



Registered Office : 324, Runwal Heights, Opp. Nirml Lifestyle,  
L. B. S. Marg, Mulund (West), Mumbai 400 080, Maharashtra.

Corporate Back Office : Manba House, Plot Number A 79, Road No.16, Wagle Estate,  
Thane 400604, Maharashtra.

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Info@manbafinance.com | www.manbafinance.com

# ANNUAL REPORT

## (2019-2020)



## ACROSS THIS REPORT

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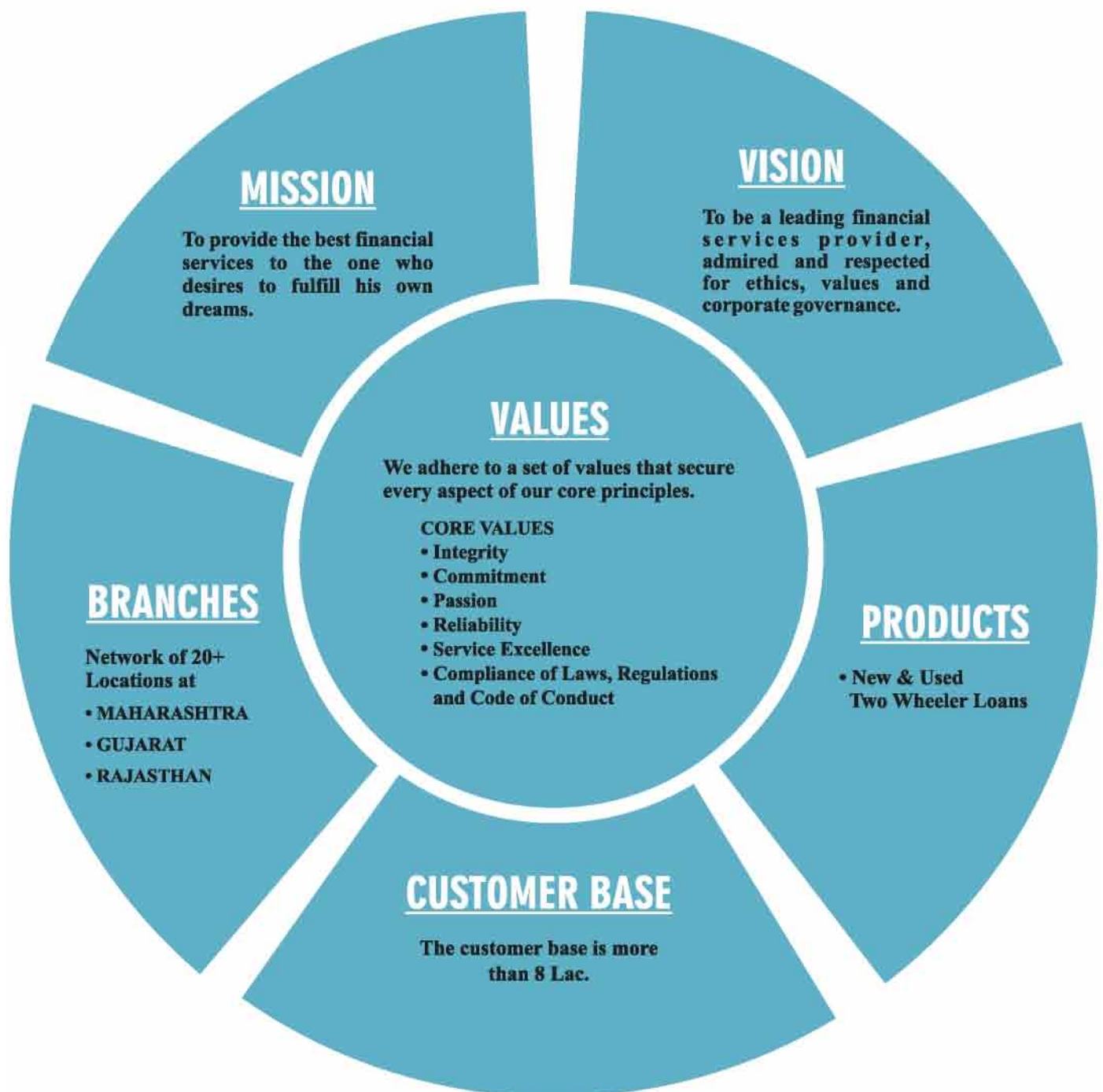
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## MANBA AT A GLANCE

Manba Finance Limited is a non-banking finance company (NBFC) registered with the Reserve Bank of India as a systemically important non-deposit taking company. Mr. Manish K Shah laid the foundation of the Company in 1996 and over the last 24 years, has grown to be one of the prominent Financiers of Two wheelers in Western India. Manba is known for its sound business practices, accurate industry knowledge and customer centric operations.

Manba is a professionally managed organization with a stable, committed and focused core team. The Company has been able to build trust by cultivating a long-term association with various stakeholders such as customers, dealers, financial institutions, regulators and more.

Manba is persistently committed to initiate the changes that are of value to the communities we work with and the society we belong to.





## BOARD OF DIRECTORS



**KIRIT R. SHAH**  
Chairman



**MANISH K. SHAH**  
Managing Director



**NIKITA M. SHAH**  
Director



**MONIL M. SHAH**  
Director



**ANSHU SHRIVASTAVA**  
Independent Director



**ABHINAV SHARMA**  
Independent Director

## BOARD COMMITTEES

### AUDIT COMMITTEE

Anshu Shrivastava (Chairperson)  
Manish K. Shah  
Abhinav Sharma

### CORPORATE SOCIAL

RESPONSIBILITY COMMITTEE  
Anshu Shrivastava (Chairperson)  
Abhinav Sharma  
Manish K. Shah

### NOMINATION AND REMUNERATION COMMITTEE

Anshu Shrivastava (Chairperson)  
Abhinav Sharma  
Monil M. Shah

### KEY MANAGERIAL PERSONNEL

Jay K. Mota (Chief Financial Officer)  
Bhavisha A. Jain (Company Secretary)

## CORPORATE INFORMATION

**CIN**

U65923MH1996PLC099938

**STATUTORY AUDITORS**

**A T M S & Co LLP**

Chartered Accountants

Lotus Park, Unit No. 201, 2<sup>nd</sup> Floor, Wagle Industrial Estate,  
Road No.16, MIDC, Thane (W) - 400 604, Maharashtra, India.

Phone- +91 22 62673333

E-mail- [info@atmsco.in](mailto:info@atmsco.in)

**REGISTRAR & TRANSFER AGENT**

**PURVA SHAREGISTRY INDIA PVT. LTD.**

Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha  
Marg, Lower Parel East, Mumbai, Maharashtra 400011

Phone No. 022 2301 6761

**RATING AGENCY**

**CARE RATINGS LIMITED**

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern  
Express Highway, Sion (East), Mumbai - 400 022.

Tel: +91-022- 6754 3456

Fax: +91-022- 6754 3457

E-mail: [care@careratings.com](mailto:care@careratings.com)

**REGISTERED OFFICE**

324, Runwal Heights, L.B.S Marg, Opp. Nirmal Lifestyle,  
Mulund, West , Mumbai – 400 080 Maharashtra, India.

Website: [www.manbafinance.com](http://www.manbafinance.com)

E Mail: [info@manbafinance.com](mailto:info@manbafinance.com)

Phone: +91 022 6234 6666

**CORPORATE OFFICE**

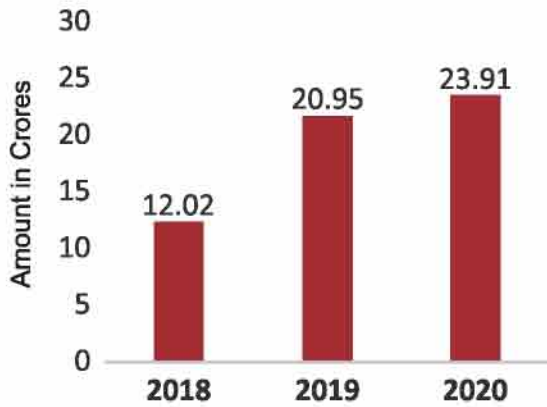
MANBA HOUSE, Plot Number A-79, Road No. 16, MIDC,  
Wagle Industrial Estate, Thane West 400604, Maharashtra India

**BANKS & FIs**

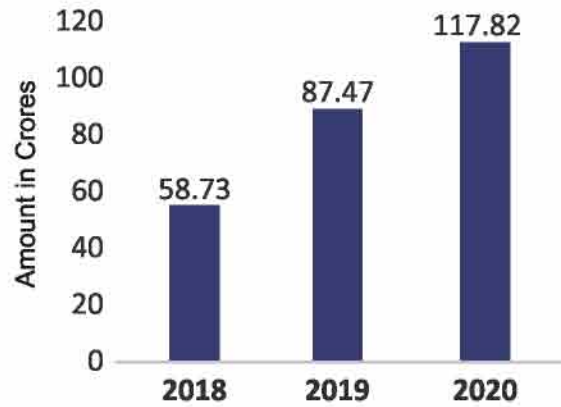
AU Small Finance Bank Limited | Axis Bank | Bank of Baroda  
erstwhile Dena Bank | Fincare Small Finance Bank | Hinduja Leyland  
Finance Limited | ICICI Bank | IDFC First Bank | Indian Overseas  
Bank | Indusind Bank Limited | Kotak Mahindra Bank | Magma  
Fincorp limited | Mahindra and Mahindra Financial Services Ltd |  
Manappuram Finance Limited | Northern ARC Capital Limited | Tata  
Capital Finance Limited | Saraswat Co-operative Bank Limited |  
South Indian Bank | Sundaram Finance Limited | Utkarsh Small  
Finance Bank | Ujjivan Small Finance Bank

