

MAHAVEER FINANCE INDIA LIMITED

BOARD OF DIRECTORS

Sri **G. Chidambar**, Chairman
Sri **K.S. Markandan**, Independent Director
Sri **P.S. Balasubramaniam**, Independent Director
Sri **J. Chandrasekaran**, Independent Director
Sri **Abhishek Girdharilal Poddar**, Nominee Director
Sri **M. Praveen Dugar**, Executive Director
Sri **M. Deepak Dugar**, Joint Managing Director
Sri **N. Mahaveerchand Dugar**, Managing Director

AUDITORS

M/s. Singhi & Co.
Chartered Accountants
Unit 11-D, 11th Floor,
Ega Trade Centre.
809, Poonamallee High Road,
Kilpauk, Chennai - 600 010.

SECRETARY

Miss Monika Gurung
Ph. No. 28614466, 28614477 & 28614488
Email: cs@mahaveerfinance.com

REGISTERED OFFICE

K.G. Plaza, '3rd Floor',
41-44, General Patters Road,
Chennai - 600 002.
Phone : 28614466, 28614477 & 28614488
E-mail : mahaveerfinance@yahoo.co.in
info@mahaveerfinance.com
CIN : U65191TN1981PLC008555

BANKERS

State Bank of India
Punjab National Bank
Indian Overseas Bank
The Catholic Syrian Bank Ltd

BRANCH :

Tamil Nadu : Tambaram, Kolathur, Ashok Nagar, Coimbatore, Cuddalore, Erode, Kanchipuram, Chengalpattu, Hosur, Madurai, Mayiladuthurai, Nagapattanam, Namakkal, Salem,Attur, Kumbakonam, Trichy, Tirunalveli, Vellore, Pondicherry.

Andhra Pradesh : Ananthapur, Tirupati, Madanapalle, Rajahmundry, Guntur, Kadapa, Rajampet, Vijayawada, Jaggayapeta, Nandyal, Kurnool, Nellore, Ongole, Vijayanagaram, Visakhapatnam, Eluru, Naidupet.

Telangana : Vanasthali puram, karimnagar, Mehboobnagar, Miryalaguda, Warangal.

DEPOSITORIES : Central Depository Services (India) Limited (CDSL)
National Securities Depository Limited (NSDL)

DEBENTURE TRUSTEE : 1. Axis trustee Services Limited 2. Vistra ITCL

REGISTRARS AND SHARE TRANSFER AGENT :

CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No. 1 Club House Road, Chennai - 600 002.
Phone : 044-28460390 (6 Lines) Fax No. 044-28460129
E-mail : cameo@cameoindia.com Website : www.cameoindia.com

MEMBERS OF

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|--|---|
| 1. Federation of Indian Hire Purchase Association | 5. Madras Hire Purchase Association |
| 2. Finance Companies Association (India) | 6. Finance Industry Development Council (Mumbai) |
| 3. South India Hire Purchase Association | 7. Jain International Trade Organisation (Mumbai) |
| 4. Federation of All India Hire Purchase Financiers | 8. Hindustan Chamber of Commerce |
| 9. Federation of Indian Chambers of Commerce and Industry (FICCI) - National Executive Committee | |

MAHAVEER FINANCE INDIA LIMITED

CIN:-U65191TN1981PLC008555

Regd. Office: K.G.Plaza 3rd Floor, 41-44 General Patters Road, Chennai – 600002.

Phone Nos.28614466, 28614477 & 28614488

E-mail: mahaveerfinance@yahoo.co.in, info@mahaveerfinance.com

NOTICE

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of Mahaveer Finance India Limited will be held at South India Hire Purchase Association Premises, Desabandu Plaza, 1st Floor, 47 Whites Road, Royapettah, Chennai–600 014 on Tuesday 25th September 2018 at 11.30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited financial accounts of the Company for the year ended 31st March, 2018 and Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. M. Deepak Dugar (holding DIN 00190705) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint statutory auditors and fix their remuneration.

“RESOLVED THAT pursuant to provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s Singhi & Co., Chartered Accountants, Chennai- 600 010 (FRN. 302049E), be appointed as statutory auditor of the Company, to hold office from the conclusion of this 37th Annual General Meeting (AGM) until the conclusion of the 42nd Annual General Meeting (AGM), at such remuneration, as may be decided by the Board of Directors of the Company.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provision of section 149, 150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr J Chandrasekaran (DIN: 01118392) be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years and whose office shall not be liable to retire by rotation”

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

“RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Companies (Share Capital and Debentures) Rules, 2014 and subject to such other Regulations/Guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) for making offer(s) or invitation(s) to subscribe to Secured/Unsecured Redeemable/Irredeemable

Convertible/Non-Convertible Debentures including but not limited to Subordinated Debentures, bonds and / or other debt securities, on a private placement basis, in one or more tranches, during the period from 37th Annual General Meeting to 38th Annual General Meeting (AGM) for a sum not exceeding Rs. 300 crores, within the overall borrowing limits of the company.”

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such moneys are to be borrowed from time to time, as to interest rate, tenor, repayment, security, or otherwise and listing, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deems fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

RESOLVED FURTHER THAT the board be and is hereby authorised to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company.”

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

“RESOLVED THAT in modification of the Special Resolution passed at the Annual General Meeting held on 18th August 2017 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company or its Committee as may be authorized by the Board of Directors to borrow monies in excess of the aggregate of the paid-up capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained or to be obtained from the Company’s banker, financial institutions, other corporate bodies and others in the ordinary course of business, shall not be in excess of Rs. 800 crores (Rupees Eight Hundred Crores) over and above the aggregate of paid up capital and free reserves of the Company.

RESOLVED FURTHER THAT the Board or such Committee be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution. “

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

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or its committee as may be authorised by the Board of Directors to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations, if any created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, Insurance Companies, Other lending/investing agencies or bodies/trustees for holders of debentures/bonds which may be issued to or subscribed to by all or any of the Banks, Financial Institutions, insurance Companies, other lending/investing agencies or any other person(s)/bodies corporate by way of private

placement or otherwise (hereinafter collectively referred to as “Lenders”), provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said loans, for which such charges, mortgages or hypothecations are created shall not, at any time, exceed the limit of Rs. 800 Crores (Rupees Eight Hundred Crores only) or the aggregate of the paid up share capital and free reserves of the Company, whichever is higher.

RESOLVED FURTHER THAT the Board or such Committee be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to a Committee constituted by the Board and/or any member of such Committee.”

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

“RESOLVED THAT pursuant to the provisions of Section 61 and 64 and other applicable provisions, if any of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and rules made thereunder, the Authorised Share Capital of the Company 10,00,00,000/- (Rupees Ten Crores) divided into 1,00,00,000 (One Crores) Equity Shares of Rs 10/- (Rupees Ten) each be and is hereby increased to Rs 25,00,00,000/-(Rupees Twenty Five Crores) divided into 2,50,00,000(Two Crore and Fifty Lakhs) Equity Shares of Rs 10/-(Rupees Ten) each by creation of additional 1,50,00,000 (One crore and Fifty Lakhs) Equity Shares of Rs 10/- (Rupees Ten) each ranking pari passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT Mr. N.Mahaveerchand Dugar Managing Director, Mr M.Deepak Dugar Joint Managing Director, Mr M.Praveen Dugar Executive Director, be and are hereby jointly or severally authorized to sign and submit the necessary forms with the Registrar of Companies and do all acts, deed and things to give effect to the above resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 13,61 and 64 and other applicable provisions, if any of the Companies Act, 2013(including any amendment thereto or re-enactment thereof) and rules made thereunder, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

V. The Authorised Capital of the Company is Rs 25,00,00,000 (Rupees Twenty Five Crores only) divided into 2,50,00,000(Two Crore and Fifty Lakhs) Equity Shares of Rs 10/- (Rupees Ten) each with a power to increase / reduce the Share Capital of the Company.

RESOLVED FURTHER THAT Mr N.Mahaveerchand Dugar Managing Director, Mr. M. Deepak Dugar Joint Managing Director, Mr M.Praveen Dugar Executive Director, be and are hereby jointly or severally authorized to sign and submit the necessary forms with the Registrar of Companies and do all acts, deed and things to give effect to the above resolution.”

