

MFSL

MUDRA FINANCIAL SERVICES LTD.

3rd Floor, Vastu Darshan "B", Above Central Bank of India,
Azad Road, Andheri (East), Mumbai- 400 069
(O) : +91-22-6191 9293/ 22 Fax : +91-22-2684 2221
Email:mudrafinancial.1994@gmail.com

L 65999MH1004FLC079222 NOTICE TO THE MEMBERS

NOTICE is hereby given that the TWENTIETH Annual General Meeting (AGM) of the Members of MUDRA FINANCIAL SERVICES LIMITED will be held at the Registered Office of the Company at 3rd Floor, Vastu Darshan, 'B' Wing, Azad Road, Andheri (East), Mumbai - 400 069, on Tuesday, 30th September, 2014, at 11.30 A.M. to transact, with or without modification(s) the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Statement of Profit and Loss of the company for the year ended 31st March, 2014, Balance Sheet as at 31st March, 2014 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjeev Maheshwari, who retires from office by rotation, and being eligible offers himself for re-appointment.
3. To re-appoint, Auditors of the company to hold office from the conclusion of this AGM until the conclusion of the third consecutive AGM and to fix their remuneration and to pass the following as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and all other relevant provisions of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. DESAI SAKSENA & ASSOCIATES, Chartered Accountants having firm Registration No. 102358W, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the third consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors."

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SPECIAL BUSINESS :

4. As An Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. JAGANNATH RAMANUJ CHAKRAVARTI (DIN : 01944026), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.”

5. As An Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. MAHENDRA KUMAR SINGH (DIN : 01971726), Director of the Company who retires by rotation at the AGM, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 years commencing from April 1, 2014 to March 31, 2019, not liable to retire by rotation.

For and on behalf of the Board,
FOR MUDRA FINANCIAL SERVICES LIMITED

Prabhat Maheshwari

PRABHAT MAHESHWARI
DIRECTOR
DIN : 00100971

Registered Office:

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

Place : Mumbai

Date : 30th May, 2014

[Cont...3]

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27/09/2014 to 29/09/2014 (both days inclusive).
4. 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.
5. Members / Proxies are requested to please bring their copies of the Annual Report to the meeting since copies of the Annual Report will not be distributed at the meeting.
6. The Company has listed its shares on:
 - (a) Pune Stock Exchange Limited, Pune,
 - (b) The Stock Exchange Ahmedabad, Ahmedabad.
7.
 - (a) The Company has appointed M/s. System Support Services as Common Registrar & Transfer Agent of the Company for physicals as well as demat mode of transfers. Members are therefore requested to send their grievances to them for early disposal at the address given below.
 - (b) 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 below 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.

M/S. System Support Services
209, Shival Industrial Estate, 89,
Andheri Kurla Road, Saki Naka,
Andheri (East), Mumbai-400 072
Tel: 022 2850 0835
Email: syss72@yahoo.com
8. All documents referred to in the Notice are open for inspection at the registered office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
9. Members/Proxies holding their Shares in Physical mode are requested to fill the enclosed attendance slip and handover the same at the entrance with signature. In the absence thereof, they may not be admitted to the meeting venue.
10. Members who are holding shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification at the meeting.

[Cont...4]

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11. In all correspondence with the Company, members are requested to quote their Folio No. and in case their shares are held in demat form; they must quote their DP ID and Client ID Number.
12. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with the Depository Participant to enable us to send you the quarterly reports and other communications via email.
13. **Voting through electronic means**
 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- (i) The Notice of the 20th AGM of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. Initial password is provided as below /at the bottom of the Attendance Slip for the 20th AGM:

EVEN (E Voting Event Number) USER ID PASSWORD/PIN

- (ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, can use the details as provided above.
- (iii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
- (iv) Click on Shareholder - Login
- (v) Put user ID and password as initial password noted in step (i) above. Click Login.
- (vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) Home page of e-Voting opens. Click on e-Voting: **Active Voting Cycles.**
- (viii) Select **"EVEN"** of **MUDRA FINANCIAL SERVICES LIMITED**
- (ix) Now you are ready for e-Voting as Cast Vote page opens
- (x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (xi) Upon confirmation, the message "Vote cast successfully" will be displayed

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- (xii) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail nestle-scrutinizer@gmail.com or nestle-evoting@in.nestle.com with a copy marked to evoting@nsdl.co.in.
- I. 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 Downloads section of www.evoting.nsdl.com.
 - II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - IV. The e-voting period commences on The e-voting period commences on 25th September, 2014 (9:00 am) and ends on 26th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th August, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - V. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on, Friday, 29th August, 2014.
 - VI. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 29th August, 2014, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 - VII. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - VIII. The Results shall be declared on or after the 20th Annual General Meeting of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.mudrafinancial.in and on the website of NSDL within two(2) days of passing of the resolutions at the 20th Annual General Meeting of the Company on 30th September, 2014 and communicated to the Pune Stock Exchange Limited.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013.

Item 4 and 5

In accordance with the relevant provisions of the Articles of Association of the Company and the erstwhile provisions of the Companies Act, 1956, Mr. Jagannath Ramanuj Chakravarti (DIN:01944026) and Mr. Mahendra Kumar Singh (DIN: 01971726), Independent Directors' retire at the ensuing AGM. The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into effect. As per the said provisions, the Independent Directors shall be appointed for not more than two terms of five consecutive years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. In the transition to the Companies Act, 2013, which is effective 1st April, 2014, those Independent Directors who have already served for ten or more years will serve for a maximum period of one term of five years. This is consistent with the provisions of Companies Act, 2013. In effect, the transition will be managed by re-appointing such Independent Directors for a period of one more term that does not exceed five years. With the above changes, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Jagannath Ramanuj Chakravarti and Mr. Mahendra Kumar Singh, being eligible, offer themselves for appointment as Independent Directors on the Board of the Company. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint Mr. Jagannath Ramanuj Chakravarti and Mr. Mahendra Kumar Singh, as Independent Directors on the Board of the Company for one term of five consecutive years commencing from April 1, 2014. A brief profile of proposed Independent Directors, including nature of their expertise, is provided at elsewhere in this Annual Report.

