

# 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 G. Poddar**, Nominee Director  
Sri **M. Praveen Dugar**, Executive Director & CFO  
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 Deepanjali Das  
Ph. No. 28614466, 28614477 & 28614488  
Email: cs@mahaveerfinance.com

## **REGISTERED OFFICE**

K.G. Plaza, '3<sup>rd</sup> 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** : Ashok Nagar, Athur, Chengalpet, Coimbatore, Cuddalore, Dindugal, Erode, Hosur, Kanchipuram, Karur, Kumbakonam, Madurai, Mayavaram-1, Nagapattinam, Pudukottai, Salem, Sivakasi, Tambaram, Teni, Tirunelveli, Trichy, Vellore, Pondicherry.

**Andhra Pradesh** : Anantapur, Eluru, Guntur, Jaggiapet, Kadapa, Kakinada, Kurnool, Madanapalle, Nandyal, Nayudupeta, Nellore, Ongole, Rajampet, Rajamundry, Tirupati, Vijayanagaram, Vijayawada, Visakhapatnam.

**Telangana** : Gadwal, Hyderabad, Karimnagar, Mahabubnagar, 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 : agm@cameoindia.com Website : www.cameoindia.com

## **MEMBERS OF**

- |   |   |
|---|---|
| 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                  |

# MAHAVEER FINANCE INDIA LIMITED

CIN:-U65191TN1981PLC008555

Regd. Office: K.G.Plaza 3<sup>rd</sup> 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 39<sup>th</sup> Annual General Meeting of the Members of Mahaveer Finance India Limited will be held at the registered office of the Company situated at Agarwal court, K.G.Plaza, Shop Nos. T8 & T9, 3<sup>rd</sup> Floor, No.41-44, General Patters Road, Chennai, Tamil Nadu- 600002, India on Friday, 25<sup>th</sup> September 2020 at 12.30 P.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive and adopt the audited financial accounts of the Company for the year ended 31<sup>st</sup> March 2020 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.

### SPECIAL BUSINESS

3. 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/ Partly or fully 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 39<sup>th</sup> Annual General Meeting to 40<sup>th</sup> Annual General Meeting (AGM) for a sum not exceeding Rs.300 crores, within the overall borrowing limits of the company.”

**FURTHER RESOLVED THAT** the Board be and is hereby authorized 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.”

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

**“RESOLVED THAT** subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. N. Mahaveerchand Dugar as Managing Director of the Company for a term of 3 years commencing from 1<sup>st</sup> October 2020 to 30<sup>th</sup> September 2023 and for the payment of remuneration to him for his services as Managing Director, as set out hereunder:

Salary : Rs. 5,00,000/- per month. Annual increase will be effective 1<sup>st</sup> April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

**“FURTHER RESOLVED THAT** the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

**Minimum Remuneration:**

“Where in any financial year, during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

“RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. M. Deepak Dugar as Joint Managing Director of the Company for a term of 3 years commencing from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2023 and for the payment of remuneration to him for his services as Joint Managing Director, as set out hereunder: ”

Salary : Rs. 4,00,000/- per month. Annual increase will be effective 1<sup>st</sup> April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

“FURTHER RESOLVED THAT the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

**Minimum Remuneration:**

“Where in any financial year, during the currency of tenure of the Joint Managing Director, the Company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

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

“RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V and other applicable provisions if any, of the Companies Act 2013, the Company hereby accords its approval and consent for the re-appointment of Sri. M. Praveen Dugar as Executive Director of the Company for a term of 3 years commencing from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June 2023 and for the payment of remuneration to him for his services as Executive Director, as set out hereunder: ”

Salary : Rs. 4,00,000/- per month. Annual increase will be effective 1<sup>st</sup> April every year and the quantum will be decided by the Board of Directors.

Commission : The Board of Directors will decide the commission subject to a ceiling of 1% of the net profits of the Company.

Perquisites : As detailed in Annexure to the Explanatory Statement.

“FURTHER RESOLVED THAT the Board of Directors have liberty to revise his remuneration during the tenure of office from time to time as they deem fit within the limits of Section 197 and Schedule V of the Companies Act, 2013.”

**Minimum Remuneration :**

“Where in any financial year, during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the salary and perquisites as mentioned above will be paid as the minimum remuneration subject to the limits specified in Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration.”

For and on behalf of the Board  
sd/-

**Deepanjali Das**  
Company Secretary

Place : Chennai  
Date : 31.07.2020

**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 meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her. 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 Section 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 pertaining to the unclaimed dividend for the seven consecutive years by any shareholder, to the IEPF Authority.  
The Shareholders whose dividend /shares are transferred to the IEPF Authority can thereafter claim their shares only from the said Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>. In case the Members have any query on the subject matter and the IEPF Rules, they may contact the Company/RTA.
7. **Dematerialisation facility to be availed at the earliest by the Shareholders who are holding shares in the Physical form. As per MCA notification dated 10<sup>th</sup> September, 2018 every holder of securities of an unlisted public company, who intends to transfer such securities after 2<sup>nd</sup> October, 2018 shall get such securities dematerialised before the transfer. You are therefore, requested to convert your shares into Demat mode.**
8. **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.3: 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 Debentures 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 in a year for all the offers and invitations for such NCD's if the amount of such offer or invitation exceeds the limit specified under clause (c) of Section 180(1).

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.3 of the Notice for approval of the members.

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

### ITEM NO. 4 TO 6:

Section 196(3) of the Companies Act, 2013, inter alia, provides that no Company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time Director or Manager unless it is approved by the members by passing a special resolution. Part1 of Schedule V to the Act contains a similar provision.

The approval of the Members of the Company for the appointment of Sri. Mahaveerchand Dugar as the Managing Director after he attained the age of 70 years was obtained by way of a Special Resolution.

Keeping in view that Sri. N. Mahaveerchand Dugar has rich and varied experience in the industry and has been involved in the operations of the Company since inception and has contributed in a substantial way in the growth of the company to its present level, it would greatly benefit the Company to continue the employment of Sri. N. Mahaveerchand Dugar as Managing Director.

Sri. N. Mahaveerchand Dugar was appointed as Managing Director of the Company for a period of 3 years from 1<sup>st</sup> October 2017, Sri. M. Deepak Dugar was appointed as the Joint Managing Director of the Company for a period of 3 years from 1<sup>st</sup> July 2017 and Sri. M. Praveen Dugar was appointed as the Executive Director of the Company for a period of 3 years from 1<sup>st</sup> June 2017. After considering the remuneration levels prevailing in the industry, the Board of Directors, proposes to fix the remuneration to Sri. N. Mahaveerchand Dugar, Sri.M. Deepak Dugar and Sri. M. Praveen Dugar as mentioned in the Resolution. The perquisites payable to Shri.N.Mahaveerchand Dugar, Shri.M.Deepak Dugar and Shri.M.Praveen Dugar are detailed in the annexure to this statement. The Salary proposed to the three Managerial persons is in conformity with Schedule V of the Companies Act.

This explanatory statement together with the accompanying notice(s) is and should be treated as an abstract of the terms of appointment/remuneration to Sri. N. Mahaveerchand Dugar, Sri. M. Deepak Dugar and Sri. M. Praveen Dugar and Memorandum of Interest required to be sent to the Shareholders under Section 190 of the Companies Act, 2013.

None of the Directors except Sri. N. Mahaveerchand Dugar, Sri. M. Deepak Dugar and Sri. M. Praveen Dugar are concerned or interested in the said resolution.