For and on behalf of the Board
sd/-

Monika Gurung
Company Secretary

Place : Chennai
Date : 03.08.2018

Notes:

1. The Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, in respect of the special business of this notice is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote on poll if demanded. The proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Proxies in order to be effective must be filed with the Company at the registered office not later than 48 hours before the commencement of the meeting.
3. Members/ Proxies should fill the attendance slip for attending the Meeting.
4. Shareholders are requested to bring their copy of the Annual Report to the meeting.
5. All documents which are referred in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company during office hours on working days upto the date of Annual General Meeting.
6. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and other relevant provisions, the amount of dividends remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF). Also, the Company has to transfer the Equity shares in respect of which dividends are unclaimed for the seven consecutive years by any shareholder, to the IEPF Authority.
 - i) The Company had, accordingly, transferred Rs. 28149/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend for the financial year 2009-10 on 15/10/2017 to Investor Education and Protection Fund of the Central Government. Those who have not encashed the dividend warrants issued for the financial years 2010-2011 and thereafter may claim the same from the Company immediately.
 - ii) The Company is in the process to transfer equity shares of the shareholders who have not claimed the dividend for the seven consecutive years or more, to the demat account of Investor Education and Protection Fund Authority.
7. Shareholders holding shares in physical form under multiple folios are requested to send to the Company's Registrar and Share Transfer Agent details of such folios together with the Share Certificate for consolidate their holdings in a single folio so as to enable us to serve them in a better, more efficient and effective manner. The Share Certificate will be returned to the Members after making the requisite changes, thereon
8. **Dematerialisation facility to be availed at the earliest by the shareholders who are holding shares in Physical form. As per the SEBI vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and BSE vide Circular no. LIST/COMP/15/2018-19 dated 5th July, 2018 has mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository after 5th December, 2018. You are, therefore, requested to convert your shares into Demat mode .**
9. **E-mail id to be provided by the shareholders to facilitate easy and faster dispatch of Notices of the general meetings and other communications by electronic mode from time to time under Rule 18(3) of the Companies (Management and Administration) Rules, 2014.**

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No.4: Appointment of Mr. J.Chandrasekaran as an Independent Director

Pursuant to the provision of section 149,150,152 of the Companies Act,2013 Mr J.Chandrasekaran has given his consent to act as a Director of the Company and a declaration to the Boards that he meet the criteria of independence as provided under section 149 of the Act . On the basis of recommendation by the nomination and remuneration committee and in the opinion of the board, Mr. J. Chandrasekaran fulfills the conditions specified in the Act and rules made there under for appointment as an independent Director. Pursuant to the provisions of section 149 of the Act, an ID shall hold office for a term upto five consecutive years on the Board of the Company and shall not be liable to retire by rotation. In compliance with the provisions of section 149 read with schedule IV of the Act, the appointment of Mr. J.Chandrasekaran is being placed before the members for their approval.

None of the Directors of the Company is interested in the resolution.

Item No.5: Issue of Non-convertible Debentures on a private placement basis:

As per Section 42 of the Companies Act, 2013 read with Rule 2(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company offering or making an invitation to subscribe to Non-convertible Debentures (“NCDs”) on a private placement basis, is required to obtain the prior approval of the Members by way of a special resolution. In the case of Non-Convertible Debentures however, such an approval can be obtained once a year for all the offers and invitations for such NCD’s.

The company is in need of additional funds to augment its working capital requirements, since there is enough potential available for growth of business. The Company, during the year, is planning to raise funds by the issue of Debentures on such terms and conditions as may be mutually agreed upon.

The Board recommends the resolution as set out in item no.5 of the Notice for approval of the members.

None of the Directors of the Company is interested in the resolution.

Item No.6: Approval of borrowing powers of the Company:

The Company intends to expand its Hypothecation Loans, Hire Purchase and Leasing. The Company at its Annual General Meeting held on 18th August, 2017 had granted approval for the Board of Directors of the Company to borrow upto Rs.500 Crores over and above the paid up capital and free reserves of the Company. With the increasing Volume of business under Hypothecation Loans, Hire Purchase, Leasing etc., the company has to borrow further amounts from banks, financial institutions, other corporate bodies and others and as such the existing limit of Rs.500 crores over and above the paid up capital and free reserves of the Company is required to be revised and increased to Rs 800 crores. Hence the special resolution is submitted for approval of the shareholders.

None of the Directors of the Company is interested in the resolution.

Item No.7: Creation of Charge on the Assets of the Company u/s 180(1)(a)

Under the provision of Section 180(1)(a) of the Companies Act 2013 the powers of the Board viz.to create charge/mortgage/hypothecation on the Company’s assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company’s Bankers in the Ordinary course of business) respectively , can be exercised by the Board only with the consent of the shareholders obtained by Special Resolution. The approval to create charge/ mortgage/hypothecation on the Company’s assets to secure such borrowings upto Rs 800 crores as cited in item no.7.

The Board recommends the Special Resolution set out at item no.7.
None of the Directors of the Company is interested in the resolution

Item No. 8 & 9: Increase in Authorised Share Capital and Alteration of Memorandum of Association.

The Company, in order to meet its growth objectives and to strengthen its financial position, may be required to generate long term resource by issuing Equity Shares. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from 10 crore to 25 crore and for that purpose, the Memorandum of Association of the Company are proposed to be suitably altered by passing Ordinary resolution and Special resolution as set out at item No. 8 & 9 respectively. The Provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increased in the authorised Share Capital and for alteration of capital clause of the Memorandum of Association of the Company.

The Board recommends the Resolution set out at item no.8 & 9.

None of the Directors of the Company is interested in the resolution

Route Map of Annual General Meeting (AGM) VENUE: SOUTH INDIA HIRE PURCHASE ASSOCIATION PREMISES, DESABANDU PLAZA, 1st FLOOR, 47 WHITES ROAD, ROYAPETTAH, CHENNAI- 600 014.



DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

Dear Members,

Your Directors present the 37th Annual report with Audited Accounts for the year ended 31st March, 2018.

FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Total Revenue	2242.14	1452.46
Less: Total Expenses	1657.19	1130.03
Profit Before Tax	584.95	322.42
Profit After Tax	477.42	225.42
Surplus brought forward	381.37	211.03
Available for appropriation	858.79	436.45
Transfer to :		
- Statutory Reserve	95.48	45.08
- General Reserve	10.00	10.00
Surplus Carried Forward to Balance Sheet	753.32	381.37

DIVIDEND:

Considering the need to conserve funds for future growth, your Directors have decided to plough back the profit to reserves for strengthening the assets of the Company. Hence the Board does not recommend any dividend for the financial year ended 31st March 2018.

COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

During the year 2017-18, your company disbursed Rs.10677.19 lakhs as against Rs. 5612.14 lakhs in the previous year, registering a growth of 90.25% over the previous year. Total income for the year grew by 54.37% to Rs. 2242.14 lakhs as against Rs. 1452.46 lakhs in the previous year. Profit before tax was higher at Rs.584.95 lakhs as compared to Rs 322.42 lakhs. The net profit from operation was at Rs.477.42 lakhs as against Rs.225.42 lakhs in the previous financial year.

The Company's sustained focus on strict credit acceptance norms and collection skills has ensured good asset quality of the company. The standard assets stood at 97.89% of the total business assets as on 31/03/2018. The gross and net NPAs stood at 2.11% and 1.68% respectively of the total business assets as on 31/03/2018 as against 2.97 % and 2.58% for the previous year.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Company does not have any Subsidiary or /Joint Ventures or Associate companies.

RBI GUIDELINES / PRUDENTIAL NORMS

The Company continues to comply with all the regulations prescribed by the Reserve Bank of India, from time to time. As on March 31, 2018, the Capital Adequacy Ratio of the Company is 19.94%.

ISSUE OF SECURITIES

Share Capital

The Company has issued and allotted 100, Equity Shares of Rs. 10(Rupees Ten only) at a premium of Rs. 10(Rupees Ten) only each, aggregating to Rs. 2,000 (Rupees Two Thousand only) to the Investor i.e BanyanTree Growth Capital II, LLC.

The Paid up Equity Share Capital of the Company has increased from Rs 8,00,00,000 (80,00,000 Equity Shares of Rs 10/- each) to Rs 8,00,01,000 (80,00,100 Equity Shares of Rs 10/- each) as on March 31, 2018.