## KEY PERFORMANCE HIGHLIGHTS

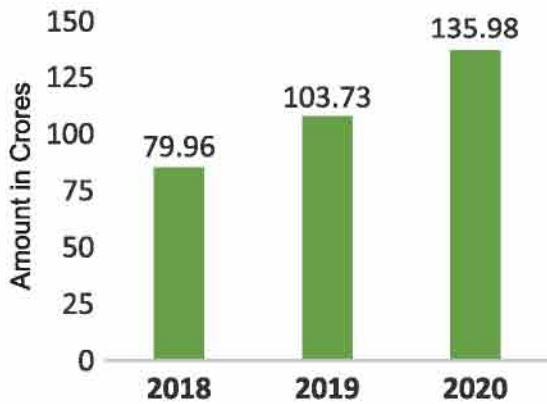
### Net Profit Before Tax



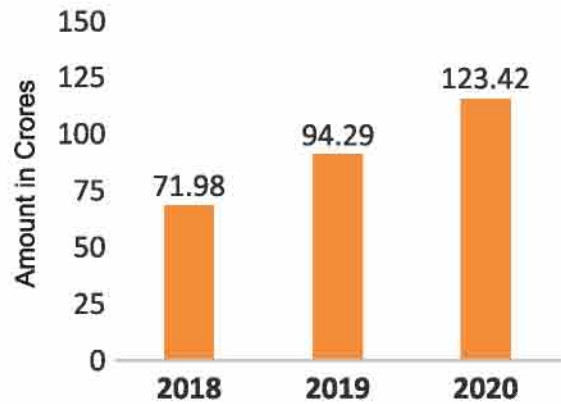
### Revenue from Operations



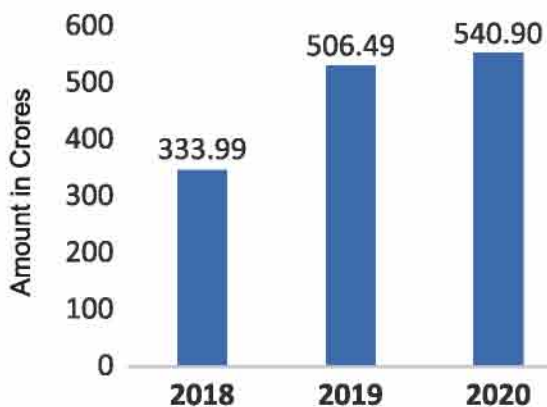
### Net Worth



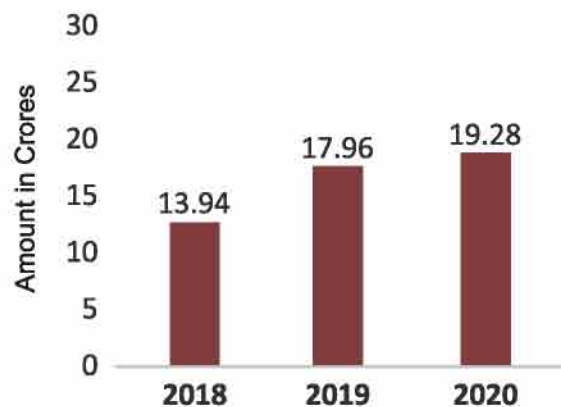
### Reserves and Surpluses



### Total Assets



### EPS





## MANAGING DIRECTOR'S MESSAGE



*Dear Shareholders,*

I hope you all are safe and healthy.

I present to you the twenty fourth Annual Report for the Financial Year ended 31st March 2020.

The world changed in a fortnight as COVID-19 spread across communities, homes and affected businesses, citizens and enterprises alike. The impact on the Two- Wheeler Sector has made it necessary for us to re-align our priorities. Going through economic challenges we have redrawn our business strategy for the FY. 20-21. We are adopting a prudent plan for growth in the business and loan book portfolio while focusing extensively on collections. With the traditional businesses interrupted, we saw opportunity in new market segments like Used Two – Wheelers & Used Cars financing.

These strategic decisions have enabled us to slowly but surely emerge stronger from the current situation and make our company more resilient.

The company now operates in 3 states, Maharashtra, Gujarat, and Rajasthan. Our experience till date in expanding in western India has given us confidence to expand further in the markets of the West. Since inception our focus has been to build a value -based institution on sound processes. This foundation should help us to build country wide operation in the coming years.

We are working towards providing credit access to the common man over the last twenty four years. We are serving over eight lakhs plus valued customers, 600 plus dealers and have one of the fastest loan disbursement process cycle.

### **Financial results**

The year 2019-20 was yet another year of strong performance across all parameters. AUM grew from Rs.506.49 Crores to Rs.540.49 Crores, The income grew from Rs. 90.33 Crores to Rs.118.50 Crores and PAT grew from Rs.14.34 Crores to Rs.18.19 Crores, MFL had laid a strong platform and built a wide branch network with a robust credit delivery policy and it is well placed to grow and build on its momentum.

In FY 2019-2020, we had conducted many social impact CSR programs through NGO and Trusts associated with us. Also During the Covid lockdown we have distributed food and other necessities as well as, we have been running a free meal program for the needy.

Our biggest success is in being an institution that is professionally run with a highly committed and stable Management. We have established our presence in the minds and balance sheets of Lenders and other stake holders as a credible counterparty and sustainable institution. Our goal is to be one of the preferred and trusted financial services partner in retail finance.

I would like to thank all our customers for continuously preferring us for their automobile finance requirements. We can't thank our backend, sales and collection team enough for all the hard work and dedication they show as they are the face of Manba. We are also thankful to our lenders and investors who continuously support us in furthering our financial inclusion goal.

With best wishes,

Manish K. Shah  
Managing Director

## DIRECTOR'S REPORT

To,  
The Members of Manba Finance Limited  
Your Directors are pleased to present their Report together with the audited accounts of your Company for the Financial Year ended 31st March, 2020.

The performance highlights and summarised financial results of the Company are given below:

### PERFORMANCE HIGHLIGHTS

Income from operations for the year ₹ 118.50 crores as compared to ₹ 90.33 crores in F.Y. 2019-20, a growth of 31.19%;  
Profit before tax for the year was ₹ 23.91 crores as compared to ₹ 20.95 crores in 2019-20; a growth of 14.12%;  
Profit after tax for the year was ₹ 18.20 Crores as compared to ₹ 14.35 Crores in 2019-20; a growth of 26.83%.

### FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY

The financial performance of your Company for the year ended 31st March, 2020 is summarised below:

Particulars	Amount in ₹	
	2019-20	2018-19
<b>Total Income</b>	<b>1,18,50,48,807</b>	<b>90,33,48,512</b>
Employee Benefit Expenses	21,14,75,715	15,73,92,831
Finance cost	50,23,76,901	34,58,16,654
Depreciation and amortization expense	1,93,61,718	1,86,73,106
Other Expenses	2,12,730,637	17,19,33,568
<b>Total Expenses</b>	<b>945,944,971</b>	<b>69,38,16,159</b>
Profit Before Tax	239,103,836	20,95,32,353
Tax expense:	57,131,293	6,60,69,844
Profit After Tax	18,19,72,542	14,34,62,509
Statutory Reserve as per Sec 45IC of RBI Act, 1934	3,63,94,508	2,86,92,182

### DIVIDEND

To strengthen the financial position of the Company and to increase working capital, the directors do not recommend any dividend for the year.

### THE STATE OF COMPANY'S AFFAIRS (Section 134 (3i))

The company has adopted various business excellence models, quality management system [QMS], Environmental management system [EMS], The Company's committed effort towards improving efficiency and service level in its operations.

### THE PROPOSED AMOUNTS TO CARRY TO ANY RESERVES (section 134 (3j))

Reserves and surplus of the Company is Rs. 1,23,42,07,028/- as on 31.03.2020.

### SHARE CAPITAL

#### Authorized Share Capital :

The Authorized Share Capital of your Company was increased from Rs. 10,00,00,000 (Rupees Ten Crore only) to Rs. 15,00,00,000 (Rupees Fifteen Crore only) during the year under review.

Consequent to the above, the Authorized Share Capital of your Company as on March 31, 2020 stood at Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 14,90,00,000 (Fourteen Crore Ninety Lakh Only) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each and 1,00,000 ( One Lakh Only ) Preference Shares of the face value of Rs. 10/- (Rupees Ten Only)

#### Further Issue of Share Capital :

Increase in the share capital during the year under review, the paid-up share capital of the Company increased from ₹ 9,43,91,350 divided into 94,39,135 equity shares of ₹10 each to ₹12,55,64,700 divided into 1,25,56,470 equity shares of ₹10/- each, consequent to issue of 12,29,508 equity shares of ₹10 each and 18,87,827 equity bonus shares of ₹10 each. The issued, subscribed and paid-up Equity Share Capital as on 31st March, 2020 was ₹12,55,64,700 comprising of 1,25,56,470 Equity Shares of the face value of ₹10/- each. The equity shares issued shall be rank pari-passu in all respect (including dividend) with the existing equity shares in the Company.

During the year under review, the Company has neither issued shares with differential rights as to dividend, voting or otherwise, nor has issued sweat equity, as on 31st March, 2020, none of the Directors of the Company holds instruments convertible into Equity Shares of the Company.



