAKING NON-BANKING FINANCIAL COMPANY

(Amount in INR)

Particulars		Current year		Previous year	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side					
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid				
(a)	Debtentures: Secured	-	-	-	-
	Unsecured	-	-	-	-
	(other than falling within the meaning of public deposits)				
(b)	Deferred Credits	-	-	-	-
(c)	Term Loans	-	-	-	-
(d)	Inter-corporate Loans and borrowing	-	-	-	-
(e)	Commercial Paper	-	-	-	-
(f)	Public Deposits	-	-	-	-
(g)	Other Loans (specify nature)	-	-	-	-
(2)	Break-up of (1)(f) above (Outstanding public deposit inclusive of interest accrued thereon but not paid):				
(a)	In the form of unsecured debtentures	-	-	-	-
(b)	In the form of partly secured debtentures i.e. debtentures where there is a shortfall in the value of security	-	-	-	-
(c)	Other Public deposits	-	-	-	-



Particulars		Current year	Previous year	
Assets side		Amount outstanding	Amount outstanding	
(3)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>			
	(a)	Secured	-	
	(b)	Unsecured	68,563,033	
(4)	<b>Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities</b>			
	(i)	Lease assets including lease rentals under sundry debtors :		
		(a)	Financial Lease	-
		(b)	Operating Lease	-
	(ii)	Stock on hire including hire charges under sundry debtors :		
		(a)	Assets on hire	-
		(b)	Repossessed Assets	-
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	
		(b)	Loans other than (a) above	-
(5)	<b>Break-up of Investments</b>			
	<b>Current Investments</b>			
	1	Quoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
		(iii)	Units of Mutual Funds	10,880,201
		(iv)	Government securities	-
	(v)	Others (please specify)	-	
	2	Unquoted		
		(i)	Shares	
			(a) Equity	-
			(b) Preference	-
		(ii)	Debentures and Bonds	-
(iii)		Units of Mutual Funds	-	
(iv)		Government securities	-	
(v)	Others (please specify)	-		

Long Term Investments					
1	Quoted				
	(i)	Shares			
		(a)	Equity	697,995	1,214,379
		(b)	Preference	-	-
	(ii)	Debentures and Bonds	-	-	
	(iii)	Units of Mutual Funds	-	-	
	(iv)	Government securities	-	-	
	(v)	Others (please specify)	-	-	
2	Unquoted				
	(i)	Shares			
		(a)	Equity	-	-
		(b)	Preference	-	-
	(ii)	Debentures and Bonds	-	-	
	(iii)	Units of Mutual Funds	-	-	
	(iv)	Government securities	-	-	
	(v)	Others (please specify)	-	-	

(6) Borrower group-wise classification of assets financed as in (3) and (4) above :							
	Category	Current year			Previous year		
		Amount net of Provisions			Amount net of Provisions		
		Secured	Unsecured	Total	Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	-	-	-	-	-
	(b) Companies in the same group	-	-	-	-	-	-
	(c) Other related parties	-	-	-	-	-	-
2	Other than Related parties	-	67,966,500	67,966,500	-	62,057,750	62,057,750
	Total	-	67,966,500	67,966,500	-	62,057,750	62,057,750

7. Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Category		Current year		Previous year	
		Market Value /Break up or fair value or NAV	Book value (net of Provisions)	Market Value /Break up or fair value or NAV	Book value (net of Provisions)
<b>1</b>	<b>Related Parties</b>				
	(a) Subsidiaries	-	-	-	-
	(b) Companies in the same group	-	-	-	-
	(c) Other related parties	-	-	-	-
<b>2</b>	<b>Other than Related parties</b>	11,578,196	11,578,196	9,550,152	9,550,152
	<b>Total</b>	<b>11,578,196</b>	<b>11,578,196</b>	<b>9,550,152</b>	<b>9,550,152</b>
<b>8.</b>	<b>Other Information</b>				
Particulars		Current year		Previous year	
		Amount		Amount	
(i)	Gross Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
(ii)	Net Non-Performing Assets				
	(a) Related Parties	-	-	-	-
	(b) Other than related parties	-	-	-	-
(iii)	Assets acquired in satisfaction of debt	-	-	-	-

40. The following disclosure is required pursuant to RBI circular dated March 13, 2020 - Circular No. RBI/2019-20/170 DOR (NBFC).CC.PD. No.109/22.10.106/2019-20.

Asset classification as per RBI norms	Asset Classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net Carrying amount	Provision required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
Performing Assets Standard	Stage 1	68,300,000	341,500	67,958,500	341,500	-

41. The following disclosure is required pursuant to RBI circular dated April 17, 2020 - Circular No. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20.