Issue of Unsecured, Redeemable Non-Convertible Debentures

In order to raise debt to augment long term resources of the company for the purpose of business expansion and to tap the enormous growth potential in the CV Hypothecation Market, the Company has issued 200 (Two Hundred) Unsecured, Redeemable Non Convertible Debentures of Rs. 10,00,000/- (Rupees Ten Lakhs only) each aggregating to Rs. 20,00, 00,000/- (Rupees Twenty Crores only) carrying a coupon rate of 13.50% p.a , on a private placement basis to IFMR Capital Finance Private Limited.

Issue of unlisted, unsecured Compulsorily Convertible Debentures (CCDs)

In order to diversify the Borrowing Portfolio of the company and to invest in the Infrastructure, Branch Expansion of the Company , the Company has issued 2500(Two thousand and Five hundred only) unlisted, unsecured compulsorily convertible debentures (CCDs) of Rs. 1,00,000/- each (Rupees One lakh only), at par, aggregating to Rs. 25 crores (Rupees Twenty Five Crores only), carrying coupon rate of 5% p.a on private placement basis to Banyan Tree Growth Capital II, LLC (“Investor”) .

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEE WITH ATTENDANCE DETAILS

I. BOARD MEETINGS

During the year ended March 31, 2018, Four Board meetings were held on the following dates 17/07/2017, 23/08/2017, 30/10/2017 and 24/01/2018.

The Board Attendance details are furnished herein below:

Name of the Directors	Designation	Category	Attendance at Board Meetings		Last AGM 18/08/2017
			No.of Meetings Held	No.of Meetings attended	
Sri G.Chidambar	Chairman	Non-Executive Independent	4	4	Yes
Sri K.S. Markandan	Director	Non-Executive Independent	4	4	Yes
Sri P.S.Balasubramaniam	Director	Non-Executive Independent	4	4	Yes
Sri Ravinder Vashist	Director	Non-Executive Nominee	4	1*	No
Sri M.Deepak Dugar	Joint Managing Director	Promoter Executive	4	4	Yes
Sri M Praveen Dugar	Executive Director	Promoter Executive	4	4	Yes
Sri N. Mahaveerchand Dugar	Managing Director	Promoter Executive	4	4	Yes

* Sri Ravinder Vashist, Nominee Director was appointed on Board on 24.01.2018.

II. AUDIT COMMITTEE MEETINGS

The Company has constituted the Audit Committee comprises of two Non-Executive Director and a Managing Director to perform all activities as mentioned in Section 177(4) of the Companies Act, 2013.

During the year ended March 31, 2018, one Audit Committee Meeting was held on 24th January, 2018.

The Composition of the Audit Committee and the attendance of its members are given below:

Name	No. of meeting Held	No. of meeting attended
Sri K.S.Markandan, Chairman	1	1
Sri P.S.Balasubramaniam	1	1
Sri N.Mahaveerchand Dugar	1	1

DIRECTORS

Appointment:

Mr. J.Chandrasekaran has given the consent and a declaration to the board that he meets the criteria of independence as provided under section 149 of the Act, and any other applicable provisions. In the opinion of the board, Mr J.Chandrasekaran fulfills the conditions specified in the Act and rules made there under for appointment as an Independent Director (ID). Pursuant to the provisions of section 149 of the Act, an ID shall hold office for a term upto five consecutive years on the board of a company with the approval of Shareholders and shall not be liable to retire by rotation.

Mr Ravinder Vashist was nominated by the BanyanTree Growth Capital II, LLC “Investor” as Nominee Director on the Board and his appointment was made during the year. He gave a resignation letter to the company and the new nominee Director was nominated by the BanyanTree Growth Capital II, LLC”Investor”. Mr Abhishek Girdharilal Poddar was appointed as new Nominee Director on the Board.

Reappointment :

Sri. M. Deepak Dugar, Director retires by rotation under Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Directors state that:-

- (a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (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) Adequate internal financial controls have been put in place and they are 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.

INTERNAL FINANCIAL CONTROLS:

The Company has a well-established internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies (b) safeguarding of assets (c) prevention and detection of frauds/errors (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information.

AUDITORS:

Mr. A.Siva, Chartered Accountant, Chennai was appointed as a Statutory Auditor in 36th Annual General Meeting of the Company. Due to his pre-occupation with other assignments, he gave a resignation from the post and which resulted into a casual vacancy in the Office of Statutory Auditor. As per section 139(8) and

other applicable provisions of the Companies Act, 2013 as amended from time to time, M/s Singhi & Co., Chartered Accountants (FRN. 302049E) was appointed to fill the casual vacancy and to hold office until the conclusion of 37th Annual General Meeting.

Your directors recommend the appointment of M/s Singhi & Co., Chartered Accountants, Chennai- 600 010 Firm (FRN. 302049E) , as Statutory Auditor of the Company , in accordance with the provisions of Sections 139, 141 and other applicable provisions of the Companies Act, 2013 as amended from time to time , to hold office from the conclusion of 37th Annual General Meeting until the conclusion of the 42th Annual General Meeting, subject to the approval of the shareholders at the 37th Annual General Meeting.

EXTRACT OF THE ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in MGT-9 is annexed as a part of this report

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The provisions relating to the conservation of energy and technical absorption do not apply to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company had no foreign earnings/outgo during the year under reference.

LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loan, provided any guarantee or made any investment in contravention of Section 186 of the Companies Act 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC -2, as required under Section 134 (3) (h) of the Act, read with Rule 8(2) of the Companies (Accounts) Rules 2014, is attached as part of this report

PARTICULARS OF EMPLOYEES REMUNERATION:

Details of the every employee of the Company as required pursuant to Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Company does not have any employee drawing:

(i) Rs. 1.02 Crores or more per annum

(ii) Rs. 8.50 Lakhs or more per month

RISK MANAGEMENT POLICY

Your Company, being in the business of financing Light commercial vehicles, cars etc. it is expected that there would be abundant opportunities for the growth of NBFC sector in financing of commercial vehicles and cars.

Competition from private and public sector banks in the retail financing and competitive interest rates are challenges to the industry.

With strong and dynamic management, experienced and skilled staff, retention of trustworthy customers, improvement of assessment procedures and quality of appraisal, the Company is confident of converting challenges into opportunities.

Any operational risk, market risk and interest risk can have adverse impact on the operations of the Company. Through continuous emphasis on cost control and cost reduction measures and taking corrective action wherever necessary, the Company will minimize risk.

Since money is the raw material for the finance company and so inflow of funds steadily throughout the year is prerequisite. The Company constantly endeavour to access the required funds.

ACKNOWLEDGEMENT:

Your directors thank all the shareholders, customers, vehicle manufacturers, dealers, bankers and financial institution for their continued support to your company. Your Directors also place record their appreciation of the excellent teamwork and dedication displayed by the employees at all levels.

For and on behalf of the Board

Sd/-

**G. Chidambar
(Chairman)**

**Place: Chennai
Date : 03.08.2018**

Form No.AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form of disclosure of particulars of contracts//arrangements entered into by the company with related parties referred to in sub-section of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

All transactions entered into by the Company during the year with related parties were on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis were not material in nature.

Form No.MGT-9

Extract of Annual Return as on the financial year ended on 31st March 2018

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- U65191TN1981PLC008555
- ii) Registration Date : 05.01.1981
- iii) Name of the Company : MAHAVEER FINANCE INDIA LIMITED
- iv) Category/Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v) Address of the Registered office and contact details:
K.G.Plaza, 3rd Floor, No.41 – 44, General Patters Road, Chennai – 600 002.
Tel No.28614466/28614477/28614488 :: E-mail : mahaveerfinance@yahoo.co.in
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent,
if any : CAMEO CORPORATE SERVICES LIMITED
Subramanian Building, No.1, Club House Road, Chennai – 600 002.
Phone No. 044 – 28460390 :: E-mail : cameo@cameoindia.com
Website : www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of Main products/services	NIC Code of the Product/service	% to total turnover Of the company
1	Hypothecation Loan / Hire Puchase/Lease	As per National Industrial Classification – 2008: Section K – Financial and Insurance Activities Division 64 – Financial Service activities, except Insurance and pension Funding.	100.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NIL