## DIRECTOR'S REPORT

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Authorised Share Capital</b>	<b>₹ 15,00,00,000/-</b>	<b>₹ 10,00,00,000/-</b>
Equity Shares	₹ 14,90,00,000/- (1,49,00,000 equity Shares of ₹ 10/- each)	₹ 9,90,00,000/- (99,00,000 equity Shares of ₹ 10/- each)
Preferential Shares	₹ 10,00,000/- (1,00,000 preference shares of ₹ 10/- each)	₹ 10,00,000/- (1,00,000 preference shares of ₹ 10/- each)
<b>Total</b>	<b>₹ 15,00,00,000/-</b>	<b>₹ 10,00,00,000/-</b>
Issued, subscribed and fully paid-up	₹ 12,55,64,700/- (1,25,56,470 equity shares of ₹ 10/- each)	₹ 9,43,91,350/- (94,39,135 equity shares of ₹ 10/- each)
<b>Total</b>	<b>₹ 12,55,64,700 /-</b>	<b>₹ 9,43,91,350 /-</b>

### CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY

There are no changes in the nature of business of the Company during the year under review.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013 ('the Act'), Mrs, Nikita M. Shah, Executive Non-Independent Director of the Company retires by rotation at the forthcoming Annual General Meeting scheduled to be held on 29th September, 2020. Mrs. Nikita has expressed her desire to seek re-appointment. The Board recommends her appointment as Director.

Mr. N R Parmeshwaran has resigned as Independent Director u/s 164 on 10.06.2019. Mr. Abhinav Sharma is appointed as independent director in annual general meeting held on 24.09.2019 pursuant to section 149 of Companies Act, 2013 for a term of five consecutive years. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. None of the Independent Directors are due for re-appointment under Section 149(10) of the Companies Act, 2013.

### “Key Managerial Personnel”

Mr. Manish K. Shah, Managing Director, Mr. Jay K. Mota, Chief Financial Officer and Ms. Bhavisha A. Jain, Company Secretary are the Key Managerial Personnel of the Company pursuant to the provisions of Section 203 of the Companies Act, 2013.

### BOARD MEETINGS AND ANNUAL GENERAL MEETING

The Board met 26 times in the financial year 2019-20 viz., on 9<sup>th</sup> April, 2019, 14<sup>th</sup> May, 2019, 28<sup>th</sup> May, 2019, 10<sup>th</sup> June, 2019, 14<sup>th</sup> June, 2019, 05<sup>th</sup> July, 2019, 30<sup>th</sup> July, 2019, 19<sup>th</sup> August, 2019, 26<sup>th</sup> August, 2019, 29<sup>th</sup> August, 2019, 30<sup>th</sup> August, 2019, 3<sup>rd</sup> September, 2019, 24<sup>th</sup> September, 4<sup>th</sup> November, 2019, 7<sup>th</sup> December, 2019, 9<sup>th</sup> December, 2019, 16<sup>th</sup> December, 2019, 20<sup>th</sup> December, 2019, 6<sup>th</sup> January, 2020, 31<sup>st</sup> January, 2020, 20<sup>th</sup> February, 2020, 21<sup>st</sup> February, 2020, 25<sup>th</sup> February, 2020, 06<sup>th</sup> March, 2020, 30<sup>th</sup> March, 2020 and 31<sup>st</sup> March, 2020. The EOGM was held on 25<sup>th</sup> February, 2020. The gap between two Meetings did not exceed one hundred and twenty days. The Annual General Meeting (“AGM”) of the Company was held on 24<sup>th</sup> September, 2019.

### MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Independent Directors met separately to review the performance of Non-Independent Directors, Chairpersons, and the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the company management and the Board.

### AUDITORS:-

**M/S. ATMS & CO LLP**, Chartered Accountants, [Firm Registration No. W100164] hold office until the conclusion of the 2021 Annual General Meeting.

### AUDITORS' REPORT

The Auditors' Report does not contain any qualification, reservation or adverse remark. The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

### COMMITTEES OF THE BOARD OF DIRECTORS

The Company has various committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

### AUDIT COMMITTEE

Your Company has an adequately qualified and experienced Audit Committee with Mr. Anshu Shrivastava as the Chairman and Mr. Abhinav Sharma, and Mr. Manish K. Shah as Members.

The terms of reference of the Committee are as below:-

1. Providing recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
2. Reviewing & monitoring auditor's independence and performance, and effectiveness of audit process.
3. Examining financial statement and the auditors' report thereon.
4. Scrutinising inter- corporate loans and investments.
5. Evaluating internal financial controls & risk management systems.



6. Valuation of undertakings or assets of the company, wherever it is necessary.
  7. Approvals or any subsequent modification of transactions of the Company with related parties.
  8. Any other responsibilities as may be assigned by the Board of Directors from time to time.
- The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

### **NOMINATION AND REMUNERATION COMMITTEE**

Your Company has an adequately qualified and experienced Nomination and Remuneration Committee with Mr. Anshu Shrivastava as the Chairman and Mr. Abhinav Sharma, and Mr. Monil M. Shah as Members. Nomination and Remuneration Committee has formulated a policy relating to the remuneration for the directors, KMPs and other employees named as 'Nomination And Remuneration Policy'.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company has duly constituted a CSR Committee in accordance with section 135 of the Companies Act, 2013 to assist the Board and the Company in fulfilling the corporate social responsibility objectives of the Company.

The CSR Committee presently comprises Mr. Anshu Shrivastava as the Chairman, and Mr. Abhinav Sharma, Mr. Manish K. Shah Members.

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility Committee has formulated a 'Corporate Social Responsibility Policy' (CSR Policy) indicating the activities to be undertaken by the Company.

The Disclosure with respect to CSR activities forming part of this report is given in Annexure-I

### **ASSET LIABILITY MANAGEMENT COMMITTEE ("ALCO")**

The Asset Liability Management Committee presently comprises Mr. Manish Shah (Managing Director) as Chairman, Mr. Monil Shah (Executive Director) and Mr. Jay K. Mota (Chief Financial Officer) as Members. The committee is setup to Monitor market risk management systems, compliance with the asset liability management policy and prudent gaps and tolerance limits and reporting systems set out by the Board of Directors and ensuring adherence to the RBI Guidelines issued in this behalf from time to time. The Committee reviews the risk management policies related to liquidity, interest rates and investment policies. Reviewing the effects of various possible changes in the market conditions related to the balance sheet and recommend the action needed to adhere to the Company's internal limits. The Committee inter alia, oversees the Company's short, medium and long-term funding and liquidity management requirements. It also reviews the liquidity position based on future cash flows.

### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee. As per the Whistle Blower Policy implemented by the Company, the Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or the Corporate Governance Cell.

The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices.

### **BOARD EVALUATION:-**

The Board has completed the annual evaluation of its own performance, the individual Directors (including the Chairman) as well as an evaluation of the working of all Board Committees. The Board of Directors was assisted by the Nomination and Remuneration Committee ("NRC"). The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees.

### **WEB LINK OF ANNUAL RETURN AND/OR EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure A". The same is also available on the website of the company.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statement relate and the date of this report.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the company and its future operations.



### **ARISK MANAGEMENT POLICY OF THE COMPANY**

The management of the company has taken proper actions against the loss of fire, riot, earthquake, terrorism, loss of profit, etc. and other risk are considered necessary by the management.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS U/S 134(5)(e) OF THE COMPANIES ACT, 2013**

The company being unlisted, sub clause (e) of Section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial control is not applicable to the company.

### **DETAILS OF SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

The Company has associate Company namely Manba Investment and Securities Private Limited.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES**

Pursuant to section 186 (11) of the Companies Act, 2013 ('the Act'), the provisions of section 186(4) of the Act requiring disclosure in the financial statement of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report.

### **DEPOSITS**

Your Company being a Non-Banking Financial Company, the disclosures required as per Rule 8 (5)(v) and (vi) of the Companies (Accounts) Rules, 2014 read with Sections 73 and 74 of the Companies Act, 2013, are not applicable to it.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/arrangements/ transactions entered into by the Company during the Financial Year with related parties were on an arm's length basis and in the ordinary course of business. MFL has always been committed to good corporate governance practices, including matters relating to Related Party Transactions. Since all related party transactions entered into by the Company were in the ordinary course of business and were on an arm's length basis, Form AOC-2 is not applicable to the Company.

### **CREDIT RATING**

During the year under review, CARE Ratings, has reaffirmed the 'CARE BBB+' rating to the Company. The 'BBB' ratings denote the moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risks.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, there are no employees of the Company covered under this section who is earning salary over and above specified limit. The details of Directors remuneration given under heading of 'Remuneration of Directors and Key Managerial Personnel' in Annexure II Form No. MGT 9.

### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the financial year no such complaints were received.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3) (m) of section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under : Information required to be given pursuant to Section 134 read with Rule 8(3) of Companies (Accounts), Rules 2014, does not apply to your company because your company has not taken any manufacturing and trading activity during the year.

#### **(A) Conservation of Energy:**

- (i) The steps taken or impact on conservation of energy: Not Applicable
- (ii) The steps taken by the Company for utilizing alternate sources of energy: Not Applicable
- (iii) The capital investment on energy conservation equipment's: Not Applicable

#### **(B) Technology Absorption**

- (i) The efforts made towards technology absorption: Not Applicable.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
  - (a) Details of Technology Imported.
  - (b) Year of Import.
  - (c) Whether the Technology has been fully absorbed.



## DIRECTOR'S REPORT

(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof.

(iv) Your Company has not incurred any expenditure on Research and Development during the year under review.

### (C) Foreign Exchange Earnings and Outgo

The information on foreign exchange outgo is Rs. 23,71,742/- in the Notes to the Accounts. There were no foreign exchange earnings during the year.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ('the Act') your Directors confirm that:

- i. In the preparation of the annual accounts for financial year ended 31st March, 2020, the applicable accounting standards have been followed and there are no material departures in adoption of these standards.
- ii. The Directors have 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 31st March, 2020 and of the profit of the Company for the year ended on that date.
- iii. The Directors have 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.
- iv. The Directors have prepared the annual accounts for financial year ended 31st March, 2020 on a 'going concern' basis.
- v. The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.
- vi. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effective.

### CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has spent ₹ 20.00 Lakhs on CSR projects/programs. Your Company is in compliance with the statutory requirements in this regard. A brief outline of the CSR initiatives undertaken by the Company during the year as per Annexure prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as Annexure II to this Report.

### SECRETARIAL STANDARD

The directors state that applicable Secretarial Standards i.e. SS- 1 and SS- 2 relating to 'Meetings of the Board of Directors and 'General Meetings', respectively, have been diligently following by the company.

### HUMAN RESOURCES

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

### ACKNOWLEDGMENT

Your Directors would like to place on record, their gratitude for the cooperation and guidance received from all the statutory bodies, especially the RBI. The Directors also thank the clients, vendors, investors, banks and other stakeholders in placing their faith in the Company and contributing to its growth. We would also like to appreciate the hard work put in by all our employees, and we look forward to their continuing patronage, going forward.

**For and on behalf of the Board**

**Manish K. Shah**  
**Managing Director**  
**DIN: 00979854**

**Monil M. Shah**  
**Director**  
**DIN : 07054772**

**Place: Mumbai**  
**Date: 28<sup>th</sup> August 2020**

## Annexure- I ANNEXURE I TO DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

**Annual Report on Corporate Social Responsibility Activities as prescribed under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014**

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :**

### CSR POLICY

At Manba Finance Limited (MFL or 'the Company') we sincerely believe that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of the MFL Group, through constant and collaborative interactions with our external stakeholders, MFL strives to become an asset in the communities where it operates. As part of our Corporate Social Responsibility (CSR), we actively implement projects and initiatives for the betterment of society, communities and the environment.

The Company has already constituted a Corporate Social Responsibility Committee on 29th January, 2016 and has aligned its CSR Policy in accordance with the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 to make it compliant with the provisions of the Act and the Rules and to undertake the admissible CSR activities notified by the Ministry of Corporate Affairs in Schedule VII to the Act.

The CSR Policy and details of the projects undertaken by the Company are available at the link [www.manbafinance.com](http://www.manbafinance.com)

**2. The Composition of the CSR Committee:** Mr. Anshu Shrivastava (Chairman), Mr. Manish K Shah and Mr. Abhinav Sharma

**3. Average net profit of the Company for last three financial years:** Rs.962.93 lakhs

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) :** Rs.19.25 lakhs

**5. Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: ₹ 20.00 Lakhs

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year is detailed below:

### Statement of CSR activities and expenditure in the Financial Year 2019-20

1.	2.	3.	4.	5.	6.		7.	8.
S. No.	CSR Project or Activity identified	Sector in which the Project is covered [Refer Note]	Projects or programs 1) Local Area or other 2) Specify the state or district where projects or programs were undertaken	Amount outlay (Budget) projects or programs wise	Amount spent on the project or programs		Cumulative expenditure upto the reporting period	Amount in spent : Directly or Through Implementing Agency*
					Direct expenditure on programs or projects in ₹	Overheads		
1	Eradicating hunger and other projects through agency	(i)	Local Area		20,00,000	0.00	0.00	20,00,000

**\*Give details of implementing agency: Lions Club, JSGIF-Bombey Region, Rashmis Smile Trust, Navbharat Education Society, Malabar Hill Rotary Foundation.**



**Note:**

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural development projects.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report : Not Applicable.**

**7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

sd/-

**Manish K. Shah**  
Managing Director  
DIN: 00979854

**Place: Mumbai**  
**Date: 28<sup>th</sup> August 2020**



# EXTRACT OF ANNUAL RETURN IN FORM MGT-9

**Annexure-II**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**AS ON FINANCIAL YEAR ENDED ON 31ST MARCH, 2020**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

## I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65923MH1996PLC099938
2.	Registration Date	31.05.1996
3.	Name of the Company	Manba Finance Limited
4.	Category/Sub-category of the Company	Public Company, Limited by shares, NBFC
5.	Address of the Registered office & contact details	324, Runwal Heights Commercial Complex, L.B.S. Marg, Mulund (West), Mumbai- 400080
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Purva Sharegistry India Pvt. Ltd. Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai, Maharashtra 400011 Phone No. 022 2301 6761

## 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. No.	Name And Address Of The Company	CIN/GLN	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Manba Investment & Securities Private Limited	U67120MH2001PTC131193	Associate	36.92	2(6)

# EXTRACT OF ANNUAL RETURN IN FORM MGT-9

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

### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	41,82,476	0.00	41,82,476	44.31	51,32,971	0.00	51,32,971	40.88	22.73
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	52,56,659	0.00	52,56,659	55.69	74,23,499	0.00	74,23,499	59.12	41.22
e) Banks / FI									
f) Any other									
<b>Total shareholding of Promoter (A)</b>	<b>94,39,135</b>	<b>0.00</b>	<b>94,39,135</b>	<b>100</b>	<b>1,25,56,470</b>	<b>0.00</b>	<b>1,25,56,470</b>	<b>100</b>	<b>33.03</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
I) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (HUF)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									

## EXTRACT OF ANNUAL RETURN IN FORM MGT-9

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trusts									
ForeignBodies-DR									
Sub-total(B)(2):-									
Total Public Shareholding (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	94,39,135	0.00	94,39,135	100	1,25,56,470	0.00	1,25,56,470	100	33.03

### B) Shareholding of Promoter -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Manish K. Shah	17,58,847	18.63	0.00	21,46,616	17.10	0.00	22.05
2	Nikita M. Shah	13,48,408	14.29	0.00	16,48,090	13.13	0.00	22.22
3	Manish Kirit Shah (HUF)	5,75,235	6.09	0.00	7,38,282	5.88	0.00	28.34
4	Mansi M. Shah	1,500	0.02	0.00	1,800	0.01	0.00	20.00
5	Monil M. Shah	4,98,486	5.28	0.00	5,98,183	4.76	0.00	20.00
6	Manba Investments and securities Private Limited	33,84,647	35.86	0.00	46,35,346	36.92	0.00	36.95
7	Manba Broking Services Pvt. Ltd.	8,38,250	8.88	0.00	8,91,900	7.10	0.00	6.40
8	Manba Fincorp Pvt. Ltd.	3,75,000	3.97	0.00	6,95,902	5.54	0.00	85.57
9	Manba Infotech LLP	6,58,762	6.98	0.00	12,00,351	0.10	0.00	82.21
	<b>TOTAL</b>	<b>94,39,135</b>	<b>100</b>	<b>0.00</b>	<b>12,55,6470</b>	<b>100</b>	<b>0.00</b>	<b>33.03</b>

### C) Change in Promoters' Shareholding (please specify, if there is no change):

SN	Particulars	Shareholding at the beginning of the year		Increase and Decrease in Shareholding with (Reasons)	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company		No. of Shares	% of total shares of the company
1	Manish K. Shah, Managing Director	17,58,847	18.63	30000 (Transfer) 357769 (Bonus allotment)	21,46,616	17.10
2	Nikita M Shah, Director	13,48,408	14.29	25000 (Transfer) 274682 (Bonus allotment)	16,48,090	13.13
3	Monil M. Shah	4,98,486	6.09	99697 (Bonus Allotment)	5,98,183	4.76
4	Manish K. Shah HUF	5,75,235	0.02	40000 (Transfer) 123047 (Bonus Allotment )	7,38,282	5.88
5	Mansi H. Shah	1,500	5.28	300 (Bonus Allotment)	1,800	0.01
6	Manba Investments and securities Private Limited	33,84,647	35.86	676929 (Bonus Allotment) 573770 (Equity Allotment)	46,35,346	36.92
7	Manba Broking Services Pvt. Ltd.	8,38,250	8.88	95000 (Transfer) 148650 (Bonus Allotment)	8,91,900	7.10
8	Manba Fincorp Pvt. Ltd.	3,75,000	3.97	75000 (Bonus Allotment) 245902 (Equity Allotment)	6,95,902	5.54
9	Manba Infotech LLP	6,58,762	6.98	131753 (Bonus Allotment) 409836 (Equity Allotment)	12,00,351	0.10
	<b>TOTAL</b>	<b>94,39,135</b>	<b>100</b>		<b>1,25,56,470</b>	<b>100</b>



## EXTRACT OF ANNUAL RETURN IN FORM MGT-9

### D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	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
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-		
	At the end of the year	0	0	0	0

### E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Increase and Decrease in Shareholding with (Reasons)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Manish K. Shah, Managing Director	17,58,847	18.63	30000 (Transfer) 357769 (Bonus allotment)	21,46,616	17.10
2	Nikita M Shah, Director	13,48,408	14.29	25000 (Transfer) 274682 (Bonus allotment)	16,48,090	13.13
3	Monil M. Shah	4,98,486	5.28	99697 (Bonus Allotment)	5,98,183	4.76
	<b>Total</b>	<b>36,05,741</b>	<b>38.20</b>		<b>43,92,889</b>	<b>21.83%</b>

## 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>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	2,72,11,51,433	97,74,19,220	Nil	3,69,85,70,653
ii) Interest	5,63,184	2,14,66,851	Nil	2,20,30,035
Total (i+ii)	2,72,17,14,617	99,88,86,071	Nil	3,72,06,00,688
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3,30,60,30,614	62,51,05,939	Nil	3,93,11,36,553
ii) Interest	8,15,076	92,53,014	Nil	1,00,68,090
<b>Total (i+ii)</b>	<b>3,30,68,45,690</b>	<b>63,43,58,953</b>	<b>Nil</b>	<b>3,94,12,04,643</b>
<b>Net Change (B-A)</b>	<b>58,51,31,073</b>	<b>36,45,27,118</b>	<b>Nil</b>	<b>22,06,03,955</b>