Notices have been received from Members under Section 160 of the Act proposing candidature of the above Directors for the office of Independent Director of the Company. In the opinion of the Board Mr. Jagannath Ramanuj Chakravarti and Mr. Mahendra Kumar Singh, fulfill the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Directors of the Company.

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The Company has received from each of them (i) consent in writing to act as a director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions. The Board recommends the Ordinary Resolutions as set out at item no.4 and 5 for approval of the Members.

LISTING REQUIREMENTS:

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed / reappointed are as given below:

1) Name : Mr. Sanjeev Maheshwari
Age : 50(26.08.1964)
Qualifications : B.COM. (HONS), FCA

Mr. Sanjeev Maheshwari has rich experience of more than 2 decades in Financial Services business.

Other directorships:

Sr No.	Name of the Company	Designation
1	MUDRA SHARE AND STOCK BROKERS LIMITED	Director
2	KAMADGIRI FASHION LIMITED	Director
3	EXTENSIBLE BUSINESS REPORTING LANGUAGE (XBRL) INDIA	Director

Outside Committee Memberships : NIL
Outside Audit Committee Member : NIL
Outside Shareholders Grievance Committee Member : NIL
Remuneration Committee Member : NIL
No. of shares held in the Company : NIL

2) Name : Mr. Jagannath Ramanuj Chakravarti
Age : 68(28.061946)
Qualifications : M.COM.,

[Cont...3]

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Mr. Jagannath Ramunuj Chakravarti has rich experience of more than 3 decades in General Management.

Other directorships:

Sr No.	Name of the Company	Designation
1	MUDRA ENGINEERING & MARKETING CO. PRIVATE LIMITED	Director
2	MUDRA POWER AND CABLES PRIVATE LIMITED	Director
3	CHEVRON CONSTRUCTIONS PRIVATE LIMITED	Director

Outside Committee Memberships : NIL
 Outside Audit Committee Member : NIL
 Outside Shareholders Grievance Committee Member : NIL
 Remuneration Committee Member : NIL
 No. of shares held in the Company : NIL

3) Name : Mr. Mahendra Kumar Singh
 Age : 56(05.02.1958)
 Qualifications : B.COM.

Mr. Mahendra Kumar Singh has rich experience of more than 2 decades in General Management.

Other directorships:

Sr No.	Name of the Company	Designation
	NIL	

Outside Committee Memberships : NIL
 Outside Audit Committee Member : NIL
 Outside Shareholders Grievance Committee Member : NIL
 Remuneration Committee Member : NIL
 No. of shares held in the Company : NIL

For and on behalf of the Board,
 FOR MUDRA FINANCIAL SERVICES LIMITED

Prabhat Maheshwari

PRABHAT MAHESHWARI
 DIRECTOR
 DIN :00100971

Registered Office:

3rd Floor, VaastuDarshan, 'B' Wing,
 Azad Road, Andheri (East),
 Mumbai - 400069

Place : Mumbai

Date : 30th May, 2014

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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have great pleasure in presenting the Twentieth Annual Report together with the Audited Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS :

Particular	(Rs. in Lacs)	
	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit before Tax	23,00,301	33,53,115
Tax Expense:		
- Current Tax (MAT)	4,90,500	9,33,613
- Deferred Tax	(3,907)	(5,841)
- Earlier Years	1,10,996	18,500
	5,97,589	9,27,772
Profit for the Year	17,02,712	24,25,342

WORKING REVIEW :

During the year under review the company has earned a profit after tax of Rs.17.03 Lacs as compared to a profit of Rs.24.25 Lacs in the previous year. Your Directors are hopeful of achieving much better results during the current year.

DIVIDEND :

As there was no major activity during the year, your Board does not propose any dividend for the year ended 31st March, 2014.

PARTICULARS OF EMPLOYEES :

Particulars of employees within the meaning of section 217(2A) of the Companies Act, 1956 read with The Companies (Particulars of Employees) Rules, 1975 as amended have not been furnished as there was no employee in the aforesaid category.

[Cont...2]

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CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information pursuant to Section 217(2)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988:

- 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

LISTING AGREEMENT REQUIREMENTS:

Shares of the Company are listed on Pune Stock Exchange Limited and The Stock Exchange Ahmedabad. The Company is regular in payment of listing fees.

LISTING FEES:

The company is regular in paying listing fees to both the stock exchanges where the company is listed.

FIXED DEPOSITS:

Your Company has not accepted any deposits within the meaning of section 58A of the Companies Act, 1956 from the public and the rules made there under.

BOARD OF DIRECTORS:

As per Section 149(10) of the Companies Act, 2013, Independent Directors are required to be appointed for a term of 5 consecutive years and can be re-appointed for a maximum of two terms. They shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of the Independent Directors form part of the Notice of the AGM.

Mr. Jagannath Ramanuj Chakravarti and Mr. Mahendra Kumar Singh are being re-appointed as Independent Directors, not liable to retirement by rotations for a term of 5 consecutive years. The necessary resolutions are placed for the approval of the Members. Mr. Sanjeev Maheshwari is liable to retire by rotation and being eligible has offered himself for reappointment.