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other Directors and their Relatives	7612473	0	7612473	95.16	5742353	2080000	7822353	97.78	2.62
Sub-total (A) (1):-	7612473	0	7612473	95.16	5742353	2080000	7822353	97.78	2.62
(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding Of Promoter (A) = (A) (1) + (A) (2)	7612473	0	7612473	95.16	5742353	2080000	7822353	97.78	2.62
B.Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B) (1)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	1450	1450	0.02	0	1450	1450	0.02	0
ii) Foreign Bodies	0	0	0	0	100	0	100	0.001	0.001
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	10686	226391	237077	2.96	10486	165711	176197	2.20	-1.86
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	149000	0	149000	1.86	0	0	0		0
c) Others	0	0	0	0	0	0	0	0	0
Sub-total (B) (2):-	159686	227841	387527	4.84	10586	167161	177747	2.22	-2.62
Total Public Shareholding (B) = (B)(1)+(B)(2)	159686	227841	387527	4.84	10586	167161	177747	2.22	-2.62
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7772159	227841	8000000	100.00	5752939	2247161	8000100	100.00	0.00

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the Beginning of the year			Shareholding at the End of the year			% Change in Share Holding During The year
		No. of Shares	% of Total Shares of The Company	% of Shares Pledged/ Encumber Red to Total shares	No. of Shares	% of Total Shares of The Company	% of Shares Pledged/ Encumber Red to Total shares	
1	Mahaveerchand Dugar N	1347800	16.85	Nil	1360500	17.01	Nil	0.16
2	Gunasundari Dugar	4379773	54.75	Nil	2093773	26.17	Nil	-28.58
3	Deepak Dugar M	740900	9.26	Nil	1952975	24.41	Nil	15.15
4	Pradeep Dugar M	458500	5.73	Nil	458500	5.73	Nil	0
5	Praveen Dugar M	685500	8.57	Nil	1956605	24.46	Nil	15.89

(ii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	At the beginning Of the year	7612473	95.16	7612473	95.16
2	Date wise Increase / Decrease In Share holding During the year				
	10/05/2017 Increase – Transfer	200	0.00	7612673	95.16
	10/07/2017 Increase - Transfer	27075	0.34	7639748	95.50
	10/08/2017 Increase - Transfer	1100	0.01	7640848	95.51
	11/08/2017 Increase - Transfer	100	0.00	7640948	95.52
	26/08/2017 Increase - Transfer	200	0.00	7641148	95.52
	06/09/2017 Increase - Transfer	149000	1.86	7790148	97.38
	25/09/2017 Increase - Transfer	50	0.00	7790198	97.38
	30/10/2017 Increase – Transfer	7700	0.10	7797898	97.48
	15/11/2017 Increase – Transfer	4250	0.05	7802148	97.53
	11/12/2017 Increase – Transfer	950	0.01	7803098	97.54
	30/12/2017 Increase – Transfer	3700	0.05	7806798	97.59
	06/02/2018 Increase – Transfer	100	0.00	7806898	97.59
	07/02/2018 Increase – Transfer	100	0.00	7806998	97.59
	14/02/2018 Increase – Transfer	200	0.00	7807198	97.59
	01/03/2018 Increase – Transfer	11700	0.15	7818898	97.74
	09/03/2018 Increase – Transfer	100	0.00	7818998	97.74
	15/03/2018 Increase – Transfer	50	0.00	7819048	97.74
	20/03/2018 Increase – Transfer	100	0.00	7819148	97.74
	22/03/2018 Increase – Transfer	300	0.00	7819448	97.75
	31/03/2018 Increase – Transfer	2905	0.04	7822353	97.78
3	At the end of the year			7822353	97.78

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Dilip Kumar Surana At the beginning of the year Date wise Increase/Decrease Purchase - 28/06/2017 At the end of the year	2675 1000	0.04 0.01	3675	0.05
2	Anoop Kanwar Nahar At the beginning of the year Date wise Increase/Decrease At the end of the year	1000 -	0.01 -	1000	0.01
3	Gouthamchand Nahar At the beginning of the year Date wise Increase/Decrease At the end of the year	1000 -	0.01 -	1000	0.01
4	PARVEEN CHAND NAHAR At the beginning of the year Date wise Increase/Decrease At the end of the year	1000 -	0.01 -	1000	0.01
5	RAJKUMARI At the beginning of the year Date wise Increase/Decrease At the end of the year	1000 -	0.01 -	1000	0.01
6	MEHTA SH At the beginning of the year Date wise Increase/Decrease At the end of the year	900 -	0.01 -	900	0.01
7	MRUDULA S MEHTA At the beginning of the year Date wise Increase/Decrease At the end of the year	900 -	0.01 -	900	0.01
8	RAMESH K At the beginning of the year Date wise Increase/Decrease At the end of the year	900 -	0.01 -	900	0.01
9	ARAVIND KUMAR S R At the beginning of the year Date wise Increase/Decrease At the end of the year	800 -	0.01 -	800	0.01
10	RAMAMOORTHY V At the beginning of the year Date wise Increase/Decrease At the end of the year	800 -	0.01 -	800	0.01

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the Beginning of the year		Cumulative Shareholding During the year	
		No.of Shares	% of total Shares of the company	No.of Shares	% of total Shares of the company
1	Chidambar G At the beginning of the year Date wise Increase/Decrease At the end of the year	1000 -	0.01 -	1000	0.01
2	Mahaveerchand Dugar N At the beginning of the year Transfer - 10/07/2017 Transfer - 10/08/2017 Transfer - 30/10/2017 Transfer - 15/11/2017 Transfer - 11/12/2017 Transfer - 01/03/2018 Transfer - 31/03/2018 At the end of the year	1347800 2000 1000 6650 1300 750 800 200	16.85 0.02 0.01 0.09 0.01 0.01 0.01 0.01	1360500	17.01
3	Deepak Dugar M At the beginning of the year Transfer - 06/04/2017 Transfer - 10/07/2017 Transfer - 10/08/2017 Transfer - 06/09/2017 Transfer - 30/10/2017 Transfer - 15/11/2017 Transfer - 11/12/2017 Transfer - 30/12/2017 Transfer - 01/03/2018 At the end of the year	740900 1140000 21875 100 37500 400 2950 200 3700 5350	9.26 14.25 0.27 0.00 0.47 0.00 0.04 0.00 0.05 0.07	1952975	24.41
4	Praveen Dugar M At the beginning of the year Transfer - 06/04/2017 Transfer - 10/05/2017 Transfer - 10/07/2017 Transfer - 11/08/2017 Transfer - 26/08/2017 Transfer - 06/09/2017 Transfer - 25/09/2017 Transfer - 30/10/2017 Transfer - 06/02/2018 Transfer - 07/02/2018 Transfer - 14/02/2018 Transfer - 01/03/2018 Transfer - 09/03/2018 Transfer - 15/03/2018 Transfer - 20/03/2018 Transfer - 22/03/2018 Transfer - 31/03/2018 At the end of the year	685500 1220000 200 3200 100 200 37500 50 650 100 100 200 5550 100 50 100 300 2705	8.57 15.25 0.00 0.04 0.00 0.01 0.47 0.00 0.01 0.00 0.00 0.00 0.07 0.00 0.00 0.00 0.01 0.03	1956605	24.46

(VI) INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the Financial year				
i) Principal Amount	51,86,89,369.00	10,12,00,000.00	0.00	61,98,89,369.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
ii) Interest accrued but not due	13,72,563.00	0.00	0.00	13,72,563.00
Total (i+ii+iii)	52,00,61,932.00	10,12,00,000.00	0.00	62,12,61,932.00
Change in Indebtedness During the financial year				
• Addition	30,00,00,000.00	45,33,04,000.00	0.00	75,33,04,000.00
• Reduction	20,60,52,010.00	12,00,000.00	0.00	20,72,52,010.00
Net Change	9,39,47,990.00	45,21,04,000.00	0.00	54,60,51,990.00
Indebtedness at the end of The financial year				
i) Principal Amount	61,26,37,359.00	55,33,04,000.00	0.00	1,16,59,41,359.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	14,51,602.00	1,40,706.00	0.00	15,92,308.00
Total (i+ii+iii)	61,40,88,961.00	55,34,44,706.00	0.00	1,16,75,33,667.00

Unsecured Loans consist of CCD, Subordinated NCD's and Loan from Related Parties.

(VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Mahaveerchand Dugar N	Deepak Dugar M	Praveen Dugar M	
1	Gross Salary				
	(a) Salary as per Provisions contained In section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000	12,00,000	36,00,000
	(b) Value of Perquisites u/s 17(2) Income- tax Act, 1961	0	0	0	0

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
1.	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others	0	0	0	0
5.	Personnel Accident Insurance	1,677	1,677	1,677	5,031
	Total (A)	12,01,677	12,01,677	12,01,677	36,05,031

Note: The remuneration paid to Key Managerial Persons were within the limits specified in the Act.