Details of Managing Director/Whole time Director for re-appointment is as under:

Particulars	Shri. Mahaveerchand Dugar	Shri. Deepak Dugar	Shri. Praveen Dugar
Age	73 years	44 years	40 years
Qualification and Experience	Overall experience of 40 years in financing and around 30 years in hire purchase and leasing. He is the promoter of Mahaveer Finance India Limited.	20+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since 1997. MBA in Finance	18+ years of experience in Asset Finance. Associated with Mahaveer Finance India Limited since 2005. MBA in Finance
Remuneration Last drawn	Rs. 400000/- p.m	Rs. 3,00,000/- p.m	Rs. 3,00,000/- p.m
Date of first Appointment in Board	01/10/1987	01/09/1997	29/01/2005
Shareholding in the Company	11.09%	16.01%	15.98%
Relationship with other Directors/KMP	F/O Shri. Deepak Dugar and Shri. Praveen Dugar	S/O Shri. Mahaveerchand Dugar	S/O Shri. Mahaveerchand Dugar.

No. of meetings of the Board attended during the year	Attended all the Board meetings and Committee meetings in which appointed as a member. Number of meetings attended in FY 19-20 Board meeting-4, Audit Committee-3, Shareholder grievance and Share transfer Committee-2	Attended all the Board meetings and Committee meetings in which appointed as a member. Number of meetings attended in FY 19-20 Board meeting-4, Shareholder grievance and Share transfer Committee-2, Nomination and Remuneration Committee-3 CSR Committee-2	Attended all the Board meetings and Committee meetings in which appointed as a member. Number of meetings attended in FY 19-20 Board meeting-4 CSR Committee-2
Other Directorships	Finance Companies' Association (India), Finance Industry Development Council	South India Hire Purchase Association, Hindustan Chamber of Commerce	South India Hire Purchase Association, Hindustan Chamber of Commerce

**Annexure to the Explanatory Statement:**

Details of Perquisites payable individually to Shri. N. Mahaveerchand Dugar, Shri. M. Deepak Dugar and Shri. M. Praveen Dugar are listed below :

**1. Housing**

- i. the expenditure incurred by the Company on hiring furnished/unfurnished accommodation will be subject to a ceiling of 60% of the salary over and above 10% payable by the managerial person;
- ii. a) the expenditure incurred by the Company on gas, electricity and water will be evaluated as per Income-tax Rules, 1962.  
b) perquisites in the form of furniture, furnishings and other utilities in accordance with the rules of the Company, the value of which will be evaluated as per Income-tax Rules, 1962;
- iii. wherever the Company does not provide accommodation, the house rent for the managerial person may be paid in accordance with (i) above;
- iv. where accommodation in a Company-owned house is provided, the Company will charge 10% of his salary by way of rent.

**2. Medical reimbursement:**

Expenses incurred for self and family including premium payable for medical insurance in accordance with the rules of the Company.

Explanation: "Family" means the spouse, dependant children and dependant parents of the appointee.

- 3. Personal Accident Insurance as per the rules of the Company.
- 4. Leave Travel Assistance for self and family once in a year in accordance with the rules of the Company.
- 5. Payment of company's contributions to Provident Fund/Pension Fund/Superannuation Fund/Gratuity Fund and encashment of leave (at the end of the tenure) shall not be included in the computation of remuneration or ceiling on the perquisites.
- 6. Fees for clubs, subject to a maximum of two clubs excluding admission and life membership fee.
- 7. Provision of chauffeur driven company car(s).
- 8. Provision of telephone(s) at the residence of the Director.
- 9. Such other allowances, perquisites, benefits and amenities as may be provided by the company to other senior executives from time to time.
- 10. Benefits under the loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time, subject to the provisions of the Companies Act, 2013.

For the purpose of calculating the ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, the same shall be evaluated at actual cost.

**Route Map of Annual General Meeting (AGM) VENUE: Agarwal court, K.G.Plaza,  
Shop Nos. T8 & T9, 3<sup>rd</sup> Floor, No.41-44, General Patters Road, Chennai, Tamil Nadu 600 002, India**



## DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

Dear Members,

Your Directors present the 39<sup>th</sup> Annual report with Audited Accounts for the year ended 31<sup>st</sup> March, 2020.

### FINANCIAL RESULTS

(Rs. in lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2020	Year ended 31 <sup>st</sup> March 2019
Total Revenue	5110.75	4016.10
Less: Total Expenses	4326.75	3293.53
Profit Before Tax	784.00	722.56
Profit After Tax	584.88	524.76
Surplus brought forward	1163.14	753.31
Available for appropriation	1748.02	1278.08
Transfer to :		
- Statutory Reserve	116.98	104.95
- General Reserve	10.00	10.00
Surplus Carried Forward to Balance Sheet	1621.04	1163.13

### 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 2020.

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

During the year 2019-20, your company disbursed Rs. 199 crores as against Rs. 170 crores in the previous year, registering a growth of 17.00 %. Total income for the year grew by 27% to Rs. 51.1 crores from Rs. 40.2 crore in the previous year. Profit before tax was higher at Rs 7.8 crore as compared to Rs 7.2 crore. The net profit from operation was at Rs. 5.8 crore as against Rs.5.2 crore 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 98% of the total business assets as on 31<sup>st</sup> March 2020. The gross and net NPAs stood at 2.57% and 2.26% respectively of the total business assets as on 31/03/2020 as against 2.22% and 1.99% for the previous year.

### DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

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

### 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, 2020, the Capital Adequacy Ratio of the Company is 20.4%.

### CREDIT RATING

Acuite Ratings & Research has assigned a rating of "ACUITE BBB" Outlook Stable for Bank facilities of the Company.

## SHARE CAPITAL

### Increase in the Authorized Share Capital of the Company

There has been no change in the Authorised, Issued, Subscribed and Paid up Share capital of the Company during the Financial year 2019-20.

**Authorised Share Capital:** Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 number of equity shares of Rs. 10/- each.

**Issued, Subscribed and Paid up Share capital :** Rs. 12,26,38,660/- (Rupees Twelve Crore Twenty Six Lakhs Thirty Eight Thousand Six Hundred and Sixty Only) divided into 1,22,63,866 number of equity shares of Rs. 10/- each.

## MEETINGS OF THE BOARD OF DIRECTORS WITH ATTENDANCE DETAILS

### 1. BOARD MEETINGS

During the year ended March 31, 2020, Four Board meetings were held on the following dates 10<sup>th</sup> June 2019, 6<sup>th</sup> August, 2019, 26<sup>th</sup> November, 2019 and 13<sup>th</sup> February, 2020.

The Board Attendance details are furnished herein below:

Name of the Directors	Designation	Category	Attendance at Board Meetings		Last AGM 26/09/2019
			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	3	No
Sri J. Chandrasekaran	Director	Non-Executive Independent	4	4	Yes
Sri Abhishek G.Poddar	Director	Non-Executive Nominee	4	4	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

### II. AUDIT COMMITTEE MEETINGS

The Company has an Independent Audit Committee. Two of the three members of the Committee are Independent Directors. All the members of the Committee have financial and accounting knowledge. The role of Audit Committee is to review the Financial Statements, related party transactions, accounting policies and internal control system.