[Cont...3]

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure.
- ii. appropriate policies have been selected and applied consistently and judgments and estimates wherever made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for that year.
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. the Annual Accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

The company has implemented good corporate governance Practices.

SECRETARIAL COMPLIANCE CERTIFICATE:

Pursuant to provisions of Section 383A of the Companies Act, 1956 and the rules made there under, the Company has obtained a Secretarial Compliance Certificate from Lalita Lath, Practicing Company Secretary for the year ended 31st March, 2014. The same is attached herewith.

AUDITORS:

Your Company's Auditors, M/s. Desai Saksena & Associates, retire at the ensuing AGM and, being eligible, have offered themselves for re-appointment. The Board, on the recommendation of the Audit Committee, has recommended the re-appointment of M/s. Desai Saksena & Associates for a period of 3 (Three) years in accordance with Section 139 of the Companies Act, 2013. Appropriate resolution seeking your approval to the said re-appointment is appearing in the Notice convening the 20th AGM of the Company.

AUDITORS' OBSERVATIONS:

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.

[Cont...4]

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ACKNOWLEDGMENT:

Your Directors place on record their sincere appreciation to the Company's shareholders, customers, suppliers, bankers and distributors for the support they have given to the Company and the confidence, which they have reposed in its management and the employees for the commitment and dedication shown by them.

For and on behalf of the Board
FOR MUDRA FINANCIAL SERVICES LIMITED

Prabhat Maheshwari

PRABHAT MAHESHWARI
DIRECTOR
(DIN :00100971)

Place: Mumbai
Date :30th May, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS:

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

OVERALL REVIEW:

Currently, the company has not carried on any major business activity and is making best effort to start its business operation again and also implement the cost reduction measures, to the extent feasible.

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 unauthorised use or disposition. Further all transaction entered into by the company are fully authorised, recorded and reported correctly.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

During the year under review, the Company has carried out its business of rendering financial services.

The Company has achieved a net profit of Rs. 17.30 as against profit of Rs.24.25 Lacs during the previous year.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT:

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

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.

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Email:mudrafinancial.1994@gmail.com*

ANNEXURE I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2014 REPORT ON CORPORATE GOVERNANCE:

The primary object of the Corporate Governance is to create and adhere to a Corporate culture of conscience and consciousness, transparency and openness and to develop capabilities and to develop capabilities and identify opportunities that best serves the goal of value creation.

A company to succeed on sustained basis must maintain global standards Corporate conduct towards its employees, shareholders and society . The company believes in attainment of highest levels of transparency in all facets of its operations and has always focused on good corporate governance.

BOARD OF DIRECTORS:

The Board comprises following 5 members, viz.

Name of Director	Category
Mr. Atul Jain	Promoter/ Non-Executive Director
Mr. Prabhat Maheshwari	Promoter/ Non-Executive Director
Mr. Sanjeev Maheshwar	Promoter/ Non-Executive Director
Mr. Jagannath R. Chakravarti	Independent/ Non-Executive Director
Mr. Mahendra Kumar Singh	Independent/ Non-Executive Director

BOARD MEETINGS AND ATTENDANCE:

During the Financial Year ended 31st March, 2014, 4 (Four) Board meetings were held on 31st May, 2013, 14th August, 2013, 11th October, 2013 and 14th February, 2014. Detailed Agenda is circulated / sent to the members of the Board in advance. The Board deliberates and decides on all the topics / matters including those suggested in the Listing Agreement, as and when the requirement arises.

[Cont...2]

Attendance record for the meetings held during the year.

Name	Category of membership	Attendance Particulars		No. of other Directors and all Committee Membership / Chairmanships			
		Board Meeting	Last AGM	Other Directorships Pvt.	Public	Committee Membership	Committee Chairmanship
Mr. Atul Jain	Promoter/ Non-Executive Director	4	Present	4	2	_____	_____
Mr. Prabhat Maheshwari	Promoter/ Non-Executive Director	4	Present	3	1	_____	_____
Mr. Sanjeev Maheshwari	Promoter/ Non-Executive Director	4	Present	1	2	_____	_____
Mr. Jagannath R. Chakravarti	Independent/ Non-Executive Director	4	Present	3	1	_____	_____
Mr. Mahendra Kumar Singh	Independent/ Non-Executive Director	4	Present	-	-	_____	_____

**For this purpose Audit Committee, Shareholders/ Investors Grievance and Remuneration Committee is Considered.

AUDIT COMMITTEE:

The company has formed an Audit Committee with Mr. Atul Jain, Mr. Jagannath Chakravarty and Mr. Mahendra Kumar Singh as members of the committee out of which Mr. Jagannath Chakravarty and Mr. Mahendra Kumar Singh are Independent Directors. Mr. Mahendra Kumar Singh is the Chairman of this Committee.

The committee has met 4 times on 31st May, 2013, 14th August, 2013, 11th October, 2013 and 14th February, 2014 during the year under review. The terms of reference of the Audit Committee are as per Clause 49 of the Listing Agreement.

REMUNERATION COMMITTEE AND COMPOSITION COMMITTEE

The Company does not have a formal remuneration committee.

SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE (NOW KNOWN AS STAKEHOLDERS RELATIONSHIP COMMITTEE)

The company has formed a shareholders'/investors' grievance committee with Mr. Atul Jain, Mr. Jagannath Chakravarty and Mr. Mahendra Kumar Singh as members of the committee. Mr. Mahendra Kumar Singh is the Chairman of this Committee.

The committee considers interalia, share transfer / transmissions, shareholders complaints etc. and the Compliance Officer has been regularly interacting with the Share Transfer Agents to ensure that the complaints/ grievances of the Investors are attended to on priority basis.