## EXTRACT OF ANNUAL RETURN IN FORM MGT-9

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time director and/or Manager:

SR.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount in Lacs
		Manish K. Shah, Managing Director	Nikita M. Shah, Executive Director	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3,06,20,000	86,80,000	3,93,00,000
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
2	Stock option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	-as % of profit	Nil	Nil	Nil
	-others (specify)	Nil	Nil	Nil
5	Others, please specify			
	<b>Total (A)</b>	<b>3,06,20,000</b>	<b>86,80,000</b>	<b>3,93,00,000</b>
	<b>CEILING AS PER THE ACT</b>	*Ceiling limit is fixed pursuant to the provisions of Sections 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act 2013 ("the act"), and companies (Appointment & Remuneration of Managerial Remuneration) Rules, 2014 and the Special resolution passed by member of MFL in the Annual General Meeting dt. 24.09.2019		

#### B. Remuneration to other directors: \*Nil

SR.No	Particulars of Remuneration	Name of the Directors		Total Amount in Lacs
1	<b>Independent Directors</b>			
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please			
	<b>Total (1)</b>			
2	<b>Other Non- Executive Directors</b>			
	(a) Fee for attending board committee meetings			
	(b) Commission			
	(c) Others, please specify			
	<b>Total (2)</b>			
	<b>Total (B)=(1+2)</b>			
	<b>Total Managerial Remuneration</b>			
	<b>Overall Ceiling as per the Act.</b>			



## EXTRACT OF ANNUAL RETURN IN FORM MGT-9

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

SR. No.	Particulars of Remuneration	Key Managerial Personal		Total
		CFO	CS	
1	Gross Salary	20,70,220	4,01,028	24,71,248
2	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	Nil	Nil	Nil
3	Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	Nil	Nil	Nil
4	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	Nil	Nil	Nil
5	Stock Option	Nil	Nil	Nil
6	Sweat Equity	Nil	Nil	Nil
7	Commission	Nil	Nil	Nil
8	-as % of profit	Nil	Nil	Nil
9	-others, specify	Nil	Nil	Nil
10	Others, please specify	Nil	Nil	Nil
11	<b>Total</b>	<b>20,70,220</b>	<b>4,01,028</b>	<b>24,71,248</b>

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

During the Financial year 2020, there were no penalties/punishments/compounding of offences under the Companies Act, 2013

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

**Manish K. Shah**  
**Managing Director**  
**DIN: 00979854**

**Monil M. Shah**  
**Director**  
**DIN : 07054772**

**Place: Mumbai**  
**Date: 28<sup>th</sup> August 2020**

## Annexure-III MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Manba Finance Limited is a leading NBFC currently present in three states of Western India and is primarily engaged in financing two – wheelers.

### MACRO-ECONOMIC REVIEW

India's GDP growth in FY20 has continued on a downward growth trajectory which had begun in Q1FY19. The nation has been facing several structural stresses such as, sluggish private investment, significant decline in savings rate for more than seven years and highest unemployment rate in the past 45 years. A broad-based consumption breakdown further accentuated the slowdown.

The COVID-19 induced lockdown/social distancing measures started in March 2020 and put 75% of the overall economic activity into standstill. It consequently hastened the downward trajectory of GDP growth in Q4FY20 to 3.1%. For FY20, India's GDP growth declined to 4.2% as compared to 6.1% in FY19.

Financial markets remained jittery in FY20 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also put pressure on business growth of lenders including NBFCs. The spread of COVID-19 in March 2020, further heightened uncertainties for Q4FY20.

Strict containment and social distancing policies have brought economic activity to a near standstill, and lead to a sharp contraction in growth for the first quarter of FY21. Despite relief measures provided in the form of easing of monetary policy by central banks and fiscal packages announced by government, we are expected to see a contraction in global economy, though analysts claim subsequent and gradual recovery by 2021 year end. However, it is marked with uncertainty depending on the ground reality, that is, the duration of lockdown, growth in infection rate with the opening up of economies, timeline for development of the vaccine and other factors.

### INDIAN ECONOMY

India growth softened in 2019 due to economic and regulatory uncertainty, along with concerns about the health of the non-banking financial sector. The sluggish demand attributed to the decline in consumption growth (tightening of credit terms and poor consumer sentiment), investment and exports. There was a strong hope of recovery in the last quarter of 2019-20. However, the COVID-19 pandemic made this recovery extremely difficult in the near to medium term. The pandemic has presented fresh challenges for the Indian economy now, causing severe disruptive impact on both demand and supply side elements.

### INDIAN FINANCIAL SERVICE INDUSTRY

India has a diversified financial sector undergoing rapid expansion with many new entities entering the market along with the existing financial services firms. After the impact of COVID – 19 tapers off, the financial services sector is composed to grow eventually due to strong fundamentals, adequate liquidity in the economy, significant government and regulatory support, and the increasing pace of digital adoption. In fact, digital transactions will play a larger role in the financial eco-system than hitherto witnessed.

Over the past few years, NBFCs have undergone a substantial change and today they form an important component of India's financial system. NBFCs are changing the business loan landscape in the country. Most NBFCs, leverage alternative and tech-driven credit appraisal methodologies to assess the credit worthiness of prospective borrowers.

This difference in approach allows them to meet loan requirements of individuals and businesses left traditionally Underserved by banks. The use of technology to improve business processes also keeps cost overheads to a minimum, enabling credit to be availed at highly competitive interest rates.

### OUTLOOK (F.Y. – 2020-2021)

As the pandemic has spread across the globe, the adverse impact of COVID-19 has dominated global macroeconomic outlook. Several multilateral agencies have projected recession for the global economy in the calendar year 2020 with the IMF (International Monetary Fund) warning of the worst global recession in almost a century.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The RBI estimates real GDP growth of India to remain in negative territory in FY21. Rating agencies and economic think-tanks have significantly reduced India's growth projections for FY21 to -2% to -5% on the back of extended lockdown, factory shutdowns, supply chain disruptions, travel restrictions, reduced discretionary spending and recessionary outlook for the global economy

The nature of lockdown observed in India is amongst the strictest in the world, considering the domestic policy space to control its negative impact is limited. The consequent steeper decline in economic activities could adversely affect credit intermediaries and financial markets. Moreover, the broad-based economic slowdown will put pressure on the asset quality of lenders.

To avert steeper decline in economic growth, major countries have used a mix of monetary and fiscal tools to ensure liquidity and credit flow to their economies. In India, while the RBI has been doing the heavy lifting, various policy measures announced by the Government in its Economic Package are perceived to be more useful in the medium to long term.

### COVID-19 IMPACT ON THE NBFC SECTOR

Retail Financing Industry, will be impacted for atleast two quarters, as demand for consumer good, housing assets, automobiles and working capital financing will get hit due to slowdown in economic activity. There will be potential credit loss in portfolios will indirectly impact the fund raising ability of NBFCs. There is an enormous risk of defaults and insolvencies.

The actual impact is still not predictable, and it will be defined upon the timeframe required to control the pandemic and relief measures taken by government for it. The trend in delinquencies in retain assets will be a factor to monitor the sector over next few quarters.

### BUSINESS PERFORMANCE

#### Two-Wheeler Finance

In FY20, the Two-Wheeler industry saw 18% de-growth in domestic sales due to overall economic slowdown from the beginning of the financial as well as the nationwide lockdown at its fag end. Through rigorous execution of digital proposition on the ground and domain expertise, your Company has been able to remain amongst the leading financiers in Two-Wheeler finance in FY20.

India's two – wheeler industry faced declining sales in 2019-20. The outlook for 2020-21 looks challenging with the outbreak of COVID-19 and the subsequent lockdown. Apart from the challenges revolving around the uncertainties caused by COVID-19, the two- wheeler industry will also struggle to clear inventory of Bharat Stage IV (BS-IV) vehicles in post lockdown period.

### FINANCIAL PERFORMANCE

Particulars	2019-20	2018-19
Revenue from operations	1,17,82,17,248	87,47,54,454
Other Income	68,31,559	2,85,94,058
<b>Total Income</b>	<b>1,18,50,48,807</b>	<b>90,33,48,512</b>
<b>Total Expenditure</b>	<b>94,59,44,971</b>	<b>69,38,16,159</b>
Profit Before Tax	23,91,03,836	20,95,32,353
Provision for Tax	5,71,31,293	6,60,69,844
<b>Net Profit</b>	<b>18,19,72,542</b>	<b>14,34,62,509</b>
Statutory Reserve as per Sec 45IC of RBI Act, 1934	3,63,94,508	2,86,92,182

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## RISK MANAGEMENT

Your Company, in pursuit of its business objectives, is exposed to certain risks such as liquidity risk, credit risk, market risk, and operational risk. We are reinforcing the risk management and mitigation mechanism. It will be regularly reviewed by the Board and corrective actions will be implemented with diligence. This helps ensure that planned business activities provide an optimised balance of return for the risk assumed, while remaining within acceptable risk level. The focused strategy of building an effective risk management and framework has helped us to stay ahead as one of the leading NBFCs in Two-wheeler Financing Industry.

**Credit Risk Management:** Your Company implemented a comprehensive underwriting framework to guide individual businesses to optimum credit decisions. This is backed by clearly defined risk limits across various parameters including products, sector, geography and counterparty. Your Company has been able to ensure stable asset quality through volatile times in the difficult lending environment further worsened by COVID-19 pandemic, by stringently adhering to the aforementioned prudent risk norms and institutionalised processes.

**Market/Liquidity Risk:** Your Company is safeguarded against any market or liquidity risk owing to prudent approach of continuously maintaining a positive liquidity gap on a cumulative basis in all the time-buckets up to 1 year. Along with this, maintaining an adequate liquidity buffer at consolidated and at each lending entity level further safeguards us. Such conservative and prudent liquidity risk management measures and practices adopted by your Company's Management demonstrates the robustness of our asset liability management during the COVID-19 related stress.