Composition of the Audit Committee and attendance of the members at Committee meetings are as follows:

Name	No. of meeting Held	No. of meeting attended	Meeting dates
Sri K.S. Markandan, Chairman	3	3	06.08.2019
Sri P.S. Balasubramaniam	3	3	26.11.2019
Sri N. Mahaveerchand Dugar	3	3	13.02.2020

### III. SHAREHOLDER GRIEVANCE AND SHARE TRANSFER COMMITTEE

The Shareholder grievance and Share transfer Committee

- i) approves and monitors transfers, transmission of securities of the Company.
- ii) reviews the redressal of grievances/complaints from shareholders on matters relating to transfer/transmission of shares, issue of new/duplicate certificates etc, and
- iii) reviews the compliances with various statutory and regulatory requirements.

Composition of the Shareholder Grievance and Share Transfer Committee and attendance of the members at Committee meetings are as follows:

Name	No. of meeting Held	No. of meeting attended	Meeting dates
Sri G. Chidambar, Chairman	2	2	10.06.2019 13.09.2019
Sri M. Deepak Dugar	2	2	
Sri N. Mahaveerchand Dugar	2	2	

### IV. NOMINATION & REMUNERATION COMMITTEE

In Compliance with the provisions of Section 178 of the Act, the Company constituted Nomination and Remuneration Committee of the Board of Directors consisting of 4 members, 3 of them being an Independent Directors. The scope of the Committee is to identify/ recommend to the Board of persons qualified to become Directors and formulate the criteria for evaluation of Independent Directors and the Board.

Composition of the Nomination & Remuneration Committee and attendance of the members at Committee meetings are as follows:

Name	No. of meeting Held	No. of meeting attended	Meeting dates
Sri G. Chidambar, Chairman	3	3	06.08.2019 26.11.2019 13.02.2020
Sri K.S. Markandan	3	3	
Sri P.S. Balasubramaniam	3	3	
Sri M. Deepak Dugar	3	3	

#### DIRECTORS / KMP :

##### Re-appointment

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.

##### Appointment:

There has been no appointment/resignation of Directors (including Independent Director).

Miss. Monika Gurung, Company Secretary has resigned on 30<sup>th</sup> September, 2019. Miss Deepanjali Das joined as Company Secretary of the Company w.e.f 26<sup>th</sup> February 2020.

#### 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:**

At the 37<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2018, M/S. Singhi & Co. Chartered Accountants, Chennai- 600 010 Firm (FRN. 302049E) were appointed as the Statutory Auditors of the Company for a term of five consecutive financial years, from the conclusion of the 37<sup>th</sup> Annual General Meeting until the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company.

**EXPLANATION TO THE COMMENTS OF THE STATUTORY AND SECRETARIAL AUDITOR:**

All the comments are satisfactory. There has been no fraud reported by the auditors of the company.

**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**

During the year, the Company has not given any Loans or Guarantees under the provisions of Section 186 of the Act.

**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

**CORPORATE SOCIAL RESPONSIBILITY:**

Your Company had formulated a corporate social responsibility committee of the Board on 6<sup>th</sup> of August 2019 as per the provisions of Section 135 of the Companies Act 2013. Composition of the Corporate Social Responsibility Committee and attendance of the members at Committee meetings are as follows:

Name	No. of Meeting Held	No. of Meeting attended	Meeting dates
Sri. J. Chandrasekaran, Chairman	2	2	13.02.2020 02.03.2020
Sri. P.S Balasubramaniam	2	2	
Sri Deepak Dugar	2	2	
Sri Praveen Dugar	2	2	

The CSR policy of the Company articulates the areas and activities under which CSR expenditure shall be made. The details of the CSR activities taken by the Board in the FY 19-20 are as follows:

Sr. No.	Particulars	Amount (Rs)
1.	Donation to Rotary Club Charitable Trust, Chennai	1,00,000
2.	Donation to St. Josephs Primary School	23,500
3.	Donation towards college Fees to a Student of KMC College of Arts	24,150
4.	Donation to Shreelal Goenka Charitable Trust towards promoting education	10,00,000
5.	Donation to Rotary club of Ambattur Polio Plus Campaign towards health care	6350
A	Grand Total	11,54,000
B	Total CSR expenditure earmarked for FY 19-20	11,54,000
C	Unspent Amount (A-B)	NIL

**FORMATION OF INTERNAL COMPLAINT COMMITTEE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013::**

Your Company has formed an Internal Complaint Committee under the said Act. No cases or complaint has been raised during the reporting year.

**RISK MANAGEMENT POLICY**

Your Company, being in the business of financing 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, the inflow of funds steadily throughout the year is a prerequisite. The Company constantly endeavors 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 : 31.07.2020

## 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: The contracts or arrangements were not material in nature.

## Form No.MGT-9

**Extract of Annual Return as on the financial year ended on 31<sup>st</sup> March 2020**

**[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:  
Agarwal Court, K.G.Plaza, Shop Nos. T8 & T9, 3<sup>rd</sup> Floor, No.41 - 44,  
General Patters Road, Chennai - 600 002, India.  
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 : agm@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 Purchase/Lease	As per National Industrial Classification - 2008: Section K - Financial and Insurance Activities Division 64 - Financial Service activities, except Insurance and pension Funding.	100%

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	
<b>A.Promoters</b>									
(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	5755854	2080000	7835854	63.89	5755954	2080000	7835954	63.89	0
<b>Sub-total (A) (1):-</b>	<b>5755854</b>	<b>2080000</b>	<b>7835854</b>	<b>63.89</b>	<b>5755954</b>	<b>2080000</b>	<b>7835954</b>	<b>63.89</b>	<b>0</b>
(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
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	<b>5755854</b>	<b>2080000</b>	<b>7835854</b>	<b>63.89</b>	<b>5755954</b>	<b>2080000</b>	<b>7835954</b>	<b>63.89</b>	<b>0</b>
<b>B.Public Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Sub-total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	950	950	0.01	0	450	450	0.01	0
ii) Foreign Bodies	4263866	0	4263866	34.77	4263866	0	4263866	34.77	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	11212	124541	135753	1.11	11362	103208	114570	0.93	-0.18
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	0	0	0	0	0	0	0	0	0
IEPF	27443	-	27443	0.22	49026	-	49026	0.4	0.18
c) Others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B) (2):-</b>	<b>4302521</b>	<b>125491</b>	<b>4428012</b>	<b>36.11</b>	<b>4324254</b>	<b>103658</b>	<b>4427912</b>	<b>36.11</b>	<b>0</b>
Total Public Shareholding (B) = (B)(1)+(B)(2)	4302521	125491	4428012	36.11	4324254	103658	4427912	36.11	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10058375</b>	<b>2205491</b>	<b>12263866</b>	<b>100</b>	<b>10080208</b>	<b>2183658</b>	<b>12263866</b>	<b>100</b>	<b>0</b>

**(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	1360500	11.09	0	1360500	11.09	0	0.00
2	Gunasundari Dugar	2093773	17.07	0	2552273	20.81	0	3.74
3	Deepak Dugar M	1962925	16.01	0	1963025	16.01	0	-0.00
4	Pradeep Dugar M	458500	3.74	0	0	-	0	-3.74
5	Praveen Dugar M	1960156	15.98	0	1960156	15.98	0	0.00