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Chidambar G	Markandan K.S.	Balasubramaniam P.S.	
	1. Independent Directors				
	Fee for attending Board committee Meetings	32,500	32,500	32,500	97,500
	Commission	0	0	0	0
	Others	0	0	0	0
	Total (1)	32,500	32,500	32,500	97,500

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Ms Monika Gurung (Company Secretary)	Total Amount
1	Gross Salary		
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	1,50,000	1,50,000
	(b) Value of Perquisites u/s 17(2) Income - tax Act, 1961	0	0
	(c) Profits in lieu of Salary under section 17(3) Income-tax Act, 1961	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others	0	0
5.	Personnel Accident Insurance	0	0

VII. PENALTIES / PUNISHMENT /COMPOUNDING OF OFFENCES: Nil

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAHAVEER FINANCE INDIA LIMITED

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Mahaveer Finance India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Other Matters

9. The standalone financial statements of the company for the year ended 31 March 2017, was audited by the erstwhile auditors, vide their unmodified audit report dated 17th July 2017, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of reporting previous year numbers and our audit of the standalone financial statements.
Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at 31st March, 2018 on its financial position in its financial statements – Refer Note 25.
 - ii. The Company has long-term contracts as at 31st March, 2018 for which there were no material foreseeable losses. The company does not have derivative contracts as at 31st March, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2018.

For SINGHI & Co.
Chartered Accountants
Firm Registration Number : 302049E

SUDESH CHORARIA
Partner
Membership No. 204936

Place : Chennai
Date : 03/08/2018

“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 10 of the Independent Auditors’ Report of even date to the members of Mahaveer Finance India Limited on the financial Statements as of and for the year ended 31st March, 2018.)

We report that:

- i. In respect of its fixed assets:
 - a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of 2 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c) According to information and explanations given to us, there are no immovable properties held in the name of the company, and hence clause 3(i) (c) of the Order are not applicable to the company.
- ii. The Company is a Non Banking Financial Company (NBFC) engaged in the business of giving loans and does not maintain any inventory. Thus the provision of clause 3 (ii) of the order are not applicable to the company.
- iii. As informed to us, the company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provision of clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the company.
- iv. As informed to us, the company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under section 185 and 186. Therefore the provisions of clause 3(iv) of the said Order are not applicable to the company.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 to 76 of the Act and the rules framed thereunder.
- vi. The Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Companies Act 2013.
- vii. According to the information and explanations given to us and the records of the Company examined by us:
 - a) The Company is generally regular, except for minor delays, in depositing undisputed statutory dues including Employees’ state insurance, Provident fund, Income Tax, Sales tax, Service Tax, Value added tax, Goods and Service tax, Customs Duty, Excise Duty, cess and other material statutory dues, as applicable, with appropriate authorities
According to the records and information and explanations given to us no undisputed amount payable in respect of Income Tax, Sales Tax, Service Tax, Goods and Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues is outstanding as at 31st March 2018, for a period of more than six months from the date they became payable.
 - b) There are no dues of Income tax, Sales tax, Service tax, Goods and Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us by the management, and based on our examination of the records of the company, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders.
- ix. According to the information and explanations given to us by the management, and based on our examination of the records of the company, the term loans availed by the company from financial institutions/banks have been applied for the purpose for which they were raised. Further, no money was raised by the company during the year by way of Initial public offer or further public offer.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has paid managerial remuneration in accordance with the requisite approvals, where required, as mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, the provision of clause 3(xii) of the Order are not applicable to the company.
- xiii. According to the information and explanations provided to us and based on our examination of the records of the Company and as confirmed by the management, the transactions entered into with the related parties are in compliance with section 177 and 188 of Companies Act, 2013, where applicable, and the details have been disclosed in the Financial Statements in accordance with the applicable accounting standards;
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the company has made preferential allotment or private placement of shares or fully convertible debentures during the year. The company has complied with the requirements of Section 42 of the Companies Act, 2013 in this regard and the amounts raised have been used for the purposes for which the funds were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of the clause 3(xv) of the Order are not applicable to the company.
- xvi. The company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and has obtained the Registration.

Place : Chennai
Date : 03/08/2018

For SINGHI & Co.
Chartered Accountants
Firm Registration Number : 302049E
SUDESH CHORARIA
Partner
Membership No. 204936

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 11(f) of the Independent Auditors’ Report of even date to the members of Mahaveer Finance India Limited on the financial Statements for the year ended 31st March, 2018)

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

1. We have audited the internal financial controls over financial reporting of Mahaveer Finance India Limited (“the Company”) as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

3. 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.
4. 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.
5. 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

6. 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:
 - a. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - b. 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
 - c. 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

7. 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

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

Place : Chennai

Date : 03/08/2018

For SINGHI & Co.
Chartered Accountants
Firm Registration Number : 302049E
SUDESH CHORARIA
Partner
Membership No. 204936

MAHAVEER FINANCE INDIA LIMITED

Balance Sheet as at 31st March, 2018

Rs.

PARTICULARS	NOTE NO	March 31 2018	March 31 2017
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	8,00,01,000	8,00,00,000
(b) Reserves and surplus	3	11,44,41,563	6,66,98,094
		19,44,42,563	14,66,98,094
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	74,89,56,388	24,88,13,512
(b) Deferred tax liabilities (Net)	5	-	47,22,423
(c) Long-term provisions	6	16,05,451	-
		75,05,61,839	25,35,35,935
(3) Current Liabilities			
(a) Short-term borrowings	7	19,28,04,494	19,42,59,867
(b) Other current liabilities	8	23,75,34,788	18,63,08,253
(c) Short-term provisions	9	1,43,89,537	61,56,163
		44,47,28,819	38,67,24,283
TOTAL		1,38,97,33,221	78,69,58,312
II. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant & Equipment	10	1,59,41,008	99,39,242
(b) Non-Current Investments	11	4,960	5,497
(c) Deferred Tax Assets (Net)	5	23,96,000	-
(d) Other Non-Current Assets	12	1,39,45,414	62,67,067
		3,22,87,382	1,62,11,806
(2) Current assets			
(a) Cash and Cash Equivalents	13	66,32,656	44,40,445
(b) Short-term Loans and Advances	14	1,33,70,26,237	75,10,27,807
(d) Other Current Assets	15	1,37,86,946	1,52,78,254
		1,35,74,45,839	77,07,46,506
TOTAL		1,38,97,33,221	78,69,58,312
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

This is the balance sheet referred to in our report of even date.

For Singhi & Co.,
Chartered Accountants
Firm Regn No. 302049E

G Chidambar
Chairman
DIN: 00017015

N Mahaveer Chand Dugar
Managing Director
DIN: 00190628

Sudesh Choraria
Partner
Membership No.204936

K S Markandan
Director
DIN: 00505217

M Deepak Dugar
Joint Managing Director
DIN: 00190705

Place : Chennai
Date : 03.08.2018

M Praveen Dugar
Executive Director
DIN: 00190780

MAHAVEER FINANCE INDIA LIMITED

Statement of Profit and Loss for the period ended 31st March 2018

Rs.

PARTICULARS	NOTE NO	March 31, 2018	March 31, 2017
Revenue :			
I. Revenue from operations	16	22,29,58,643	14,50,17,617
II. Other income	17	12,55,038	2,28,076
III. Total Revenue (I + II)		22,42,13,680	14,52,45,693
IV. Expenses:			
Employee benefits expense	18	3,43,85,376	1,37,98,604
Finance costs	19	9,99,17,506	7,22,73,432
Depreciation and amortization expense	10	55,53,058	26,23,595
Other expenses	20	2,58,62,927	2,43,07,711
Total expenses		16,57,18,867	11,30,03,342
V. Profit before Tax (III - IV)		5,84,94,813	3,22,42,351
VI. Tax expense:	21		
(1) Current tax		1,78,70,767	1,03,17,021
(2) Deferred tax		(71,18,423)	(6,16,684)
		1,07,52,344	97,00,336
VII. Profit After tax (V - VI)		4,77,42,469	2,25,42,015
VIII. Basic and Diluted Earnings Per Share of Rs.10/- each in Rupees		5.97	2.81
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

This is the statement of profit and loss referred to in our report of even date.