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The Registrars and Share Transfer Agents of the company had during the period from 1st April, 2013 to 31st March, 2014 have not received any complaint from the members.

GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2012-2013	24.09.2013	11.30 A.M.	3rd Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai - 400069.
2011-2012	24.09.2012	11.30 A.M.	3rd Floor, Vaastu Darshan, "B" Wing, Azad Road, Andheri (East), Mumbai - 400069.
2010-2011	22.09.2011	11.30 A.M.	C- 002, Vishal Apartments, Gr. Floor, Sir M. V. Road, Andheri (East), Mumbai - 400 069.

Special Resolution(s) passed in the previous three General Meeting are as below:

2012-2013	Nil
2011-2012	Nil
2010-2011	Nil

During the last year no resolution was put through postal ballot and neither during the current year any resolution is propose to be conducted through postal ballot.

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a certificate from the Auditors of the company regarding compliance with the provisions relating to Corporate Governance laid down in clause 49 of the Listing Agreement with the Stock Exchange which is attached herewith.

GENERAL SHAREHOLDERS INFORMATION**Annual General Meeting**

- A) Date, Time and Venue of AGM : 30th September, 2014 at 11.30 a.m
3rd floor, Vaastu Darshan, B-Wing,
Azad Road, Andheri (East),
Mumbai-400 069
Tel. No. 6191 9293
- B) Dates of Book Closure : 27th September, 2014 to 29th September, 2014
Both the days Inclusive)
- C) Special Resolutions : NIL

D) Financial Calendar**Financial Reporting for**

- Financial reporting for the quarter ended 30th June, 2014 : Mid of Aug., 2014
- Financial reporting for the quarter ended 30th Sept., 2014 : Mid of Nov., 2014
- Financial reporting for the quarter ended 31st Dec., 2014 : Mid of Feb., 2015
- Financial reporting for the year ended 31st March, 2015 : End of May, 2015
- Annual General Meeting for the year ended 31st March, 2015 : End of Sep., 2015

[Cont...4]

- E) Stock Exchanges on which Company's Shares are Listed with
Pune Stock Exchange Limited, Pune
The Ahmedabad Stock Exchange Limited, Ahmedabad

The Company has been regular in paying the listing fees to the Stock Exchanges.

- F) Registrars and Share Transfer Agents
Systems Support Services
209, Shivai Industrial Estate,
89, Andheri Kurla Road, Sakinaka,
Andheri(East), Mumbai - 400 072
Tel. No. 022-2850 0835
Fax No. 022-2850 1438

- G) Market Price Data

The Company's shares were not traded during the year under review.

- H) MEANS OF COMMUNICATION:

The Company informs the quarterly / half yearly / annual results to the Stock Exchanges and in Free Press Journal & Nav Shakti newspapers.

The Management Discussion and Analysis is a part of the Annual Report.

- I) Share price movements :

There was no trading of the scripts at the Stock Exchange(s) during the year. The data regarding the price movements are not available, and the management is unable to provide the statement showing the monthly high and low price of the script of the Company as required in the Listing Agreement.

- L) Investors Correspondance:-

Mr. Biswanath Sarkar- Compliance Officer
3rd Floor, Vaastu Darshan, B-Wing,
Azad Road, Andheri (East),
Mumbai - 400069
Tel No. 61919239

For and on behalf of the Board
FOR MUDRA FINANCIAL SERVICES LIMITED

Prabhat Maheshwari

PRABHAT MAHESHWARI
DIRECTOR
(DIN :00100971)

Place : Mumbai
Date : 30th May, 2014

MFSL

MUDRA FINANCIAL SERVICES LTD.

*3rd Floor, Vastu Darshan "B", Above Central Bank of India,
Azad Road, Andheri (East), Mumbai- 400 069
(O) : +91-22-6191 9293/ 22 Fax : +91-22-2684 2221
Email:mudrafinancial.1994@gmail.com*

DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I, Prabhat Maheshwari, Director, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the said Code of Conduct, as mentioned in this Report, as laid down by the Board of Directors.

**For and on behalf of the Board
FOR MUDRA FINANCIAL SERVICES LIMITED**

Prabhat Maheshwari

**PRABHAT MAHESHWARI
DIRECTOR
(DIN :00100971)**

Place : Mumbai
Date :30th May, 2014

Independent Auditors' Report

To
The Members of,
Mudra Financial Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of "**Mudra Financial Services Limited**", which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date;
- and
- (c) In the case of the Cash Flow Statement of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
- (e) On the basis of the written representations received from the directors as on 31st March, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.



PLACE: Mumbai
DATE: 30th May, 2014

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
FRN No. 102358W

(**CA. ALOK K. SAKSENA**)
Partner
M. No. 35170

Annexure to the Independent Auditors' Report

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets :
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - (b) All the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) The company has not disposed off any Fixed Assets during the financial year and hence the provisions of clause i (c) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- ii. In respect of its inventory :
 - (a) The management has conducted physical verification of inventory of shares at reasonable intervals during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the company is maintaining proper records of inventory and no discrepancies were noticed on verification between the physical stocks and the book records.
- iii.
 - (a) The Company has given interest free unsecured loan to a company amounting to ₹ 10,00,000/- during the year covered in the register maintained under section 301 of the Act. There is no outstanding amount as at 31st March, 2014. Maximum amount outstanding during the year ₹ 10,00,000/-.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of unsecured loans given by the company to the parties (referred to in (a) above) are not prima facie prejudicial to the interest of the company.
 - (c) In respect of the loan given by the company (referred to in (a) above) the party has repaid the loan amount as at 31st March, 2014.
 - (d) In respect of the above said loans and interest thereon given by the company (referred to in (a) above), there are no overdue amounts.
 - (e) The company has not taken any secured or unsecured loans to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - (f) The provisions of paragraphs (iii)(f) & (g) are not applicable to the company during the year under audit.



- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, no major weakness has been noticed or reported.
- v. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956.
- vi. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public within the meaning of Section 58A, 58AA or any other relevant provisions of the Acts and Rules framed there under.
- vii. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
- viii. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the company. Accordingly the provisions of clause 4(viii) of paragraphs 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the company.
- ix. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues as applicable to it and there are no arrears as at 31st March, 2014 which is outstanding for a period of more than six months from the date it became payable.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of income tax, wealth tax, customs duty and cess were in arrears as at 31st March, 2014.
- x. The company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current financial year or in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the company has not taken any loan from financial institution and bank and hence provisions of clause (xi) of paragraphs 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xii. In our opinion and according to information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities and hence the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society and hence the provisions of clause (xiii) of paragraph 4 the Companies (Auditor's Report) Order, 2003 are not applicable to the company.



- xiv. In respect of shares held as inventories, proper records have been maintained of the transactions and contracts and timely entries have been made therein and the shares have been held by the company in its own name.
- xv. In our opinion and according to information and explanations given to us, the company has not given any guarantees for the loan taken by others from bank or financial institutions. Hence the provision of clause (xv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion and according to the information and explanations given to us the company has not taken any term loan and hence the provisions of clause (xvi) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvii. According to the information and explanations given to us, as the company has not taken any loan and hence the provisions of clause (xvii) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The company has not issued any debentures and hence the provisions of clause (xix) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xx. The company has not raised any money by public issue during the year, hence the provisions of clause (xx) of paragraph 4 of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xxi. Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the year.



PLACE: Mumbai
DATE: 30th May, 2014

For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
ERN No. 102358W

A handwritten signature in black ink, appearing to read "Alok K. Saksena".

(CA. ALOK K. SAKSENA)
Partner
M. No. 35170


MUDRA FINANCIAL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note Nos.	Amount in ₹)	
		As At 31st March, 2014	As At 31st March, 2013
Equity and Liabilities			
1) Shareholders' Funds			
a) Share Capital	2	50,100,000	48,261,000
b) Reserves and Surplus	3	17,584,431	15,881,718
		67,684,431	64,142,718
2) Non-Current Liabilities			
a) Deferred Tax Liability (Net)	4	9,004	12,912
3) Current Liabilities			
a) Other Current Liabilities	5	209,754	39,847
b) Short Term Provisions	6	2,727	-
		212,481	39,847
Total		67,905,916	64,195,477
Assets			
1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	7	36,255	51,954
b) Non-Current Investments	8	4,132,750	4,132,750
c) Long-Term Loans and Advances	9	55,778,164	50,107,074
		59,947,169	54,291,778
2) Current Assets			
a) Inventories	10	4,021,438	4,021,438
b) Cash and Cash Equivalents	11	1,798,233	4,782,848
c) Short-Term Loans and Advances	12	21,000	13,000
d) Other Current Assets	13	2,118,076	1,086,413
		7,958,747	9,903,699
Total		67,905,916	64,195,477


Notes forming part of the financial statements are attached herewith.


As per our attached report of even date
For DESAI SAKSENA & ASSOCIATES
 Chartered Accountants
 FRN.No. 102358W

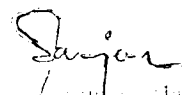

(CA. ALOK K. SAKSENA)
 Partner
 MI No. 35170

Place: Mumbai
 Date: 31st March 2014

For and on behalf of the Board


Atul Jain
 00096052
 Director


Prabhat Maheshwar
 DTM 1011071
 Director


Rajar
 02431173

MUDRA FINANCIAL SERVICES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note Nos.	Amount in ₹	
		2013-14	2012-13
Income			
Revenue from Operations	14	810,000	78,417,670
Other Income	15	4,323,273	3,352,568
Total		5,133,273	81,770,238
Expenses			
Purchase of Stock-in-trade	16	-	64,089,364
Changes in inventories of Stock-in-Trade	17	-	11,126,730
Employee Benefits Expense	18	1,111,774	1,088,663
Other Expenses	19	15,699	24,796
Total		2,832,972	78,417,123
Profit before tax		2,300,301	3,353,115
Tax expense:			
-Current tax		490,500	933,613
-Deferred tax		(3,907)	(5,841)
-Earlier years		110,996	-
		597,589	927,772
Profit for the year		1,702,712	2,425,342
Earnings per equity share: (face value of ₹10/-) Basic and Diluted	24	0.34	0.48

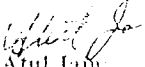
Notes forming part of the financial statements

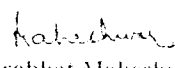
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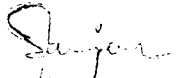
As per our attached report of even date
 P. C. MALHOTRA & CO. CHARTERED ACCOUNTANTS
 Chartered Accountants
 FRN No. 102358W