**(iii) Change in Promoters' Shareholding**

Sl. No.		Shareholding at the Beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	<b>Gunasundari Dugar</b>				
	At the beginning of the year	2093773	17.0726	2093773	17.0726
	Purchase - 17-Jan-2020	458500	3.7386	2552273	20.8113
	At the end of the year	2552273	20.8113	2552273	20.8113
2	<b>Deepak Dugar M</b>				
	At the beginning of the year	1962725	16.01	1962725	16.01
	Purchase - 21-Jan-2019	100	0.0008	1963025	16.01
	At the end of the year	1963025	16.01	1963025	16.01
3	<b>Pradeep Dugar M</b>				
	At the beginning of the year	458500	3.7386	458500	3.7386
	Sale - 17-Jan-2020	-458500	3.7386	0	0.0000
	At the end of the year	0	0.0000	0	0.0000

**(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	<b>BANYANTREE GROWTH CAPITAL II LLC</b>				
	At the beginning of the year	4263866	34.7677	4263866	34.7677
	At the end of the year 31-Mar-2020	4263866	34.7677	4263866	34.7677
2	<b>MAHAVEER CHAND DUGAR N</b>				
	At the beginning of the year	1360500	11.09	1360500	11.09
	At the end of the year 31-Mar-2020	1360500	11.09	1360500	11.09
3	<b>INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS</b>				
	At the beginning of the year	27443	0.2237	27443	0.2237
	Purchase 28-Jun-2019	4500	0.0366	31943	0.2604
	Purchase 20-Sep-2019	17083	0.1392	49026	0.3997
	At the end of the year 31-Mar-2020	49026	0.3997	49026	0.3997

4	<b>DILIP KUMAR SURANA</b> At the beginning of the year At the end of the year 31-Mar-2020	3675 3675	0.0299 0.0299	3675 3675	0.0267 0.0267
5	<b>ANOOP KANWAR NAHAR</b> <b>JT1: GOUTHAMCHAND NAHAR</b> At the beginning of the year At the end of the year 31-Mar-2020	1000 1000	0.0081 0.0081	1000 1000	0.0081 0.0081
6	<b>CHIDAMBAR G</b> <b>JT1: BHUWANESWARI CHIDAMBAR</b> At the beginning of the year At the end of the year 31-Mar-2020	1000 1000	0.0081 0.0081	1000 1000	0.0081 0.0081
7	<b>GOUTHAMCHAND NAHAR</b> <b>JT1: ANUOP KUMAR NAHAR</b> At the beginning of the year At the end of the year 31-Mar-2020	1000 1000	0.0081 0.0081	1000 1000	0.0081 0.0081
8	<b>PARVEEN CHAND NAHAR</b> At the beginning of the year At the end of the year 31-Mar-2020	1000 1000	0.0081 0.0081	1000 1000	0.0081 0.0081
9	<b>RAJKUMARI</b> At the beginning of the year At the end of the year 31-Mar-2020	1000 1000	0.0081 0.0081	1000 1000	0.0081 0.0081
10	<b>MEHTA S H</b> <b>JT1: MRUDULA S MEHTA</b> At the beginning of the year At the end of the year 31-Mar-2020	900 900	0.0073 0.0073	900 900	0.0073 0.0073

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI. 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	<b>Chidambar G</b> At the beginning of the year Date wise Increase/Decrease At the end of the year 31-Mar-2020	1000 - 1000	0.0081 - 0.0081	1000 - 1000	0.0081 - 0.0081
2	<b>Mahaveerchand Dugar N</b> At the beginning of the year Date wise Increase/Decrease At the end of the year 31-Mar-2020	1360500 - 1360500	11.09 - 11.09	1360500 - 1360500	11.09 - 11.09

3	<b>Deepak Dugar M</b>				
	At the beginning of the year	1962725	16.01	1962725	16.01
	Purchase - 21-Jun-2019	100	0.008	1963025	16.01
4	<b>Praveen Dugar M</b>				
	At the beginning of the year	1960156	15.98	1960156	15.98
	Date wise Increase/Decrease	-	-	-	-
	At the end of the year 31-Mar-2020	1960156	15.98	1960156	15.98

#### (V) INDEBTEDNESS

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

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the Beginning of the Financial year</b>				
i) Principal Amount	1371681231	315540000	0	1687221231
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5829293.04	0	0	5829293.04
<b>Total (i+ii+iii)</b>	<b>1377510524</b>	<b>315540000</b>	<b>0</b>	<b>1693050524</b>
<b>Change in Indebtedness During the financial year</b>			0	0
• Addition	1020000000	12367994	0	1032367994
• Reduction	647420935	388500	0	647809435
<b>Net Change</b>	<b>372579065</b>	<b>8482994</b>	<b>0</b>	<b>381062059</b>
<b>Indebtedness at the end of The financial year</b>			0	0
i) Principal Amount	1744260296	324022994	0	2068283290
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	7461593.77	0	0	7461593.77
<b>Total (i+ii+iii)</b>	<b>1751721890</b>	<b>324022994</b>	<b>0</b>	<b>2075744884</b>

Unsecured Loans consist of 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	4,800,000	3,600,000	3,600,000	1,20,00,000
	(b) Value of Perquisites u/s 17(2) Income- tax Act, 1961	0	0	0	0
	(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	1,763	1,745	1,880	5,388
	<b>Total (A)</b>	<b>4,801,763</b>	<b>3,601,745</b>	<b>3,601,880</b>	<b>12,005,388</b>

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.	J. Chandrasekaran	
	<b>1. Independent Directors</b>					
	Fee for attending Board committee Meetings	40,000	40,000	30,000	40,000	150,000
	Commission	0	0	0		0
	Others	0	0	0		0
	<b>Total (1)</b>	<b>40,000</b>	<b>40,000</b>	<b>30,000</b>	<b>40,000</b>	<b>150,000</b>

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		(Company Secretary)	Total Amount
1	Gross Salary		
	(a) Salary as per Provisions contained in section 17(1) of the Income-tax Act, 1961	282,443	2,82,443
	(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
	<b>Total</b>	<b>282,443</b>	<b>282,443</b>

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

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

## Report on the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of **MAHAVEER FINANCE INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.  
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 ("The Act" or "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014, and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit and its cash flows for the year ended on that date.

### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the "Code of Ethics" issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Emphasis of Matter

3. We draw attention to Note 28 to the financial statements regarding impact of COVID 19 pandemic wherein the management has described the probable impact on the company and the environment in which it operates and also the measures taken by the management to deal with these circumstances. It also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. Our opinion is not modified in this matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises of the Board's Report including its Annexures, and other report placed by the management before the members, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

7. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
8. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - 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 to this report.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i). The Company has disclosed the impact, if any, of pending litigations as at 31<sup>st</sup> March, 2020 on its financial position in its financial statements – Refer Note 25.
    - (ii). The Company has long-term contracts as at 31<sup>st</sup> March, 2020 in respect of which, as represented by the management, there were no material foreseeable losses. The company does not have derivative contracts as at 31<sup>st</sup> March, 2020; and
    - (iii). There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

SUDESH CHORARIA  
Partner  
Membership No. 204936  
UDIN : 20204936AAAADL1542

Place : Chennai  
Date : July 31, 2020

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in paragraph 9 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 31<sup>st</sup> March, 2020.)**

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. Hence 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 provision 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. Hence the provision of clause 3 (vi) of the Order are not applicable to the company
- 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 31<sup>st</sup> March 2020, 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Act
- 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 : July 31, 2020**

**For SINGHI & Co.**  
**Chartered Accountants**  
**Firm Registration Number : 302049E**  
**SUDESH CHORARIA**  
**Partner**  
**Membership No. 204936**  
**UDIN : 20204936AAAAADL1542**

## “ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 10(f) 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 31<sup>st</sup> March, 2020)

### 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 March 31, 2020 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 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:
- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - 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
  - 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 31,2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

SUDESH CHORARIA  
Partner  
Membership No. 204936  
UDIN : 20204936AAAADL1542

Place : Chennai  
Date : July 31, 2020

# MAHAVEER FINANCE INDIA LIMITED

Balance Sheet as at 31<sup>st</sup> March, 2020

Rs.