For Singhi & Co.,
Chartered Accountants
Firm Regn No. 302049E

G Chidambar
Chairman
DIN: 00017015

N Mahaveer Chand Dugar
Managing Director
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M Deepak Dugar
Joint Managing Director
DIN: 00190705

Place : Chennai
Date : 03.08.2018

M Praveen Dugar
Executive Director
DIN: 00190780

MAHAVEER FINANCE INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Rs.

	2017-18		2016-17	
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before Tax and Extra-Ordinary items:		5,84,94,813		3,22,42,351
Add:				
Depreciation	55,53,058		26,23,595	
(Profit) / Loss on Sale of Assets	(33,112)		(2,06,659)	
Provision for Non-Performing Assets	27,82,113		15,67,580	
Provision for Standard Assets	6,53,424		10,45,000	
Provision for Gratuity	16,05,451		-	
Finance Cost	9,99,17,506		7,22,73,432	
Dividend Received	(14,016)	110,464,424	(5,417)	7,72,97,531
Operating Profit Before Working Capital Changes		16,89,59,237		10,95,39,882
(Increase)/Decrease in Short term Loans & Advances	(58,59,98,430)		(22,76,17,012)	
(Increase)/Decrease in Other Current Assets	14,91,308		(89,17,108)	
(Increase)/Decrease in Other Non-Current Assets	(76,78,347)		(38,57,687)	
Increase/(Decrease) in Other Current Liabilities	5,12,26,535	(54,09,58,935)	88,01,003	(23,15,90,804)
Cash Generated from Operations		(37,19,99,698)		(12,20,50,922)
Financial Expenses		(9,99,17,506)		(7,22,73,432)
Direct Taxes paid		(1,30,72,930)		(1,18,27,876)
NET CASH FLOW FROM OPERATING ACTIVITIES		(48,49,90,134)		(20,61,52,230)
B) CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(1,18,01,713)		(52,98,447)
Sale of Fixed Assets		2,80,000		2,50,000
Purchase of Investments		(380)		-
Sale of Investments		917		-
Dividend Received		14,016		5,417
NET CASH FROM INVESTING ACTIVITIES		(1,15,07,160)		(50,43,030)
C) CASH FLOW FROM FINANCING ACTIVITIES				
Increase in Equity Share Capital		1,000		-
Increase in securities premium reserve		1,000		-
Increase/(Decrease) in Long Term Borrowings		50,01,42,876		17,02,98,912
Increase/(Decrease) in Short Term Borrowings		(14,55,373)		4,39,31,113
NET CASH FROM FINANCING ACTIVITIES		49,86,89,503		21,42,30,025
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		21,92,210		30,34,765
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		44,40,445		14,05,680
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		66,32,656		44,40,445

This is the statement of cash flows referred to in our report of even date.

For Singhi & Co.,
Chartered Accountants
Firm Regn No. 302049E

G Chidambar
Chairman
DIN: 00017015

N Mahaveer Chand Dugar
Managing Director
DIN: 00190628

Sudesh Choraria
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K S Markandan
Director
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M Deepak Dugar
Joint Managing Director
DIN: 00190705

Place : Chennai
Date : 03.08.2018

M Praveen Dugar
Executive Director
DIN: 00190780

MAHAVEER FINANCE INDIA LIMITED

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

CORPORATE INFORMATION

Mahaveer Finance India Limited (the 'Company') is a Public Limited Company domiciled in India and incorporated on 5th January, 1981 under the provisions of the Companies Act' 1956 ('the Act'). The Company is registered with the Reserve Bank of India (RBI) since inception. The last renewed registration certificate was issued by RBI on November 12, 2015 to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits.

As per the revised guidelines issued by Reserve Bank of India ('RBI'): RBI/2014-15/299 / DNBR (PD) CC.No.002/03.10.001/2014-15, dated November 10, 2014 ('the guidelines'), since the asset size of the Company was less than Rs. 500 crore, the Company is classified as NBFC-Non Deposit taking and Non-Systematically Important (NBFC-ND).

The financial statements of the Company for the year ended March 31, 2018 were authorised for issue by the Board of Directors at their meeting held on 3rd August 2018.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014, the Companies (Accounting standards) Amendment Rules, 2016 and as per the guidelines issued by Reserve Bank of India ('RBI') as applicable to a Non-Banking Financial (Non-deposit accepting or holding) Companies ('NBFC Regulation'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The notified Accounting Standards (AS) are followed by the Company insofar as they are not inconsistent with the NBFC Regulation.

The accounting policies adopted in the preparation of Financial Statements are consistent with those used in the previous year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Current/ Non Current classification of assets and liabilities

As required by Schedule III, the Company has classified assets and liabilities into current and non-current based on the operating cycle. An operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Considering the segment in which the company operates, the operating cycle with respect to the hypothecation Loans has been considered as 36 months by the management.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported

amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. 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.

(c) Property, Plant & Equipment

Properties, Plant & Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of purchase price and any other directly attributable costs of bringing the asset to its working condition for its intended use.

(d) Depreciation and amortization:

Depreciation on tangible assets is provided using the useful life of assets prescribed under Schedule II of the Companies Act, 2013.

Intangible assets include computer software, which are acquired, capitalized and amortized on a useful life of assets prescribed under Schedule II of the Companies Act, 2013.

(e) Impairment of assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at the pre tax discount rate reflecting current market assessment of time value of money and risks specific to asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(f) Loans

Loans are stated at the amount advanced, as reduced by the amounts received up to the balance sheet date.

(g) Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investment are made, are classified as Current Investment. All other investments are classified as Non-Current investment.

Non-Current Investments are valued at cost. Provision for diminution in value is made to recognize a decline other than temporary in the value of Long Term investments. Current Investments are stated at lower of cost and fair value.

On disposal of an investment the difference between carrying amount and net disposals proceed is charged credited to the or Statement of Profit and Loss.

(h) Retirement and other employee benefits

The year end accrued liability on account of Gratuity payable to employees has been ascertained and provided for on the basis of Gratuity payable as per Payment of Gratuity Act 1972.

(i) Revenue recognition

Revenue 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.

Interest income

Income from Hypothecation loans and other financing activities is accounted on accrual basis, applying the Internal Rate of Return (IRR) method, and on assets securitised / assigned, income is recognised over the life of the underlying assets based on the method prescribed by RBI. In case of Loans and Advances identified as Non Performing Assets (NPA), Income is recognised on receipt basis.

Interest income on fixed deposits is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Fee income

Fee income on loans is recognised on accrual basis in the year in which the agreement is entered.

(j) Loan origination cost

Loan origination costs such as credit verification, agreement stamping, direct selling agents' commission and valuation charges are recognised as expense in the year of disbursement of the loan.

(k) Borrowing Cost

Borrowing costs are charged to revenue on accrual basis. Other Borrowing costs incurred for raising long term debts are amortized on a systematic basis over the period of the debt availed.

(l) Income taxes

- i) Current Income Tax is provided as per the provisions of the Income tax Act 1961.
- ii) Deferred Tax is provided using the Liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

(m) Provisioning / write-off of assets

Non performing loans are written off / provided for, and provision on standard assets is made at the minimum provision required as per Non-Systemically Important Non Deposit taking Company (Reserve Bank) Directions, 2016.

(n) Earnings per share

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

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

(o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

MAHAVEER FINANCE INDIA LIMITED

Notes annexed to and forming part of the balance sheet as at March 31, 2018 and the statement of profit and loss for the year ended March 31, 2018 (Contd..)

Rs.

NOTES TO THE ACCOUNTS	March 31, 2018	March 31, 2017
2 SHARE CAPITAL:		
a. Authorised 1,00,00,000 Equity Shares of Rs.10/- each	10,00,00,000	10,00,00,000
b. Issued, Subscribed and fully paid up : 80,00,000 (Previous Year 80,00,000) Equity Shares of Rs.10/- each fully paid-up in cash	8,00,01,000	8,00,00,000
c. Movements in equity share capital :	No. of shares	Amount (Rs.)
As at April 01, 2016	80,00,000	8,00,00,000
Increase during the year	-	-
As at March 31, 2017	80,00,000	8,00,00,000
Increase during the year		
Issue of Equity shares on Private Placement basis	100	1,000
As at March 31, 2018	80,00,100	8,00,01,000

d. Terms/ rights attached to equity shares:

Equity shares have a par value of Rs.10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

e. Shares in the company held by each shareholder holding more than 5% of Equity shares

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of Shares held	%	No. of Shares held	%
Mahaveerchand Dugar N	13,60,500	17.01%	13,47,800	16.85%
Gunasundari Dugar N	20,93,773	26.17%	43,79,773	54.75%
Deepak Dugar M	19,52,975	24.41%	7,40,900	9.26%
Praveen Dugar M	19,56,605	24.46%	6,78,600	8.48%
Pradeep Dugar M	4,58,500	5.73%	4,58,500	5.73%

MAHAVEER FINANCE INDIA LIMITED

Rs.