**Operational Risk:** Towards minimising operational risks, the Company has put in place a mechanism with system based. They also help identify redundancies in processes which can be weeded out to enable your Company to stay competitive in a fast-moving digital environment.

## INTERNAL CONTROL AND SYSTEMS AND THEIR ADEQUACY

The Company has put in place an adequate internal control mechanism to safeguard all its assets and ensure operational excellence. The mechanism also accurately records all transaction details and ensures regulatory compliance. Wherever necessary, internal control systems are strengthened, and corrective actions initiated.

## HUMAN RESOURCES

We recognise our people as our greatest asset and we constantly strive to create an environment of continuous learning, collaboration, inclusivity and work-life balance. The Company follows a policy of building strong teams of talented professionals. We constantly strive to upgrade the skills of employees and give them the edge to compete in the dynamic market and become future ready.

## OUTLOOK

We aim to focus on serving the informal segment in the rural areas and scale up business by deepening the penetration levels of existing branch network to reach more customers. While the current COVID crisis is expected to pause the momentum temporarily, we are confident and expect the segment to bounce back sooner and consolidate their operations. We would be selective in choosing the customer segments and also evaluate the opportunities to extend support to the requirement sectors selectively, after proper credit check and enhanced risk management framework to maintain portfolio quality. On the liquidity front, we would continue to maintain higher than required liquidity right through year. While we are comfortably capitalized, the focus would be to raise finances through diversified sources to minimize risks and optimize the borrowings cost. The Government and RBI are also making efforts to institute policy reforms that will facilitate lending to these segments.

## For and on Behalf of the Board

**Manish K. Shah**  
Managing Director  
DIN: 00979854

**Monil M. Shah**  
Director  
DIN : 07054772

Place: Mumbai  
Date: 28<sup>th</sup> August 2020



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF MANBA FINANCE LIMITED

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### OPINION

We have audited the standalone financial statements of **Manba Finance Limited** ("the Company"), which comprise the balance sheet as at **31st March 2020**, and the statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including 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-standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### RESPONSIBILITY OF MANAGEMENT FOR STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- 1) 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.



## INDEPENDENT AUDITOR'S REPORT

- 2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4) 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.
- 5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 6) 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

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone 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 as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i). The Company does not have any pending litigations other than as disclosed in Clause 7(b) of Annexure A which would impact its financial position.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. W1001464**

sd/-

**Deepak Mojindra**  
Partner  
**Membership No. 129704**

**Place: Thane**  
**Date: 5<sup>th</sup> August 2020**

# INDEPENDENT AUDITOR'S REPORT

## "ANNEXURE A" TO INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's report to the members of **Manba Finance Limited** for the year Ended on 31st March 2020. We report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner. We are also informed that a physical verification of the fixed assets has been carried out by management during the year and there is no material discrepancies observed between assets physically verified and book balances.  
(c) According to the information and explanations provided to us, the Title Deeds of the immoveable properties are held in the name of the Company.
2. The nature of the business of the company is of NBFC activities which do not require it to have any inventory. Thus paragraph 3 (ii) of the Order is not applicable to the company.
3. (a) Company has granted loans to Companies or firms or parties covered in the register maintained under section 189 of the Companies Act 2013.  
(b) Receipt of the principal amount and interest are regular for those loans.  
(c) Overdue amount of loans is not more than 1 lakh rupees, so company need not take any actions against those companies.
4. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 & 186 of the companies Act, 2013 in respect of loans, investments, guarantees & security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable..
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company.
7. (a) According to information & explanations given to us and on the basis of our examination of the records, the company has been generally regular in depositing undisputed statutory dues.  
(b) The dues outstanding in respect of income-tax on account of any dispute, are as follows:

Year	About	DUE I.R.O	Forum in which dispute is pending
FY-2008-09	1,16,171	Income Tax	Jurisdictional AO
FY-2009-10	19,168	Income Tax	CPC
FY-2015-16	7,62,810	Income Tax	CPC
FY-2016-17	44,17,970	Income Tax	CPC
FY-2017-18	11,79,190	Income Tax	CPC
FY-2018-19	17,08,820	Income Tax	CPC
FY-2017-18	7,61,500	TDS	CPC
FY-2018-19	40,640	TDS	CPC
FY-2019-20	4,16,870	TDS	CPC



## INDEPENDENT AUDITOR'S REPORT

8. On the basis of records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
9. According to the information & explanation provided to us, The company has not raised any money by way of IPO or FPO but has obtained term loans during the year and was utilized for the purpose for which the said loans were obtained.
10. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees was noticed or reported during the year.
11. According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the provisions of section 197 read with schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to information & explanations given to us and on the basis of our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and the records examined by us, the company has made private placement of shares and non convertible debentures in compliance with the provisions of section 42 of the Companies Act, 2013 and the amount raised has been used for the purposes for which the funds were raised.
15. 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934 as Non Deposit taking NBFC (Non-Banking Financial Company).

**For M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. W100164**

sd/-

**Deepak Mojindra**  
Partner  
**Membership No. 129704**

**Place: Thane**  
**Date: 5<sup>th</sup> August 2020**



# INDEPENDENT AUDITOR'S REPORT

## "ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the companies act, 2013 ("the act")

We have audited the internal financial controls over financial reporting of MANBA FINANCE LIMITED ("the Company") as of **31st March 2020** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### AUDITOR'S RESPONSIBILITY

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

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

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

#### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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 M/s ATMS & Co LLP**  
**Chartered Accountants**  
**Firm Registration No. W100164**

sd/-

**Deepak Mojidra**  
Partner  
Membership No. 129704

**Place: Thane**  
**Date: 5<sup>th</sup> August 2020**

# BALANCE SHEET

**MANBA FINANCE LIMITED**  
(CIN - U65923MH1996PLC099938)  
Balance Sheet as at 31<sup>st</sup> March, 2020

Particulars	Note No	31st March, 2020	31st March, 2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
(a) Share Capital	1	12,55,64,700	9,43,91,350
(b) Reserves and Surplus	2	1,23,42,07,028	94,28,74,367
<b>Non-Current Liabilities</b>			
(a) Long-term borrowings	3	3,94,12,65,600	3,72,06,22,216
(b) Deferred tax liabilities (Net)	4	48,84,569	83,69,490
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
<b>Current Liabilities</b>			
Short-term borrowings		-	-
Trade payables	5	4,40,59,259	9,71,04,804
Other current liabilities	6	1,03,22,779	1,34,59,952
Short-term provisions	7	4,87,04,254	18,81,23,653
<b>Total</b>		<b>5,40,90,08,189</b>	<b>5,06,49,45,832</b>
<b>II.Assets</b>			
<b>Non-current assets</b>			
(i) Tangible assets			
(ii) Intangible assets	8	13,78,36,993	15,34,18,606
(b) Non-current investments	9	5,00,000	5,00,000
(c) Deferred tax assets (net)		-	-
(e) Other non-current assets		-	-
<b>Current assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	10,81,38,459	18,04,48,699
(e) Loans and advances	11	5,11,59,32,251	4,54,42,80,181
(e) Other advances	12	7,34,462	7,62,618
(f) Other current assets	13	4,58,66,024	18,55,35,728
<b>Total</b>		<b>5,40,90,08,189</b>	<b>5,06,49,45,832</b>

Significant accounting policies and notes attached thereto form an integral part of the Balance Sheet.

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm No : W100164

For and on behalf of the Board  
For Manba Finance Limited

DEEPAK MOJIDRA  
(Partner)  
M.No 129704

KIRIT R. SHAH  
(CHAIRMAN)

MANISH K. SHAH  
(MANAGING DIRECTOR)

Place : Thane  
Date : 5<sup>th</sup> August 2020

JAY K. MOTA  
(CHIEF FINANCIAL OFFICER))

BHAVISHA A. JAIN  
(COMPANY SECRETARY)

# PROFIT AND LOSS STATEMENT

## MANBA FINANCE LIMITED (CIN - U65923MH1996PLC099938)

### Profit and Loss statement for the year ended 31<sup>st</sup> March, 2020

Particulars	Note No	31st March, 2020	31st March, 2019
I. Revenue from operations	14	1,17,82,17,248	87,47,54,454
II. Other Income	15	68,31,559	2,85,94,058
<b>III. Total Revenue (I +II)</b>		<b>1,18,50,48,807</b>	<b>90,33,48,512</b>
IV. Expenses:			
Employee benefit expense	16	21,14,75,715	15,73,92,831
Financial costs	17	50,23,76,901	34,58,16,654
Depreciation and amortization expense	18	1,93,61,718	1,86,73,106
Other expenses	19	21,27,30,637	17,19,33,568
<b>Total Expenses</b>		<b>94,59,44,971</b>	<b>69,38,16,159</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		23,91,03,836	20,95,32,353
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		23,91,03,836	20,95,32,353
VIII. Extraordinary Items			
IX. Profit before Tax (VII - VIII)		<b>23,91,03,836</b>	<b>20,95,32,353</b>
X. Tax expense:			
(1) Current Tax		6,01,77,653	6,15,23,376
(2) Deferred Tax		(34,84,921)	37,71,300
(3) Short provision for Tax		4,38,561	7,75,168
XI. Profit(Loss) from the period from continuing operations	(IX - X)	18,19,72,542	14,34,62,509
		<b>18,19,72,542</b>	<b>14,34,62,509</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		<b>18,19,72,542</b>	<b>14,34,62,509</b>
XVI. Earning per equity share:			
(1) Basic - Reported		<b>19.28</b>	<b>17.96</b>
Basic - Adjusted			
(2) Diluted		<b>19.28</b>	<b>17.96</b>

Significant accounting policies and notes attached thereto form an integral part of the Balance Sheet.