PARTICULARS	NOTE NO	March 31 2020	March 31 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	2	12,26,38,660	12,26,38,660
(b) Reserves and Surplus	3	43,27,69,027	37,42,80,674
		<b>55,54,07,687</b>	<b>49,69,19,334</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	89,98,06,072	86,32,66,487
(b) Deferred Tax Liabilities (Net)	5	-	-
(c) Long-Term Provisions	6	13,97,617	13,19,919
		<b>90,12,03,689</b>	<b>86,45,86,406</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	7	28,75,65,860	24,99,70,313
(b) Other Current Liabilities	8	97,09,49,054	65,79,08,791
(c) Short-Term Provisions	9	2,83,62,928	1,55,49,172
		<b>1,28,68,77,842</b>	<b>92,34,28,276</b>
<b>TOTAL</b>		<b>2,74,34,89,218</b>	<b>2,28,49,34,016</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	10	1,26,12,342	1,50,66,690
(b) Non-Current Investments	11	4,960	20,00,04,960
(c) Deferred Tax Assets (Net)	5	71,10,000	46,82,000
(d) Other Non-Current Assets	12	9,31,00,682	4,41,05,503
		<b>11,28,27,984</b>	<b>26,38,59,153</b>
<b>(2) Current assets</b>			
(a) Cash and Cash Equivalents	13	3,23,92,606	2,81,81,413
(b) Short-term Loans and Advances	14	2,47,76,36,008	1,89,61,84,874
(c) Other Current Assets	15	12,06,32,620	9,67,08,576
		<b>2,63,06,61,234</b>	<b>2,02,10,74,863</b>
<b>TOTAL</b>		<b>2,74,34,89,218</b>	<b>2,28,49,34,016</b>
<b>Significant Accounting Policies</b>	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  
**Sudesh Choraria**  
Partner  
Membership No.204936

**G. Chidambar**  
Chairman  
DIN: 00017015  
**M Praveen Dugar**  
Executive Director  
DIN: 00190780

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628  
**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705

**Deepanjali Das**  
Company Secretary  
M.No.: A47410

Place : Chennai  
Date : 31<sup>st</sup> July 2020

# MAHAVEER FINANCE INDIA LIMITED

Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2020

Rs.

PARTICULARS	NOTE NO	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue :</b>			
I. Revenue from operations	16	50,56,45,994	40,00,21,422
II. Other income	17	54,29,097	15,88,631
III. <b>Total Revenue (I + II)</b>		<b>51,10,75,091</b>	<b>40,16,10,053</b>
<b>Expenses :</b>			
Employee benefits expense	18	9,54,43,130	7,94,45,515
Finance costs	19	24,65,97,241	17,53,42,300
Depreciation and amortization costs	10	73,74,993	79,25,117
Other expenses	20	8,32,59,374	6,66,40,902
<b>Total expenses</b>		<b>43,26,74,737</b>	<b>32,93,53,833</b>
V. <b>Profit before Tax ( III - IV)</b>		<b>7,84,00,353</b>	<b>7,22,56,220</b>
VI. Tax expense:	21		
(1) Current tax		2,23,40,000	2,20,65,450
(2) Deferred tax		(24,28,000)	(22,86,000)
		1,99,12,000	1,97,79,450
VII. <b>Profit After tax (V - VI)</b>		<b>5,84,88,353</b>	<b>5,24,76,770</b>
VIII. Basic and Diluted Earnings Per Share of Rs.10/- each in Rupees		4.77	4.28
<b>Significant Accounting Policies</b>	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  
DIN: 00190628

**Sudesh Choraria**  
Partner  
Membership No.204936

**M Praveen Dugar**  
Executive Director  
DIN: 00190780

**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705

**Deepanjali Das**  
Company Secretary  
M.No.: A47410

Place : Chennai  
Date : 31<sup>st</sup> July 2020

**MAHAVEER FINANCE INDIA LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**Rs.**

	<b>2019-20</b>		<b>2018-19</b>	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before Tax and Extra-Ordinary items:		7,84,00,353		7,22,56,221
Add:				
Depreciation	73,74,993		79,25,117	
(Profit) / Loss on Sale of Assets	-		(50,317)	
(Profit) / Loss on Sale of Investments	(5,65,819)		-	
Provision for Non-Performing Assets	28,50,939		(9,82,924)	
Provision for Standard Assets	13,87,998		13,47,425	
Provision for Repossessed Assets and other provisions	19,66,304		46,95,134	
Provision for Gratuity	77,698		(2,85,532)	
Covid 19 special Provision	29,73,297		-	
Finance Cost	24,65,97,241		17,53,42,300	
Dividend Received	(11,005)	26,26,51,645	(7,519)	18,79,83,683
Operating Profit Before Working Capital Changes		34,10,51,999		26,02,39,904
(Increase)/Decrease in Short term Loans & Advances	(58,14,51,134)		(55,91,58,636)	
(Increase)/Decrease in Other Current Assets	(2,39,24,043)		(8,29,21,630)	
(Increase)/Decrease in Other Non-Current Assets	(4,89,95,179)		(3,01,60,089)	
Increase/(Decrease) in Other Current Liabilities	31,30,40,263	(34,13,30,093)	42,03,74,004	(25,18,66,352)
Cash Generated from Operations		(2,78,094)		83,73,552
Financial Expenses		(24,65,97,241)		(17,53,42,300)
Direct Taxes paid		(1,87,04,781)		(2,59,65,450)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(26,55,80,116)</b>		<b>(19,29,34,198)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets		(49,20,645)		(76,04,225)
Sale of Fixed Assets		-		6,03,744
Purchase of Investments		-		(20,00,00,000)
Sale of Investments		20,05,65,819		-
Dividend Received		11,005		7,519
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>19,56,56,179</b>		<b>(20,69,92,962)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Increase in Equity Share Capital		-		4,26,37,660
Increase in share premium reserve		-		20,73,62,340
Increase/(Decrease) in Long Term Borrowings		3,65,39,585		11,43,10,098
Increase/(Decrease) in Short Term Borrowings		3,75,95,546		5,71,65,819
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>7,41,35,131</b>		<b>42,14,75,918</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>42,11,193</b>		<b>2,15,48,758</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>		<b>2,81,81,413</b>		<b>66,32,655</b>
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>		<b>3,23,92,606</b>		<b>2,81,81,413</b>

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

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

**Sudesh Choraria**  
Partner  
Membership No.204936

**G. Chidambar**  
Chairman  
DIN: 00017015

**M Praveen Dugar**  
Executive Director  
DIN: 00190780

**N Mahaveer Chand Dugar**  
Managing Director  
DIN: 00190628

**M Deepak Dugar**  
Joint Managing Director  
DIN: 00190705

**Deepanjali Das**  
Company Secretary  
M.No.: A47410

Place : Chennai  
Date : 31<sup>st</sup> July 2020

# **MAHAVEER FINANCE INDIA LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020**

### **CORPORATE INFORMATION**

Mahaveer Finance India Limited (the 'Company') is a unlisted Public Limited Company domiciled in India and incorporated on 05-01-1981 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 Certificate of registration 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, 2020 were authorized for issue by the Board of Directors at their meeting held on 31<sup>st</sup> July 2020.