NOTES TO THE ACCOUNTS (Contd.)	March 31, 2018	March 31, 2017
3. RESERVES & SURPLUS		
a. STATUTORY RESERVE (As per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	1,93,00,450	1,47,92,450
ADD: Transfer from Surplus in the Statement of Profit and Loss Statement	95,48,000	45,08,000
	2,88,48,450	1,93,00,450
b. GENERAL RESERVE		
Opening balance	92,60,233	82,60,233
ADD: Transfer from Surplus in the Statement of Profit and Loss Statement	10,00,000	10,00,000
	1,02,60,233	92,60,233
c. SECURITIES PREMIUM RESERVE		
Securities Premium Reserve		
Opening Balance	-	-
ADD: Received during the year	1,000	-
	1,000	-
d. Surplus in the Statement of Profit and Loss		
Opening balance	3,81,37,411	2,11,03,396
Add: Profit for the year from the Statement of Profit and Loss	4,77,42,469	2,25,42,015
	8,58,79,880	4,36,45,411
Less: Appropriations:		
Transfer to General Reserve	10,00,000	10,00,000
Transfer to Statutory Reserve	95,48,000	45,08,000
Profit & Loss A/c Surplus Closing Balance	7,53,31,880	3,81,37,411
Total reserves and surplus	11,44,41,563	6,66,98,094

MAHAVEER FINANCE INDIA LIMITED

NOTES TO THE ACCOUNTS (Contd.)

Rs.

4. LONG TERM BORROWINGS

	As at March 31, 2018		As at March 31, 2017	
	Non Current	Current Maturities	Non Current	Current Maturities
Secured				
Vehicle Loans	10,72,960	18,57,837	2,98,878	1,87,617
Term Loan from Banks and financial Institutions	2,70,83,333	5,24,62,107	2,95,45,448	3,40,90,912
Term Loan from others	17,08,00,095	17,00,01,239	11,89,69,186	14,25,37,461
	19,89,56,388	22,43,21,183	14,88,13,512	17,68,15,990
Unsecured				
Redeemable Subordinated Non Convertible Debentures (6 years)	10,00,00,000	-	10,00,00,000	-
13.50% Redeemable Non Convertible Debentures (200 Nos. of Face Value of Rs.10,00,000/- each) (5 years)	20,00,00,000	-	-	-
5% Compulsorily convertible Debentures (2500 Nos. of Face Value of Rs.1,00,000/- each) (Refer Note below)	25,00,00,000	-	-	-
	55,00,00,000	-	10,00,00,000	-
	74,89,56,388	22,43,21,183	24,88,13,512	17,68,15,990
Less : Current maturities of long-term borrowings (Refer Note No. 8)		22,43,21,183		17,68,15,990
Total Long term borrowings	74,89,56,388	-	24,88,13,512	-

a) Terms and conditions of loans taken

Category of lender	Rate of interest per annum (Range)	No. of Installments	Periodicity	Outstanding as at March 31, 2018	Outstanding as at March 31, 2017
Vehicle Loans from Banks	8.92 to 9.59%	48 Months	Monthly	29,30,797	4,86,495
Term Loan from Banks and financial Institutions	11 to 13%	24 to 36 Months	Monthly	7,95,45,440	6,36,36,360
Term Loan from Others	12 to 14%	18 to 36 Months	Monthly/ Quarterly	34,08,01,334	26,15,06,647
				42,32,77,571	32,56,29,502

MAHAVEER FINANCE INDIA LIMITED

b) Security Details of Term Loans

The Vehicle loans are secured by Hypothecation of office vehicles

The other Term Loans are secured by specific assets covered under Hypothecation Loan

Debentures (CCD) :

Terms of conversion :

The debentures shall compulsorily convert into Equity shares at the agreed conversion price, on earliest occurrence of any of the following event :

- Option of the Investor.
- IPO Conversion date
- Final Maturity date (19 Years from Closing date)

Rs.

	March 31, 2018	March 31, 2017
5. Deferred Tax Liabilities (Net)		
Deferred Tax Liability arising on account of Timing difference in depreciable assets	(371,000)	4,722,423
Deferred Tax Assets arising on account of Expenses allowable against taxable income in future years	2,025,000	--
Net Deferred Tax Liability	(2,396,000)	4,722,423
6. Long Term Provisions		
Employee benefits -Gratuity	1,605,451	--
	1,605,451	--
7. Short Term borrowings		
Secured		
Cash Credit Facilities from banks (**)	189,359,788	193,059,867
Unsecured		
Loans and Advances from Related parties	3,444,706	1,200,000
	192,804,494	194,259,867

(**) Cash Credit facilities are secured by charge on Hypothecation Loan Receivables, Hire Purchase / Lease agreements, ranking pari passu, excluding assets which are specifically charged to others.

NOTES TO THE ACCOUNTS (Contd.)	March 31, 2018	March 31, 2017
8. Other Current liabilities		
Unpaid Dividends	340,838	369,630
Sundry Creditors	934,726	801,916
Interest accrued but not due on borrowings	1,451,602	1,372,563
Current maturities of long-term borrowings (Refer Note No. 4)	224,321,183	176,815,990
Securitisation Payable	4,816,240	2,948,346
Cash profit on Loan Transfer transaction pending recognition	1,132,816	3,999,808
Statutory dues payable	1,746,645	-
Other payables	2,790,738	-
	237,534,788	186,308,253
9. Short-term Provisions		
Provision for Taxation (Net)	5,320,000	522,163
Provision for Non-Performing Assets	5,816,113	3,034,000
Provision for Standard Assets	3,253,424	2,600,000
	14,389,537	6,156,163

FIXED ASSETS
10. Property, Plant & Equipment

Particulars	Gross Block				Depreciation				Net Block	
	As on 01-04-2017	Additions	Disposals	As on 31-03-2018	As on 01-04-2017	For the Year	Deductions	As on 31-03-2018	As on 31-03-2017	As on 31-03-2018
(i) Tangible Assets										
Land	-	-	-	-	-	-	-	-	-	-
Office Equipments	12,735,182	247,642		12,982,824	8,996,319	1,868,843		10,865,162	3,738,863	2,117,662
Furniture & Fixtures	7,387,782	6,607,363		13,995,145	3,436,189	1,985,367		5,421,557	3,951,593	8,573,589
Computers hardware	-	1,454,097		1,454,097	-	391,036		391,036	-	1,063,061
Vehicles	3,930,441	3,492,611	900,000	6,523,052	1,681,656	1,307,812	653,112	2,336,356	2,248,785	4,186,696
(ii) Intangible assets										
Computer software	-	-		-	-	-			-	-
Total	24,053,405	11,801,713	900,000	34,955,118	14,114,164	5,553,058	653,112	19,014,111	9,939,242	15,941,008
Previous year	19,621,778	5,298,447	866,820	24,053,405	12,314,048	2,623,595	823,479	141,14,164	7,307,731	9,939,242

MAHAVEER FINANCE INDIA LIMITED

11. NON-CURRENT INVESTMENTS

In Shares at Cost - quoted

Rs.