(C. A. ALOK K. SAKSENA)
 Partner
 M. No. 1877

For and on behalf of the Board


 Atul Jain
 DIN: 00096052
 Director


 Prabhat Maheshwari
 DIN: 00100971
 Director


 Sanjeev Maheshwari
 :02431173

MUDRA FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

Particulars	As At 31st March, 2014	As At 31st March, 2013
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	2,300,301	3,353,115
Adjusted for:		
Depreciation	15,699	24,796
Interest Income	(4,281,561)	(2,847,885)
Dividend Income	(41,712)	(216,215)
Profit on sale of Investments	-	(288,468)
Operating Profit before Working Capital Changes	(2,007,273)	25,343
Changes in Working Capital :		
(Increase)/Decrease in Trade receivable	-	2,584,394
(Increase)/Decrease in Inventories	-	11,126,736
(Increase)/ Decrease in Other Current Assets	(1,031,663)	56,847
(Decrease)/Increase in Other Current Liabilities	169,907	(189,056)
(Increase)/ Decrease in Short Term Loans & Advance	(8,000)	6,729
Net Cash generated from Operations	(2,877,029)	13,610,993
Less: Direct Taxes Paid	(598,769)	(1,857,231)
Net Cash generated from Operating Activities	(3,475,798)	11,753,762
B CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Investments	-	1,448,250
Interest Income	4,281,561	2,847,885
Dividend Income	41,712	216,215
(Increase)/ Decrease in Long term Loans & Advance	(5,671,090)	(12,475,000)
Profit on sale of Investments	-	288,468
Net Cash from Investing Activities	(1,347,817)	(7,674,182)
C CASH FLOW FROM FINANCING ACTIVITIES		
Allotment money in arrears received	1,839,000	-
Net Cash Flow from Financing Activities	1,839,000	-
Net Increase in Cash and Cash Equivalent during the Year (A+B+C)	(2,984,615)	4,079,580
Cash and Cash equivalents at the beginning of the year	4,782,848	703,268
Cash and Cash equivalents at the end of the year	1,798,233	4,782,848

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MUDRA FINANCIAL SERVICES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	(Amount in ₹)	
	As at March, 2013	As at 31st March, 2014
Cash and Cash Equivalents include		
Cash on Hand	10,995	358,673
Balances with banks - - In Current accounts	1,787,238	4,424,175
	1,798,233	4,782,848

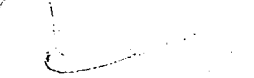
NOTES:

- 1 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard (AS) 3 on "Cash Flow Statements", and presents cash flows by operating, investing and financing activities.
- 2 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For DESAI SAKSENA & ASSOCIATES

Chartered Accountants

Reg. No. 102358W



(CA. ALOK K. SAKSENA)

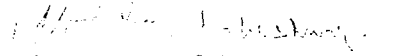
Partner

M.No.35170

Place: Mumbai

Date: 30th May, 2014

For and on behalf of the Board



Atul Jain

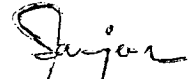
DIN : 00096052

Director

Prabhat Maheshwari

DIN : 00100971

Director



Sanjeev Maheshwari

Din : 02431173

Director

MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES :

1.1 Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting and accounting standards issued by the central government in Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 to the extent applicable.

1.2 Use of Estimates:

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

1.3 Fixed Assets and Depreciation:

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and all attributable cost of bringing the asset to its working condition for its intended use. Depreciation on Fixed Assets has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

1.4 Revenue Recognition:

- a) Revenue (income) is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:
- b) Revenue from service charges are recognized pro-rata over the period of the contract as and when services are rendered. The company collects service tax on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.
- c) Interest Revenue is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest
- d) Dividend Income is recognized when the company's right to receive dividend is established.

1.5 Investments:

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

1.6 Inventories:

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

1.7 Taxes on Income:

Tax expense comprises both current and deferred tax at the enacted rates/ substantively enacted rates. Current tax represents the amount of income tax payable/ recoverable in respect of the taxable income/ loss for the reporting period. Provision for current tax is made on the basis of estimated taxable income for the current accounting period in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax represents the effect of "timing differences" between taxable income and accounting income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods. Deferred Tax Assets are recognized only on reasonable certainty of realization and on unabsorbed depreciation and brought forward losses only on virtual

1.8 Provisions and Contingencies:

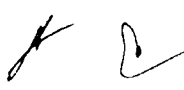
A provision is recognized when the company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the company has a possible or present obligation where it is not probable that outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

1.9 Earnings per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.10 Gratuity Liability:

Gratuity payments is accounted on cash basis.



MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Amount in ₹)	
		As at 31st March, 2014	As at 31st March, 2013
2	Share Capital		
	Authorized 52,50,000 Equity Shares of ₹10/- each	52,50,000	52,50,000
	Issued, Subscribed and Paid up 50,10,000 Equity Shares of ₹10/- each fully paid-up Less : Allotment Money in arrears from others	50,10,000 -	50,10,000 1,839,000
	Total	50,10,000	48,261,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	Number of Shares	Amount	Number of Shares	Amount
At the beginning of the year	5,010,000	50,10,000	5,010,000	50,10,000
Add : Shares Issued during the year	-	-	-	-
Outstanding at the end of the year	5,010,000	50,10,000	5,010,000	50,10,000

b) Terms/ rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the numbers of equity shares held by the shareholders.

c) Details of Shareholders holding more than 5 % shares in the company

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity shares of ₹10/- each fully paid up				
Venky Financial Services Private Limited	-	0.00%	845,000	16.87%
Cypress Consultants Private Limited	695,200	13.88%	695,200	13.88%

		As at 31st March, 2014	As at 31st March, 2013
3	Reserves and Surplus		
	a) Statutory Reserve		
	Balance as per last financial statements	2,000,880	1,515,812
	Add : Amount transferred during the year	340,542	485,068
		2,341,422	2,000,880
	b) Surplus in the Statement of profit and loss		
	Balance as per last financial statements	13,880,838	11,940,564
	Add : Profit for the year	1,702,712	2,425,342
	Less : Transferred to Statutory Reserve	(340,542)	(485,068)
	Net Surplus in the Statement of profit and loss	15,243,008	13,880,838
	Total	17,584,431	15,881,718