### **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) is 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 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 realization 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 recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize 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, 2020 and the Statement of Profit and Loss for the year ended March 31,2020 (Contd..)

Rs.

NOTES TO THE ACCOUNTS	March 31, 2020	March 31, 2019
<b>2 SHARE CAPITAL:</b>		
a. Authorised 2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of Rs.10/- each	<b>25,00,00,000</b>	<b>25,00,00,000</b>
b. Issued, Subscribed and fully paid up : 1,22,63,866 (P.Y. 1,22,63,866) Equity Shares of Rs.10/- each fully paid-up in cash	<b>12,26,38,660</b>	<b>12,26,38,660</b>
c. <b>Movements in equity share capital :</b>	<b>Amount (Rs.)</b>	<b>No. of shares</b>
As at April 01, 2018	12,26,38,660	80,00,100
Increase during the year	-	42,63,766
<b>As at March 31, 2019</b>	<b>12,26,38,660</b>	<b>1,22,63,866</b>
Increase during the year	-	-
<b>As at March 31, 2020</b>	<b>12,26,38,660</b>	<b>1,22,63,866</b>

**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, 2020		March 31, 2019	
	No. of Shares held	%	No. of Shares held	%
Mahaveerchand Dugar N	13,60,500	11.09%	13,60,500	11.09%
Gunasundari Dugar N	25,52,273	20.81%	20,93,773	17.07%
Deepak Dugar M	19,63,025	16.01%	19,62,925	16.01%
Praveen Dugar M	19,60,156	15.98%	19,60,156	15.98%
Banyan Tree Growth Capital II, LLC	42,63,866	34.77%	42,63,866	34.77%

## MAHAVEER FINANCE INDIA LIMITED

Notes annexed to and forming part of the balance sheet as at March 31, 2020 and the Statement of Profit and Loss for the year ended March 31,2020 (Contd..)

	Rs.	
NOTES TO THE ACCOUNTS (Contd.)	March 31, 2020	March 31, 2019
<b>3. RESERVES &amp; SURPLUS</b>		
<b>a. STATUTORY RESERVE</b> (As per Section 45-IC of the Reserve Bank of India Act, 1934)		
Opening balance	3,93,43,450	2,88,48,450
ADD: Transfer from Surplus in the Statement of Profit and Loss	1,16,98,000	1,04,95,000
	<b>5,10,41,450</b>	<b>3,93,43,450</b>
<b>b. GENERAL RESERVE</b>		
Opening balance	1,12,60,233	1,02,60,233
ADD: Transfer from Surplus in the Statement of Profit and Loss	10,00,000	10,00,000
	<b>1,22,60,233</b>	<b>1,12,60,233</b>
<b>c. SECURITIES PREMIUM RESERVE</b>		
Opening Balance	20,73,63,340	1,000
ADD: Received during the year	-	20,73,62,340
	<b>20,73,63,340</b>	<b>20,73,63,340</b>
<b>d. Surplus in the Statement of Profit and Loss</b>		
Opening balance	11,63,13,651	7,53,31,880
Add: Profit for the year from the Statement of Profit and Loss	5,84,88,353	5,24,76,771
	17,48,02,004	12,78,08,651
Less: Appropriations:		
Transfer to General Reserve	10,00,000	10,00,000
Transfer to Statutory Reserve	1,16,98,000	1,04,95,000
Profit & Loss A/c Surplus Closing Balance	<b>16,21,04,004</b>	<b>11,63,13,651</b>
<b>Total reserves and surplus</b>	<b>43,27,69,027</b>	<b>37,42,80,674</b>

# MAHAVEER FINANCE INDIA LIMITED

## NOTES TO THE ACCOUNTS (Contd.)

Rs.

### 4. LONG TERM BORROWINGS

	As at March 31, 2020		As at March 31, 2019	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>Secured</b>				
Vehicle Loans	15,07,669	13,63,083	28,55,697	13,27,794
Term Loan from Banks	14,87,09,054	37,64,05,599	15,81,23,625	14,39,75,020
Term Loan from NBFC	44,95,89,349	50,31,42,675	40,22,87,165	42,86,81,617
	<b>59,98,06,072</b>	<b>88,09,11,357</b>	<b>56,32,66,487</b>	<b>57,39,84,431</b>
<b>Unsecured</b>				
16.40% Redeemable Subordinated Non Convertible Debentures (100 Nos. of Face Value of Rs.10,00,000/- each) (6 years -Due in May 2022)	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 -Due in August 2022))	20,00,00,000	-	20,00,00,000	-
	<b>30,00,00,000</b>	<b>-</b>	<b>30,00,00,000</b>	<b>-</b>
	<b>89,98,06,072</b>	<b>88,09,11,357</b>	<b>86,32,66,487</b>	<b>57,39,84,431</b>
Less : Current maturities of long-term borrowings (Refer Note No. 8)		88,09,11,357		57,39,84,431
<b>Total Long term borrowings</b>	<b>89,98,06,072</b>	<b>-</b>	<b>86,32,66,487</b>	<b>-</b>

#### 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, 2020	Outstanding as at March 31, 2019
Vehicle Loans from Banks	8.92 to 9.59%	48 Months	Monthly	28,70,752	41,83,491
Term Loan from Banks	11 to 14%	24 to 36 Months	Monthly/ Quarterly	52,51,14,653	82,10,14,961
Term Loan from NBFC	11.74 to 15%	18 to 36 Months	Monthly/ Quarterly	95,27,32,024	31,20,52,465
				<b>1,48,07,17,429</b>	<b>1,13,72,50,917</b>

**MAHAVEER FINANCE INDIA LIMITED**  
**NOTES TO THE ACCOUNTS (Contd.)**

Rs.

	As at March 31, 2020	As at March 31, 2019
<b>5. Deferred Tax Liabilities (Net)</b>		
<b>Deferred Tax Liability arising on account of</b> Timing difference in depreciable assets	(20,40,000)	(15,68,000)
<b>Deferred Tax Assets arising on account of</b> Expenses allowable against taxable income in future years	50,70,000	31,14,000
<b>Net Deferred Tax Liability</b>	<b>(71,10,000)</b>	<b>(46,82,000)</b>
<b>6. Long Term Provisions</b>		
Employee benefits -Gratuity	13,97,617	13,19,919
	<b>13,97,617</b>	<b>13,19,919</b>
<b>7. Short Term borrowings</b>		
<b>Secured</b>		
Cash Credit Facilities from banks (**)	26,35,42,866	23,44,30,313
<b>Unsecured</b>		
Trade Advance		
Loans and Advances from Related parties	2,40,22,994	1,55,40,000
	<b>28,75,65,860</b>	<b>24,99,70,313</b>

(\*\*) 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.