Particulars	2019-20
(i) Amount in SMA/Overdue Categories	-
(ii) Amount of extension of asset classification benefits	-
(iii) Provision made during Q4 FY 2019-20 on standard assets due to extension of asset classification benefits	-
(iv) Provision adjusted against slippages and residual provisions	-

**42. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been made.

**43. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

Name of the Party	Nature	Purpose	Rate of interest	March 31, 2020	March 31, 2019	April 1, 2018
Baba Baidnath Spinners Pvt. Ltd.	Loans Repayable on Demand	Business	12.00%	6,750,000	6,750,000	3,750,000
Balaji Bright Bars	Loans Repayable on Demand	Business	-	-	-	550,000
Heritage Marble Private Limited	Loans Repayable on Demand	Business	9.00%	17,000,000	17,000,000	26,750,000
Jayesh Vinod Sheth HUF	Loans Repayable on Demand	Business	8.00%	-	11,500,000	9,000,000
Jayesh V. Sheth	Loans Repayable on Demand	Business	8.00%	38,600,000	13,750,000	13,750,000
Jimisha Ratnesh Sheth	Loans Repayable on Demand	Business	12.00%	-	-	1,000,000
Ketaki J. Sheth	Loans Repayable on Demand	Business	8.00%	-	4,750,000	4,750,000
Parth Enterprises	Loans Repayable on Demand	Business	12.00%	-	-	500,000
Pavitra Belting Private Limited	Loans Repayable on Demand	Business	12.00%	1,500,000	1,500,000	1,500,000
Reliance Steel Tubes Pvt. Ltd.	Loans Repayable on Demand	Business	9.00%	-	2,500,000	2,500,000
Sargam Srivastava	Loans Repayable on Demand	Business	9.00%	1,450,000	1,450,000	-
Shree Salasar Marketing	Loans Repayable on Demand	Business	12.00%	3,000,000	3,000,000	3,000,000

**44. FIRST TIME ADOPTION OF IND AS**

These financial statements, for the year ended March 31, 2020, are the first annual financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2018 and the financial statements as at and for the year ended March 31, 2019.

**Mandatory exceptions and optional exemptions availed**

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

**Mandatory Exceptions**

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

**a. Estimates**

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

**b. De-recognition of financial assets and liabilities**

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

**c. Classification and measurement of financial assets**

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

**Optional exemptions availed****a. Deemed cost for property, plant and equipment and intangible assets**

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2018 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Particulars	Note	As at March 31, 2019	As at April 1, 2018
<b>Equity as reported under Previous GAAP</b>		<b>79,066,657</b>	<b>76,570,354</b>
Fair valuation of financial assets	1	2,545,673	4,020,434
Impairment on Financial Instrument		259,985	-
Tax effect on above adjustment	2	(837,521)	(1,045,313)
<b>Total effect of transition to Ind AS</b>		<b>1,968,137</b>	<b>2,975,121</b>
<b>Equity as per Ind AS</b>		<b>81,034,794</b>	<b>79,545,475</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2019**

Particulars	Note	As at March 31, 2019
Net profit after tax as reported under Ind GAAP		2,496,303
Ind AS adjustment increasing / (decreasing) net profit as reported under Indian GAAP:		
Fair valuation of financial assets	1	(1,474,761)
Impairment on Financial Instrument		259,985
Employee Benefits Expense		(5,862)
Tax effect on above adjustment	2	207,792
<b>Total effect of transition to Ind AS</b>		<b>(1,012,846)</b>
Items that will not be reclassified to P&L - Remeasurement of defined benefit plans		5,862
<b>Total Comprehensive Income as per Ind AS</b>		<b>1,489,319</b>

**Note 1: Fair valuation of financial assets**

Under Indian GAAP, stock in trade were classified in Inventory and investments in equity instruments and mutual fund were classified as long-term investments or current investment based on the intended holding period and realisability. Long term investment were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. However, under Ind AS, the Company has classified such trading investments at fair value through profit or loss (FVTPL). Ind AS mandates such investments to be measured initially and subsequently at fair value at each reporting date. Any difference between carrying value and fair values being recognised in statement of Profit and Loss.

At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings.

**Note 2: Deferred tax**

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

**45. EXPENDITURE IN FOREIGN CURRENCY**

NIL

**46. IMPACT DUE TO COVID - 19**

The Covid-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. Government too has imposed lockdowns starting from March 24, 2020. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic on Mudra financial statements, including credit quality and provisions, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government and the RBI to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels.

The Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are fall due. Such an assessment has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs. Based on the sensitivity analysis conducted on stress scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time.

In assessing the recoverability of receivables, intangible assets (including goodwill), deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports. Given the dynamic nature of the pandemic situation, these estimates are subject to uncertainty and maybe affected by severity and duration of the pandemic. In the event the impacts are more severe or prolonged than anticipated, this will have a corresponding impact on the carrying value of financial assets, the financial position and performance of the Company.

**47. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The amendment to standard issued up to the date of issuance of the Company's financial statements, but not yet effective as of the date of the Company's financial statements is disclosed below. The Company intends to adopt the amendment to standard when it becomes effective.

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

**A. Issue of Ind AS 117 – Insurance Contracts**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

**B. Amendments to existing Standards**

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

48. Previous year's figure have been regrouped/reclassified wherever necessary to correspond with current period's classification/disclosure.

Significant Accounting Policies and Notes forming part 1 to 48  
of the Financial Statements

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

**Trushit Shah**  
Partner  
M No.148777  
UDIN : 20148777AAAACQ6298

Place : Mumbai  
Date: 27th June, 2020

For and on behalf of the Board of Directors

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

<b>Ajay Kabra</b>	<b>Meghana Tank</b>
Company Secretary	Chief Financial Officer

Place : Mumbai  
Date: 27th June, 2020