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MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Amount in ₹)	
		As at 31st March, 2014	As at 31st March, 2013
4	Deferred Tax Liability (Net)		
	Major components of deferred tax balance consists of the following:		
	Deferred Tax Liability Related to fixed assets	9,004	12,912
	Total	9,004	12,912
5	Other Current Liabilities		
	Creditors for expenses	194,354	28,147
	Statutory Dues	15,400	11,700
	Total	209,754	39,847
6	Short Term Provisions		
	Provision for Income Tax (Net)	2,727	-
	Total	2,727	-
8	Non-Current Investments:		
	<u>Trade investments (Valued at cost)</u>		
	A) Equity Instruments (Quoted)		
	27,000 (27,000) Equity Shares of Electrosteel Steels Limited of ₹10/- each	276,750	276,750
	22,860 (22,860) Equity Shares of Makers Laboratories Limited of ₹10/- each	495,300	495,300
		772,050	772,050
	B) Equity Instruments (Unquoted)		
	50 (50) Equity Shares of Jay Wires India Private Limited of ₹10/- each	500	500
	12,19,600 (12,19,600) Equity Shares of Jay Iron & Steel Industries Limited of ₹10/- each	3,360,200	3,360,200
		3,360,700	3,360,700
	Total	4,132,750	4,132,750
	Aggregate Quoted Investments (At Cost)	772,050	772,050
	Aggregate Quoted Investments (Market value)	468,648	548,955
	Aggregate Unquoted Investments	3,360,700	3,360,700
9	Long-Term Loans and Advances		
	<i>(unsecured, considered good)</i>		
	Security Deposit	70,000	70,000
	Loans and Advances Given	54,600,000	48,925,000
	Other Loans and Advances		
	Advance Income Tax (Net)	1,108,164	1,112,074
	Total	55,778,164	50,107,074

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MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Amount in ₹)	
		As at 31st March, 2014	As at 31st March, 2013
10	Inventories		
	Stock of Shares	4,021,438	4,021,438
	Total	4,021,438	4,021,438
11	Cash and Cash Equivalents	As at 31st March, 2014	As at 31st March, 2013
	Cash on hand	10,995	358,673
	Balances with Banks - In current accounts	1,787,238	4,424,175
	Total	1,798,233	4,782,848
12	Short-Term Loans and Advances <i>(unsecured, considered good)</i>	As at 31st March, 2014	As at 31st March, 2013
	Other Loans and Advances		
	Prepaid Expenses	8,000	-
	Refund Receivable	13,000	13,000
	Total	21,000	13,000
13	Other Current Assets	As at 31st March, 2014	As at 31st March, 2013
	Interest accrued but not received	2,118,076	1,086,413
	Total	2,118,076	1,086,413

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MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Amount in ₹)	
		2013-14	2012-13
14	Revenue from Operations		
	Sale of shares	-	77,714,515
	Sale of services	810,000	800,000
	Speculation Loss	-	(96,845)
	Total	810,000	78,417,670
15	Other Income	2013-14	2012-13
	Interest received		
	On Loans and Advances	4,276,012	2,847,885
	On Fixed Deposits	5,549	-
	Dividend Income on		
	Non-current Investments	-	6,500
	Stock-in-trade	41,712	209,715
	Long Term Profit In Shares	-	288,468
	Total	4,323,273	3,352,568
16	Purchases of Stock-in-Trade	2013-14	2012-13
	Stock of Shares	-	64,089,364
	Total	-	64,089,364
17	Changes in Inventories of Stock-in-Trade	2013-14	2012-13
	Inventories at the end of the year		
	Stock of Shares	4,021,438	4,021,438
	Inventories at the beginning of the year		
	Stock of Shares	4,021,438	15,148,174
	Total	-	11,126,736



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MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		(Amount in ₹)	
18	Employee Benefits Expense	2013-14	2012-13
	Salaries, Bonus and Other Allowances	1,414,774	1,088,608
	Total	1,414,774	1,088,608

19	Other Expenses	2013-14	2012-13
	Security Transaction Charges	-	167,333
	Service Charges	-	65,724
	Demat Charges	1,124	42,859
	Share Transfer Agent Fees	6,742	6,742
	Listing Fees	32,247	32,247
	Legal and Professional Fees	6,000	3,700
	Communication Expenses	28,372	21,015
	Duties and Taxes	63,367	-
	Office Expenses	85,310	6,354
	Computer and Software Expenses	39,070	22,148
	Advertisement Expenses	19,023	16,542
	Travelling and Conveyance Expenses	30,037	14,455
	Printing and Stationery	54,690	17,571
	Website Design Expenses	19,663	-
	Bad Debts Written Off	-	1,642,840
	Payment to Auditors (Refer Note No. "23")	16,854	28,090
	Donation	1,000,000	-
	Total	1,402,499	2,087,620

MUDRA FINANCIAL SERVICES LIMITED

Notes forming part of the financial statements

7. Fixed Assets

Description	Gross Block			Depreciation			Net Block	
	As at 1st April, 2013	Additions during the year	As at 31st March, 2014	Upto 31st March, 2013	For the year	Upto 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
Tangible Assets								
Computer System	666,100	-	666,100	633,628	12,989	646,617	19,483	32,472
Fax Machine	33,000	-	33,000	27,008	834	27,842	5,158	5,992
Air Conditioner	10,100	-	10,100	5,879	587	6,466	3,634	4,221
Telephone Instruments	53,445	-	53,445	44,176	1,289	45,465	7,980	9,269
Current year :- Rupees	762,645	-	762,645	710,691	15,699	726,390	36,255	51,954
Previous Year :- Rupees	762,645	-	762,645	685,895	24,796	710,691	51,954	76,750

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MUDRA FINANCIAL SERVICES LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

20 Schedule to the Balance Sheet for the year ended 31st March, 2014 (as required in terms of Paragraph 9BB of Non Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.