<b>8. Other Current liabilities</b>		
Unpaid Dividends	2,28,267	2,30,167
Sundry Creditors	72,55,557	33,43,716
Interest accrued but not due on borrowings	74,61,594	58,29,293
Current maturities of long-term borrowings (Refer Note No. 4)	88,09,11,357	57,39,84,431
Securitisation Payable	2,46,32,451	1,50,40,999
Cash profit on Loan Transfer transaction pending recognition	3,67,35,999	2,17,82,221
Statutory dues payable	44,40,859	31,09,936
Other payables	92,82,970	3,45,88,027
	<b>97,09,49,054</b>	<b>65,79,08,790</b>

NOTES TO THE ACCOUNTS (Contd.)	March 31, 2020	March 31, 2019
<b>9. Short-Term Provisions</b>		
Provision for Taxation (Net)	50,55,219	14,20,000
Provision for Non-Performing Assets	76,84,128	48,33,189
Provision for Standard Assets	59,88,847	46,00,849
Provision for Repossessed Assets and others	66,61,437	46,95,134
Provision for Impact of Covid 19	29,73,297	-
	<b>2,83,62,928</b>	<b>1,55,49,172</b>

**FIXED ASSETS**
**10. Property, Plant & Equipment**

Particulars	Gross Block			Depreciation				Net Block		
	As on 01-04-2019	Additions	Disposals	As on 31-03-2020	As on 01-04-2019	For the Year	Deductions	As on 31-03-2020	As on 31-03-2019	As on 31-03-2020
<b>(i) Tangible Assets</b>										
Office Equipments	1,34,84,391	2,77,351		1,37,61,742	1,19,92,586	5,32,167		1,25,24,753	14,91,805	12,36,989
Furniture & Fixtures	1,50,19,186	4,82,348		1,55,01,534	74,69,044	20,03,182		94,72,226	75,50,142	60,29,308
Computers	26,91,925	14,35,796		41,27,721	15,44,656	12,84,367		28,29,023	11,47,269	12,98,698
Vehicles	70,23,499	-		70,23,499	35,40,706	15,19,878		50,60,583	34,82,793	19,62,916
<b>(ii) Intangible assets</b>					-				-	
Computer software	16,59,000	27,25,150		43,84,150	2,64,319	20,35,400		22,99,719	13,94,681	20,84,431
<b>Total</b>	<b>3,98,78,001</b>	<b>49,20,645</b>	<b>-</b>	<b>4,47,98,646</b>	<b>2,48,11,311</b>	<b>73,74,993</b>	<b>-</b>	<b>3,21,86,304</b>	<b>1,50,66,690</b>	<b>1,26,12,342</b>
<b>Previous year (Mar-19)</b>	3,49,55,118	76,04,225	26,81,343	3,98,78,001	1,90,14,111	79,25,117	21,27,917	2,48,11,311	1,59,41,008	1,50,66,690

# MAHAVEER FINANCE INDIA LIMITED

## 11. NON-CURRENT INVESTMENTS

In Shares at Cost - quoted

Rs.

S.No.	Name of the Company	QTY	31.03.2020	31.03.2019
1	Deccan Finance Ltd	50	83	83
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	200	723	723
9	Tatia Skyline Ltd	400	1	1
10	The Karur Vysya Bank Ltd.	38	680	680
11	Northern Arc Money Market Fund	Nil (500000)	-	5,00,00,000
12	SBI Mutual Fund	Nil (51499)	-	15,00,00,000
<b>Aggregate Book value of investments</b>			<b>4,960</b>	<b>20,00,04,960</b>
<b>Aggregate Market value of quoted investments</b>			<b>2,54,001</b>	<b>20,05,95,975</b>
<b>12.</b>	<b>Other non-current Assets</b>			
	Unsecured, Considered good			
	Over Collateralization		1,67,54,449	40,01,032
	MRR on securitised Contracts & Direct Assignment		5,31,05,539	2,30,04,116
	Rent Deposits and Others		85,73,000	86,47,650
	Excess Interest Spread - Derecognised Assets		-	22,245
	Unamortised other borrowing costs		1,46,67,694	84,30,460
			<b>9,31,00,682</b>	<b>4,41,05,503</b>
<b>13.</b>	<b>Cash and Cash Equivalents</b>			
	Balances with Banks		1,40,42,043	1,71,62,322
	Cash on Hand and at branches		3,64,990	6,28,108
	Deposit with Banks		1,79,85,573	1,03,90,983
			<b>3,23,92,606</b>	<b>2,81,81,413</b>
<b>14.</b>	<b>Short-term Loans and Advances</b>			
a.	Secured, Considered good			
	Hypothecation Loans		2,45,55,54,097	1,88,76,88,382
			<b>2,45,55,54,097</b>	<b>1,88,76,88,382</b>
b.	Unsecured Considered good			
	Income Tax refund receivable		-	-
	Tax Deducted at Source		8,13,483	8,13,503
	Other Advances		2,12,68,427	76,82,988
			<b>2,20,81,911</b>	<b>84,96,492</b>
	<b>Total (a+b)</b>		<b>2,47,76,36,008</b>	<b>1,89,61,84,874</b>
<b>15.</b>	<b>Other Current Assets</b>			
	<b>Unsecured, Considered good</b>			
	Repossed Assets		5,50,45,536	5,26,92,240
	Other Assets		6,55,87,084	4,40,16,336
			<b>12,06,32,620</b>	<b>9,67,08,576</b>
<b>16.</b>	<b>Revenue from Operations</b>			
	Hypothecation Loans		49,97,72,976	40,00,21,422
	Interest Income		58,73,018	-
			<b>50,56,45,994</b>	<b>40,00,21,422</b>

**MAHAVEER FINANCE INDIA LIMITED**

Rs.

<b>NOTES TO THE ACCOUNTS (Contd.)</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>17. Other Income</b>		
Dividend	11,005	7,519
Interest on Deposits	12,21,490	-
Profit on sale of Fixed Assets	-	50,317
Profit on sale of Investments	5,65,819	-
Bad Debts Recovered	16,46,850	-
Miscellaneous Income	19,83,933	15,30,795
	<b>54,29,097</b>	<b>15,88,631</b>
<b>18. Employee benefits expense</b>		
Salaries & Allowances	8,87,89,211	7,47,16,134
Contribution to Provident & Other Funds	47,36,063	33,33,197
Gratuity	77,698	-
Staff Welfare Expenses	18,40,157	13,96,185
	<b>9,54,43,130</b>	<b>7,94,45,515</b>
<b>19. Finance costs</b>		
Interest Expense	23,98,63,938	17,19,44,252
Other borrowing costs	67,33,303	33,98,048
	<b>24,65,97,241</b>	<b>17,53,42,300</b>
<b>20. Other Expenses</b>		
Rent	1,21,17,524	1,13,78,108
Rates and Taxes	32,51,557	24,40,506
Repairs & Maintenance	20,77,773	17,29,552
Insurance	4,83,393	1,77,527
Travelling & Conveyance	58,40,578	57,64,091
Professional and Consultancy charges	1,89,51,988	1,53,19,246
Legal Fees and expenses	4,87,596	2,10,620
Postal & Telephone Expenses	40,21,412	38,52,675
Business Promotion Expenses	2,26,203	14,74,028
Vehicle Repairs & Maintenance	7,33,740	8,60,274
Donation	11,54,000	2,00,000
Director's Sitting Fees	1,46,000	1,20,000
Miscellaneous Expenses	84,63,405	63,08,048
<b>Payment to Auditors:(**)</b>		
For Statutory Audit	5,50,000	5,00,000
For Other Services	-	-
Bad Debts written off	1,55,75,667	1,12,46,592
Provision for Non Performing Assets (NPA) (Net of Reversals)	28,50,939	9,82,924
Provision for Repossessed Assets and other provisions	19,66,304	46,95,134
Provision for Standard Assets	13,87,998	13,47,425
Provision for Impact of Covid 19	29,73,297	-
<b>Total</b>	<b>8,32,59,374</b>	<b>6,66,40,902</b>
<b>21. Tax Expense</b>		
Current Tax	2,23,40,000	2,19,20,000
Current Tax for earlier years	-	1,45,450
	2,23,40,000	2,20,65,450
Deferred Tax	(24,28,000)	(22,86,000)
	<b>1,99,12,000</b>	<b>1,97,79,450</b>