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm No : W100164

For and on behalf of the Board  
For Manba Finance Limited

DEEPAK MOJIDRA  
(Partner)  
M.No 129704

KIRIT R. SHAH  
(CHAIRMAN)

MANISH K. SHAH  
(MANAGING DIRECTOR)

Place : Thane  
Date : 5<sup>th</sup> August 2020

JAY K. MOTA  
(CHIEF FINANCIAL OFFICER)

BHAVISHA A. JAIN  
(COMPANY SECRETARY)



# CASH FLOW STATEMENT

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	31 <sup>st</sup> March, 2020	31 <sup>st</sup> March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	23,91,03,836	20,95,32,353
Adjustments for:		
(+) Depreciation	1,93,61,718	1,86,73,106
(+) Exceptional Items	-	-
(+) Interest paid to Banks and Financial Institutions	50,23,76,901	34,58,16,654
(-) Profit on sale of fixed assets	(68,23,553)	(2,81,56,101)
(-) Other Income	(8,006)	(4,37,957)
	75,40,10,896	54,54,28,055
(-) Dividend Received	-	-
(-) Income Tax Paid	6,06,16,214	6,22,98,544
Operating Profit before Working Capital Changes	69,33,94,681	48,31,29,511
(Increase)/Decrease in Current Assets	13,96,97,860	(4,82,79,511)
Increase/(Decrease) in Current Liabilities & Trade Payables	(19,56,02,117)	5,97,14,219
(Increase)/Decrease in Loans given	(57,16,52,070)	(1,63,84,07,705)
<b>Net Cash Flow from Operating activities</b>	<b>6,58,38,354</b>	<b>(1,14,38,43,486)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Asset	(1,52,30,861)	(1,94,55,099)
Sale of fixed assets	88,07,801	4,28,36,337
Purchase of Investments	-	-
Sale of Investments	-	26,71,578
Other Income	8,006	4,37,957
<b>Net Cash used in investing activities</b>	<b>(64,15,054)</b>	<b>2,64,90,773</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest paid to Banks and Financial Institutions	(50,23,76,901)	(34,58,16,654)
Proceeds from issue of shares	14,99,99,976	15,00,04,050
Proceeds from Borrowings	22,06,43,384	1,42,39,35,553
Loans and Advances Given	-	-
<b>Net Cash from Financing Activities</b>	<b>(13,17,33,541)</b>	<b>1,22,81,22,949</b>
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	(7,23,10,241)	11,07,70,236
Cash and cash equivalents at the beginning of the year	18,04,48,700	6,96,78,464
Cash and cash equivalents at the close of the year	10,81,38,459	18,04,48,700

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm No : W100164

For and on behalf of the Board  
For Manba Finance Limited

DEEPAK MOJIDRA  
(Partner)  
M.No 129704

Place : Thane  
Date : 5<sup>th</sup> August 2020

KIRIT R. SHAH  
(CHAIRMAN)

JAY K. MOTA  
(CHIEF FINANCIAL OFFICER))

MANISH K. SHAH  
(MANAGING DIRECTOR)

BHAVISHA A. JAIN  
(COMPANY SECRETARY)

## SCHEDULE FORMING PART OF ACCOUNTS

### Notes to accounts

	31st March, 2020	31st March, 2019
	Rupees	Rupees
<b>1. SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
1,49,00,000 (1,49,00,000) Equity Shares of Rs. 10 Each	14,90,00,000	9,90,00,000
1,00,000 (1,00,000) Preference Shares of Rs. 10 Each	10,00,000	10,00,000
	<b>15,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
(During the year, company has issued 18,87,827 Bonus Equity shares @ 5:1)	12,55,64,700	9,43,91,350
(During the year, company has issued 12,29,508 Equity shares of Rs.10/- each)		
<b>Total</b>	<b>12,55,64,700</b>	<b>9,43,91,350</b>

SHARE CAPITAL- The company does not have any division in class of shares.

A list of share holders having more than 5% share holding is given below

Particulars	% holding
Manba Inv & Sec P.Ltd	36.92
Manish K. Shah	17.10
Nikita M. Shah Share Capital	13.13
Manba Infotech LLP	9.56
Manba Broking Services Pvt. Ltd. Share Capital	7.10
Manish K. Shah HUF	5.88
Manba Fincorp Private Limited	5.54
<b>Grand Total</b>	<b>95</b>

2.RESERVES AND SURPLUS	31st March, 2020	31st March, 2019
<b>Securities Premium</b>		
Opening Balance	45,15,84,647	31,61,44,097
(Less) Reduction during the year	(13,70,770)	-
Add:- Addition During the year	13,77,04,896	13,54,40,550
<b>Total</b>	<b>58,79,18,773</b>	<b>45,15,84,647</b>
<b>Capital Reserve</b>		
Opening Balance	1,75,07,500	1,75,07,500
(Less) Reduction during the year	(1,75,07,500)	-
<b>Total</b>	<b>-</b>	<b>1,75,07,500</b>
<b>Revaluation Reserve</b>		
Opening Balance	94,66,507	6,53,15,293
(Less) Reduction during the year	(24,10,835)	(2,76,94,644)
(Less) Profit on Sale	(70,55,672)	(2,81,54,142)
<b>Total</b>	<b>(0)</b>	<b>94,66,507</b>

## SCHEDULE FORMING PART OF ACCOUNTS

<b>Profit &amp; Loss Account</b>		
Opening Balance	37,38,19,387	25,90,50,660
Add:- Addition During the year	18,19,72,542	14,34,60,909
Less: Proposed Dividend	-	-
Less: Provision for DDT	-	-
Less: Statutory reserve	(3,63,94,508)	(2,86,92,182)
<b>Total</b>	<b>51,93,97,421</b>	<b>37,38,19,387</b>

<b>Statutory reserve</b>		
Opening Balance	9,04,96,326	6,18,04,144
Add:- Addition During the year	3,63,94,508	2,86,92,182
<b>Total</b>	<b>12,68,90,834</b>	<b>9,04,96,326</b>
<b>Total of Reserves &amp; Surplus</b>	<b>1,23,42,07,028</b>	<b>94,28,74,367</b>

<b>3. Long-term borrowings</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>Secured</b>		
Banks (Secured against portfolio)	2,08,65,50,590	1,69,95,61,892
Financial Institutions	1,14,98,53,232	95,82,70,479
Car Loans	1,05,02,824	39,03,774
Non convertible Debentures- Series III (secured against portfolio)	6,00,00,000	6,00,00,000
<b>Total</b>	<b>3,30,69,06,646</b>	<b>2,72,17,36,145</b>
<b>Unsecured Loan</b>		
Loan from Companies	10,91,08,382	31,54,62,582
From Financial Institutions	36,52,50,572	42,34,23,489
<b>Debentures:</b>		
Non convertible Debentures- Series II	10,00,00,000	10,00,00,000
Non convertible Debentures- Series IV	1,00,00,000	11,00,00,000
Non convertible Debentures- Series I	5,00,00,000	5,00,00,000
<b>Total</b>	<b>63,43,58,954</b>	<b>99,88,86,071</b>
<b>Total of Long Term Borrowings</b>	<b>3,94,12,65,600</b>	<b>3,72,06,22,216</b>

<b>4. Deferred tax liability</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Deferred tax liability	48,84,569	83,69,490
<b>Total</b>	<b>48,84,569</b>	<b>83,69,490</b>

### DEFERRED TAX ADJUSTMENT :

As required by the Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, which is mandatory in nature, the company has recognized Deferred Tax, which results from the timing difference between the Book Profits and Tax Profits due to Depreciation, the details of which is as under:

DTL Balance as at 1 <sup>st</sup> April, 2019	83,69,490	45,98,190
Addition during the year	(34,84,921)	37,71,300
DTL Balance as at 31 <sup>st</sup> March, 2020	48,84,569	83,69,490



## SCHEDULE FORMING PART OF ACCOUNTS

<b>5. Trade payables</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Disbursement Payable	3,51,41,845	8,23,31,390
Creditors	89,17,414	1,37,73,414
Creditors for expenses	-	10,00,000
<b>Total</b>	<b>4,40,59,259</b>	<b>9,71,04,804</b>

<b>6. Other current liabilities</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Professional Tax	-	-
TDS payable	1,03,22,779	1,09,65,132
GST Payable	-	-
LPI Charges Payable	-	24,94,820
<b>Total</b>	<b>1,03,22,779</b>	<b>1,34,59,952</b>

<b>7. Short-term provisions</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Provision for Expenses	1,47,84,424	52,51,403
Provisions for TAX	-	15,56,04,723
Provision for standard assets	2,01,46,779	1,79,68,036
Provision for sub standard assets	1,13,17,725	69,85,363
Provisions for Gratuity	24,55,326	23,14,128
<b>Total</b>	<b>4,87,04,254</b>	<b>18,81,23,653</b>

<b>8. Fixed assets</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
<b>(i) Tangible assets</b>	20,70,57,605	20,75,34,853
<b>(ii) Intangible assets</b>	45,84,473	45,84,473
Less-Provision for depreciation	(7,38,05,084)	(5,87,00,719)
<b>Net Block</b>	13,78,36,993	15,34,18,606
<b>Total</b>	<b>13,78,36,993</b>	<b>15,34,18,606</b>

<b>9. Non-current investments</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Shares of progressive bank (50000 equity shares of Rs.10 each)	5,00,000	5,00,000
<b>Total</b>	<b>5,00,000</b>	<b>5,00,000</b>

INVESTMENTS- The company has invested in unquoted shares which are valued at cost