Particulars		(Amount in ₹)		
Liabilities		Amount outstanding		Amount overdue
1	Loans and Advances availed by the NBFC's 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)	Terms Loans	--	--	--
(d)	Inter-corporate loans and borrowings	--	--	--
(e)	Commercial Paper	--	--	--
(f)	Public Deposits *	--	--	--
(g)	Other Loans (Vehicle Loan)	--	--	--
2	Break-up of (1)(f) above (Outstanding public deposits 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	--	--	--
	Assets :			
				Amount outstanding (₹ in lacs)
3	Break-up of Loans and Advances including bills receivables (other than those included in (4) below) :			--
(a)	Secured			--
(b)	Unsecured			546
4	Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities			--
5	Break-up of Investments :			
	Current Investments :			
1	Quoted :			
i.	Shares			
(a)	Equity			7.72
(b)	Preference			--
ii.	Debtentures and Bonds			--
iii.	Units of Mutual Funds			--
iv.	Government Securities			--
v.	Others (please specify)			--
2	Unquoted :			
i.	Shares			
(a)	Equity			33.61
(b)	Preference			--
ii.	Debtentures and Bonds			--
iii.	Units of Mutual Funds			--
iv.	Government Securities			--
v.	Others (Please Specify)			--
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :			
		Amount net of provisions		
Category		Secured	Unsecured	Total
1	Related Parties			
(a)	Subsidiaries	--	--	--
(b)	Companies in the same group	--	--	--
(c)	Other related parties other than related parties	--	--	--
Total		--	--	--

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7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)			
Category		Market Value/ Break up (₹ in lacs)	Book Value (Net of Provisions) (₹ in lacs)
1	Related Parties		
(a)	Subsidiaries	--	--
(b)	Companies in the same group	--	--
(c)	Other related parties	--	--
2	Other than related parties	38.29	41.33
	Total	38.29	41.33
8 Other Information			
Particulars			Amount in ₹
(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		--

21 Disclosure of Closing stock under Section 372(10) of the Companies Act 1956

Sr. No.	Name of the Script (Quoted Shares)	Face Value	No of Shares	Value*₹
1	Aqua Logistics Limited	10	26,000	357,948
2	Hira Ferro Alloys Limited	10	35,000	1,330,000
3	ION Exchange (I) Limited	10	9,756	962,420
4	Makers Laboratories Limited	10	8,921	89,690
5	Omega Interactive Technologies Limited	10	19,383	775,324
6	Timbor Home Limited	10	2,500	130,216
7	Veer Energy and Infrastructure Limited	10	20,000	295,839
8	JSW Steel Limited - Preference Shares	10	8,000	80,000
			129,560	4,021,437

- Note: 1. * The Value of equity shares are valued at cost.
2. Aggregate market value of quoted Shares is ₹ 21,00,994

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

22. Related Party Transactions

Related party disclosures as required by AS - 18, "Related Party Disclosures", are given below "

i) Relationships :

- (a) Parties where control exists :-
 GMJ & Co
 P. Maheshwari & Associates
 GMJ & Associates
 Rajveer Trading Private Limited
 Rajul Mercantile Private Limited
 Jadstone Trading Private Limited
 Mudra Share and Stock Brokers Limited

- (b) Key Management Personnel :-
 Prabhat Maheshwari - Director
 Atul Jain - Director
 Sanjeev Maheshwari - Director

ii) Transaction with related parties

Name of the Party	Nature of Transactions	(Amount in ₹)	
		2013-14	2012-13
GMJ & Co	Reimbursement of Expenses	12,867	-
Jadstone Trading Private Limited	Loan Given	1,000,000	-
	Loan Given Repaid	1,000,000	-

iii) Amount outstanding from/to related parties:

Particulars	2013-14	2012-13
Payables	Nil	Nil
Receivables	Nil	Nil

NOTE : Related Party relationship is as identified by the company and relied upon by the Auditors

23. Payment to Auditors:

Particulars	2013-14	2012-13
Audit Fees	16,854	16,854
Tax Audit Fees	-	11,236
Total	16,854	28,090

24. Earnings Per Share:

	Units	2013-14	2012-13
Profit after tax & exceptional item	₹	1,702,712	2,425,342
Weighted average number of equity shares outstanding	Nos.	5,010,000	5,010,000
Basic Earnings Per Share	₹	0.34	0.48
Diluted Earning Per Share	₹	0.34	0.48
Face Value of Share	₹	10.00	10.00

25. Segment Reporting:

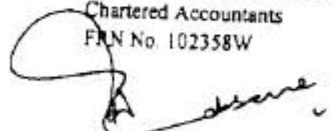
The business activity of the company consists of one reportable segment only i.e financial activities which includes trading and investment in shares, granting of loans, etc.

26. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with current year classification/disclosure.

Signature to Notes 1 to 26

As per our attached report of even date
 For **DESAI SAKSENA & ASSOCIATES**


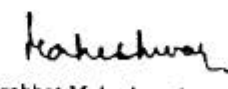
Chartered Accountants
 PAN No. 102358W



(CA. ALOK K. SAKSENA)
 Partner
 M No 35170

Place: Mumbai
 Date: 30th May, 2014

For and on behalf of the Board

Atul Jain
 DIN: 00096052
 Director

Prabhat Maheshwari
 DIN: 00100971
 Director



Sanjeev Maheshwari
 Din : 02431173
 Director