# 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)	
<b>LIABILITIES SIDE :</b>			
<b>1</b>	<b>Loans and Advances availed by the NBFCs</b>	<b>Amount Outstanding</b>	<b>Amount Overdue</b>
	<b>Inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures:		
	i) Secured		
	ii) Unsecured	3,000.00	3,000.00
	(Other than falling within the Meaning of public deposits)	-	-
	(b) Deferred Credits	14,881.79	11,430.80
	(c) Term Loans		
	(d) Inter-Corporate loans and borrowing		
	(e) Commercial Paper		
	(f) Public Deposits		
	(g) Other Loans		
	Bank Borrowings	2,635.43	2,344.30
	Loans from Directors	240.23	155.40
	<b>Break-up of (I)(f) above (Outstanding public deposits Inclusive of interest accrued thereon but not paid) :</b>		
<b>2</b>	(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		
<b>ASSET SIDE :</b>			
<b>3</b>	<b>Break-up of Loans and Advances including bills receivables (other than those include in (4) below:</b>		
	(a) Secured	-	-
	(b) Unsecured		
<b>4</b>	<b>Break-up of Leased Assets and Stock-on-hire and Hypothecation loans counting towards EL/HP activities:</b>		
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
	(ii) Stock on Hire including hire charges under sundry debtors:		
	(a) Assets on Hire	-	-
	(b) Repossessed Assets	-	-
	(iii) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been Repossessed	550.46	526.92
	(b) Loans other than (a) above	24,555.54	18,876.88

## MAHAVEER FINANCE INDIA LIMITED

	Particulars	(Rs. in lakhs)	
	<b>ASSETS SIDE :</b>		
<b>5</b>	<b>Break-up of Investments:</b>		
	Long Term Investments:		
	1. Quoted:		
	(i) Equity Shares	0.05	0.05
	(ii) Debentures	-	-
	(iii) Units of Mutual funds	-	2,000.00
	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	24,478.70	-	24,478.70
	<b>Total</b>	<b>24,478.70</b>	<b>-</b>	<b>24,478.70</b>

### 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 Up 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	2.54	0.05
	<b>Total</b>	<b>2.54</b>	<b>0.05</b>

### 8 Other information :

	Particulars	Amount
(i)	Gross Non-performing Assets	
	(a) Related parties	
	(b) Other than related parties	631.62
(ii)	Net Non-performing Assets	
	(a) Related parties	
	(b) Other than related parties	554.78
(iii)	Assets acquired in satisfaction of debt	

## MAHAVEER FINANCE INDIA LIMITED

### 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 31.03.2020)	No./ Amount Rs. in Cr. (As on 31.03.2019)
1.	No. of SPV's sponsored by the NBFC for Securitisation transactions	4	2
2.	Total amount of Securitised assets as per books of the SPVs sponsored by the NBFC	53.11	23.00
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of the Balance Sheet		
	<b>(a) Off-Balance Sheet Exposures</b>		
	* First Loss	4.49	3.74
	* Others		
	<b>(b) On-Balance Sheet Exposures</b>		
	* First Loss		
	* Others		
4.	<b>Amount of exposures to securitization transactions other than MRR</b>		
	<b>(a) Off-Balance Sheet Exposures</b>		
	(i) Exposure to own securitizations		
	* First Loss		
	* Others		
	(ii) Exposure to Third Party securitizations		
	* First Loss		
	* Others		
	<b>(b) On-Balance Sheet Exposures</b>		
	(i) Exposure to own securitizations		
	* First Loss		
	* Others		
	(ii) Exposure to Third Party securitizations		
	* First Loss		
	* Others		

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"

2019-20

2018-19

### 25 Contingent Liabilities :

Claims against the company not acknowledged as debt

Nil

Nil

### 26 Related Party Disclosures:

#### (A) Relationships

#### (i) Entities having substantial interest in the Company :

a) Banyan Tree Growth Capital II, LLC

#### (ii) 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

#### (iii) Relatives of Key Management personnel (with whom the Company has transactions)

# MAHAVEER FINANCE INDIA LIMITED

(B) The disclosure of related party transactions during the year and balances as on 31<sup>st</sup> March 2020:

Rs.

Nature of Transactions	Entity having substantial interest in the Company	Key Management Personnel	Relatives of Key Management Personnel	Total 31-03-2020	Entity having substantial interest in the Company	Key Management Personnel	Relatives of Key Management Personnel	Total 31.03.2019
<b>EXPENDITURE:</b>								
Remuneration		1,20,00,000		1,20,00,000	-	85,00,000	-	85,00,000
Interest Paid		5,61,838	17,44,258	23,06,096	-	97,003	11,09,688	12,06,691
Rent			50,40,000	50,40,000	-	-	50,40,000	50,40,000
Professional Fees	1,25,00,000			1,25,00,000	62,50,000	-	-	62,50,000
<b>Closing Balances as at</b>								
Rent Deposit given			26,00,000	26,00,000		-	26,00,000	26,00,000
Unsecured Loans taken		67,70,636	1,72,52,358	2,40,22,994		22,40,000	1,33,00,000	1,55,40,000
Other Current Liabilities	56,25,000	-	-	-	56,25,000			

## 27 Corporate Social responsibility

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with schedule III are as below :

	Amount (Rs.)
Gross Amount required to be Spent during the year	11,54,000
Actual Amount Spent during the year for eligible activities	11,54,000

28 The COVID-19 pandemic spread across India had created an unprecedented level of disruption in economic activities. The Government of India declared a nation-wide lock down effective from March 25, 2020 which is still in force. The impact of the COVID-19 on the Company's business disbursements and the asset quality would depend on the time taken for economic activities to resume to normal levels, which remains uncertain.

"RBI announced the COVID-19 Regulatory Package following which the Company has extended the option of moratorium for instalments falling due between March 01, 2020 and May 31, 2020 to all eligible customers. Further, in line with RBI Notification dated 17<sup>th</sup> April 2020, the Company has provided COVID-19 provision of Rs.29.73 Lacs in respect of all moratorium accounts, where asset classification benefit was extended. Further, as required by the said notification, the details of Loans, where moratorium benefits were extended as on 31<sup>st</sup> March 2020 is given below :

	Amount (Rs. in Lacs)
(i) Amount due in respect of overdue contracts	3,920.33
(ii) Amount due on contracts where assets classification benefits was extended as on 31 <sup>st</sup> March 2020	256.14
(iii) provision held against (ii) above, as on 31 <sup>st</sup> March 2020	29.73

29 During the year ended March 31, 2020, the Company has elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for the year ended March 31, 2020 based on the rate prescribed in the said Ordinance.

30 Previous year's figures have been regrouped / reclassified to conform to current year's figures wherever required.