S.No.	Name of the Company	QTY	31.03.2018	31.03.2017
1	Deccan Finance Ltd	50	83	1000
2	Dhandapani Finance Ltd	1	53	53
3	Indian Seamless Enterprises Ltd	4	200	200
4	Indo Asian Finance Ltd	3	19	19
5	Jhagadia Copper Ltd	90	2,700	2,700
6	Onida Finance Ltd	800	1	1
7	Sakthi Finance Ltd	100	500	500
8	Sundaram Finance Ltd	100	723	723
9	Tatia Skyline Ltd	400	1	1
10	The Karur Vysya Bank Ltd.	35	680	300
Value of investments			4,960	5,497
Aggregate Market value of investments quoted			185,677	172,663
12.	Other non-current Assets			
	Unsecured, Considered good			
	Over Collateralization		2,387,479	2,387,479
	Rent Deposits and Others		6,906,600	3,409,880
	Excess Interest Spread - Derecognised Assets		22,245	469,708
	Unamortised other borrowing costs		4,629,090	-
			13,945,414	6,267,067
13.	Cash and Cash Equivalents			
	Balances with Banks		3,045,191	454,042
	Cash on Hand and at branches		133,069	255,204
	Bank Deposits		3,454,396	3,341,652
	More than 12 months Maturity		-	389,547
			6,632,656	4,440,445
14.	Short-term Loans and Advances			
a.	Secured, Considered good			
	Hypothecation Loans		1,329,413,193	748,875,623
			1,329,413,193	748,875,623
b.	Unsecured Considered good			
	Income Tax refund receivable		36,342	36,342
	Tax Deducted at Source		44,751	-
	Other Advances		7,531,951	2,115,842
			7,613,045	2,152,184
	Total (a+b)		1,337,026,237	751,027,807
15.	Other Current Assets			
	Unsecured, Considered good			
	Assets Repossed		-	5,735,805
	Other Assets		13,786,946	9,542,449
			13,786,946	15,278,254
16.	Revenue from Operations			
	Hypothecation Loans		222,958,643	145,017,617
			-	-
			222,958,643	145,017,617

MAHAVEER FINANCE INDIA LIMITED

Rs.

NOTES TO THE ACCOUNTS (Contd.)	March 31, 2018	March 31, 2017
17. Other Income		
Dividend	14,016	5,417
Profit on sale of Fixed Assets	33,112	206,659
Miscellaneous Income	1,207,909	16,000
	1,255,038	228,076
18. Employee benefits expense		
Salaries & Allowances	30,795,319	13,239,177
Contribution to Provident & Other Funds	1,311,129	352,283
Gratuity	1,605,451	-
Staff Welfare Expenses	673,477	207,144
	34,385,376	13,798,604
19. Finance costs		
Interest Expense	98,026,948	71,479,657
Other borrowing costs	1,890,558	793,775
	99,917,506	72,273,432
20. Other Expenses		
Rent	8,182,472	5,895,605
Repairs & Maintenance	875,923	525,217
Insurance	124,315	187,831
Travelling & Conveyance	3,021,612	2,541,544
Professional and Consultancy charges	2,491,583	4,606,006
Legal Fees and expenses	212,683	156,400
Postal & Telephone Expenses	1,679,110	1,195,853
Business Promotion Expenses	1,061,508	236,143
Vehicle Repairs & Maintenance	1,416,798	1,101,426
Director's Sitting Fees	97,500	60,000
Miscellaneous Expenses	2,636,978	1,891,576
Payment to Auditors:(**)		
For Statutory Audit	500,000	86,250
For Other Services	126,907	44,700
Bad Debts written off	-	3,166,580
Provision for Non Performing Assets (NPA)	2,782,113	1,567,580
Provision for Standard Assets	653,424	1,045,000
Total	25,862,927	24,307,711
<p>(**) includes Payment to the previous Auditors - Rs. 1,26,907 (Previous year -Rs. 1,30,950)</p>		
21. Tax Expense		
Current Tax	17,820,000	10,348,000
Current Tax for earlier years	50,767	(30,979)
	17,870,767	10,317,021
Deferred Tax	(1,162,409)	(616,684)
Deferred Tax adjustments for earlier years	(5,956,014)	-
	10,752,344	9,700,337

MAHAVEER FINANCE INDIA LIMITED

NOTES TO THE ACCOUNTS (Contd.)

22. Additional disclosures pursuant to Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016

Particulars		(Rs. in lakhs)	
LIABILITIES SIDE :			
1	Loans and Advances availed by the NBFCs	Amount Outstanding	Amount Overdue
	Inclusive of interest accrued thereon but not paid:		
	(a) Debentures:		
	i) Secured		
	ii) Unsecured	5,527.87	-
	(Other than falling within the Meaning of public deposits)		
	(b) Deferred Credits	-	-
	(c) Term Loans	4,247.29	-
	(d) Inter-Corporate loans and borrowing		
	(e) Commercial Paper		
	(f) Public Deposits		
	(g) Other Loans	-	-
	Bank Borrowings	1,893.60	-
	Loans from Directors	4.00	-
2	Break-up of (I)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :		
	(a) In the form of unsecured Debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall, in the value of security		
	(c) Other Public Deposits		
3	ASSET SIDE :		
	Break-up of Loans and Advances including bills receivables (other than those include in (4) below:		
	(a) Secured		
	(b) Unsecured		

MAHAVEER FINANCE INDIA LIMITED

Particulars		(Rs. in lakhs)	
ASSETS SIDE :			
4	Break-up of Leased Assets and Stock-on-hire and Hypothecation loans counting towards EL/HP activities:		
	(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) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been Repossessed	97.47	-
	(b) Loans other than (a) above	13,196.66	-
5	Break-up of Investments:		
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares	0.05	-
	(ii) Debentures	-	-
	(iii) Units of Mutual funds	-	-
	2. UnQuoted:		
	(i) Equity Shares	-	-
	(ii) Government Securities	-	-

6 Borrower group-wise classification of all leased assets. Stock-on-Hire and loans and advances :

Category	Amount net of provisions		
	secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	13235.97	-	13235.97
Total	13235.97	-	13235.97

MAHAVEER FINANCE INDIA LIMITED

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

(Rs. in lakhs)

Category	Market Value/Breakup of fair value of NAV	Book Value / Breakup of fair value of NAV (Net of provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1.86	0.05
Total	1.86	0.05

8 Other information :

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	
(b) Other than related parties	280.44
(ii) Net Non-performing Assets	
(a) Related parties	
(b) Other than related parties	222.28
(iii) Assets acquired in satisfaction of debt	

23. Disclosure on Securitisation arrangements as per RBI Circular No. DNBS. PD. No. 301/3.10.01/2012-13:

S. No.	Particulars	No./ Amount Rs. in Cr. (As on 31.03.2018)	No./ Amount Rs. in Cr. (As on 31.03.2017)
1.	No. of SPV's sponsored by the NBFC for Securitisation transactions	1	1
2.	Total amount of Securitised assets as per books of the SPVs sponsored by the NBFC	1.30	3.58
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of the Balance Sheet		
	(a) Off-Balance Sheet Exposures		
	* First Loss		
	* Others		
	(b) On-Balance Sheet Exposures		
	* First Loss		
	* Others	0.41	0.40
4.	Amount of exposures to securitization transactions other than MRR		
	(a) Off-Balance Sheet Exposures		
	(i) Exposure to own securitizations		
	* First Loss		
	* Others		
	(ii) Exposure to Third Party securitizations		
	* First Loss		
	* Others		
	(b) On-Balance Sheet Exposures		
	(i) Exposure to own securitizations		
	* First Loss		
	* Others		
	(ii) Exposure to Third Party securitizations		
	* First Loss		
	* Others		

MAHAVEER FINANCE INDIA LIMITED

24 The company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Accounting Standard 17 "Segment Reporting"

2017-18 2016-17

25 **Contingent Liabilities :**

Claims against the company not acknowledged as debt Nil Nil

26 **Related Party Disclosures:**

(i) **Key Management personnel(with whom the Company has transactions):**

- a) N. Mahaveerchand Dugar, Managing Director
- b) M. Deepak Dugar, Joint Managing Director
- c) M.Praveen Dugar, Executive Director

(ii) **The disclosure of related party transactions during the year and balances as on 31st March 2018:**

Rs.

Nature of Transactions	Key Management Personnel	Relatives of Key Management Personnel	Total 31-03-2018	Key Management Personnel	Relatives of Key Management Personnel	31.03.2017
EXPENDITURE:						
Remuneration	3,605,031	-	3,605,031	3,605,031		3,605,031
Interest Paid	95,665	45,041	140,706		130,708	130,708
Rent	-	5,016,000	5,016,000	120,000	3,780,000	3,900,000
ASSETS:						
Rent Deposit	-	2,600,000	2,600,000		1,300,000	1,300,000
LIABILITIES:						
Loans	399,665	3,045,041	3,444,706	1,200,000		1,200,000

27 Additional Information pursuant to paragraphs 5 (viii) of part II of Schedule III to the Companies Act,2013 as follows:

2017-18 2016-17
Rs Rs

A) Earnings in Foreign Currency

Nil Nil

B) Expenditure in Foreign Currency during the year

3,013,699.00 Nil

28 Previous year's figures have been taken from the accounts audited by previous auditor and figures have been regrouped/ reclassified to conform to current year's figures wherever required.