<b>10. Cash and cash equivalents</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Cash & Bank	5,20,42,895	14,52,61,202
Fixed Deposits with Bank	5,60,95,564	3,51,87,497
<b>Total</b>	<b>10,81,38,459</b>	<b>18,04,48,699</b>

<b>11. Loans and advances</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Loans and advances	5,12,63,68,617	4,54,85,00,057
Less: Provision for Interest	(1,04,36,366)	(42,19,876)
<b>Total</b>	<b>5,11,59,32,251</b>	<b>4,54,42,80,181</b>

<b>12. Other Advances</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Advance to Employees	7,34,462	7,62,618
<b>Total</b>	<b>7,34,462</b>	<b>7,62,618</b>

## SCHEDULE FORMING PART OF ACCOUNTS

<b>13. Other current assets</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Taxes Paid (Advance tax + SA tax + TDS)	1,32,62,720	14,05,92,487
Prepaid expenses	95,72,482	69,19,474
Deposits with M.S.E.B	1,78,620	1,78,620
Telephone deposit	2,774	2,774
Deposit for courier services	5,000	5,000
Rent Deposit	1,51,29,199	1,34,76,699
CGST Credit - RCM	-	11,18,559
IGST Credit	95,570	95,570
SGST Credit RCM	-	11,18,559
Debtors for Sale of Office Premises	-	1,65,02,000
GST Credit	76,19,659	40,76,624
Transitional Credit	-	14,49,362
<b>Total</b>	<b>4,58,66,024</b>	<b>18,55,35,728</b>

<b>Particulars</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>14. Revenue from operations</b>		
Finance & Other Charges	1,17,52,47,278	87,33,38,341
Interest on FD	29,69,970	14,16,113
<b>Total</b>	<b>1,17,82,17,248</b>	<b>87,47,54,454</b>

<b>15. Other Income</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Discount received	8,006	3,13,612
Profit on sale of Fixed Assets	68,23,553	2,81,56,101
Short Term Capital Gain	-	1,24,345
<b>Total</b>	<b>68,31,559</b>	<b>2,85,94,058</b>

<b>16. Employee benefit expense</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Salaries & Bonus	15,03,40,268	11,56,99,143
E.S.I.C	25,33,259	31,08,667
Director's Remuneration	4,67,62,599	2,72,25,000
Gratuity	4,22,736	6,72,040
Professional Tax	(61,860)	10,000
Provident Fund	51,60,913	43,73,400
Staff Incentive	30,43,108	29,67,937
Staff Welfare	26,05,917	24,52,308
Keyman Insurance Policy	6,23,644	6,23,644
Maharashtra Labour Welfare Fund	39,931	31,692
Training exp.	5,200	2,29,000
<b>Total</b>	<b>21,14,75,715</b>	<b>15,73,92,831</b>

<b>17. Financial costs</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Bank Charges	73,41,822	41,18,490
Interest Expenses	47,85,81,582	32,97,29,610
Processing Fees CC	1,64,53,497	1,19,68,554
<b>Total</b>	<b>50,23,76,901</b>	<b>34,58,16,654</b>

<b>18. Depreciation</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
Depreciation	1,93,61,718	1,86,73,106
<b>Total</b>	<b>1,93,61,718</b>	<b>1,86,73,106</b>



## SCHEDULE FORMING PART OF ACCOUNTS

19. Other expenses	31st March, 2020	31st March, 2019
<b>Other Direct Expenses</b>		
Advertisement Expenses	1,08,958	28,36,794
Audit Fees	2,89,444	2,86,404
Bad Debts	1,57,76,674	1,02,77,179
Business Promotion	1,71,31,133	2,20,90,207
CIBIL Charges	42,27,675	52,75,552
Computer & Software Charges	19,08,115	14,31,660
Commission	1,98,32,231	51,32,385
Conveyance Expenses	46,89,638	44,41,995
CSR Expenses	20,00,000	20,17,000
Document & Stamping Charges	65,78,478	77,83,507
Diwali Exp	5,42,485	10,18,827
Donations	10,66,565	1,46,835
Electricity Charges	49,44,170	31,77,572
FIR Charges	54,19,542	51,02,968
FOB Charges	-	1,125
GST Credits	1,26,27,299	71,92,219
House Keeping Chgs	12,50,218	12,70,204
Insurance	11,49,095	4,33,602
Internet Expenses	17,26,474	8,65,057
Legal Expenses	2,25,515	36,611
Loss on sale of Seized Vehicles	3,92,16,411	1,76,06,448
Office Expenses	18,64,378	20,02,782
Personnel Expenses	2,38,500	2,89,000
Petrol Charges	7,51,086	8,07,221
Postage & Telegram	9,87,366	12,80,746
Printing & Stationery	37,86,532	39,10,317
Professional & Consultancy Fees	58,91,579	60,05,298
Provision for standard assets	21,78,743	64,68,345
Provision for substandard & Doubtful Assets	43,32,362	35,02,500
Reimbursement of Processing Charges	2,55,25,351	2,79,50,042
Rent, Rates & Taxes	2,05,52,357	1,51,34,278
Repairs & Maintenance	16,78,269	16,53,401
Security Chgs	11,40,449	10,74,000
Society Maintenance	6,11,051	1,103,055
Telephone Expenses	16,50,058	15,61,904
Transport Charges	60,596	41,800
Water Charges	3,86,206	2,98,472
Other Miscellaneous Expenses	3,85,635	4,26,256
<b>Total</b>	<b>21,27,30,637</b>	<b>17,19,33,568</b>

MISCELLANEOUS EXPENSES	
Particulars	Total
Membership & Subscription	30,000
ROC Charges	1,04,258
TDS Return Filing Exp.	1,121
Regn. Charges	2,30,032
Shop & Establishment	20,224
<b>TOTAL</b>	<b>3,85,635</b>

## MANBA FINANCE LIMITED

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

#### **A. Significant Accounting Policies:**

##### **1. General:**

The financial statements have been prepared in conformity with generally accepted accounting principles to comply in all material respects with the notified Accounting Standards (AS) under Companies Accounting Standard Rules, 2015, as amended, the relevant provisions of the Companies Act, 2013 (the Act) and the guidelines issued by the Reserve Bank of India (RBI) as applicable to a Non-Banking Finance Company (NBFC). The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### **2. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates were based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

##### **3. 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.

Income on Non Performing Assets where interest/principal has become overdue for four months or more is recognized as and when received and appropriated. Any such income recognized before the asset becomes non-performing and remaining unrealized is reversed.

Additional finance charges/additional interest are treated to accrue only on realization, due to uncertainty of realizations and are accounted accordingly.

##### **4. Fixed Assets:**

Fixed Assets are stated at acquisition cost plus revalued amount (in case of office premises) less accumulated depreciation.

##### **5. Depreciation:**

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as per Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use as per AS 26 Intangible Assets.

The carrying value of the asset is depreciated over the remaining useful of the asset as per Schedule II of the Companies Act, 2013. The carrying value of the asset after retaining the residual value is recognized in the opening balance of retained earnings where the remaining useful life of the asset is 'Nil'.

##### **6. Investments:**

Investments are valued at cost.

##### **7. Provisioning / Write off of Assets**

Nonperforming loans are written off / provided for, as per management estimates, subject to the minimum provision required as per non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 & amendments therein.

##### **8. Current Assets, Loans & Advances**

Loans and Advances are stated at the value if realized in the ordinary course of business. Irrecoverable amounts, if any are accounted and \ or provided for as per management's judgment or only upon final settlement of accounts with the parties.

Repossessed Assets (Seized vehicles) are valued at the outstanding amount of loan of the respective account in absence of the information with respect to the fair market value.



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### 9. Retirement Benefits

The liability for gratuity has been provided as per internal policies of the company, which is Rs. 24,55,325/- Provision for gratuity as per Actuarial Report is Rs. 45,48,921/- short provision of Rs. 20,93,596/-.

### 10. Provision for taxation

- Provision for Income Tax is made on the basis of the estimated taxable Income for the current year in accordance with the provisions of the Income Tax Act, 1961
- Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax asset, if any, is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

### 11. Provisions, Contingent Liabilities and Contingent Assets:

The company recognize a provision when there is a present obligation as a result of past event on which it is probable that there will be outflow of resources to settle the obligation in respect of which reliable estimate can be made.  
Contingent assets are neither recognized nor disclosed.

### B. Notes on Accounts:

#### 1. In the Opinion of the directors;

- The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.
- The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

	Current Year (Rupees)	Previous year (Rupees)
<b>2. Contingent Liabilities not provided for</b>	Nil	Nil
<b>3. Payments to Directors &amp; Auditors:</b>		
Director's remuneration including perquisites	4,67,62,599	2,72,25,000
Key Managerial Personnel's Remuneration	25,75,073	21,65,068
<b>4. Payment to auditors:</b>		
a) Audit fees	2,50,000	2,20,000
b) Income tax and other matters	1,79,738	80,424

5. As per requirement of section 135 of the Companies Act 2013, The company was required to spend an amount of Rs. 19,25,864/- on Corporate Social Responsibility Expenditure based on the average net profits of the three immediately preceding financial years. The company has spent an amount of Rs. 20,00,000/- against corporate social responsibility expenditure.

#### 6. Related party Disclosure:

Disclosure in respect of AS-18 'Related Party Disclosure' as notified by the companies Accounting Standard Rules, 2006 and Institute of Chartered Accounts of India are given below:

##### Names and Relationships of the related parties:

#### i. Concerns under same Management:

- Innovative Automobiles Private Limited

#### ii) Key Management Personnel:

- Manish K Shah.
- Nikita M Shah.
- Kirit R Shah.
- Jay Mota
- Bhavisha Jain.

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### iii) Transactions with the related parties during the year (figures in rupees) are as follows:

Transaction with related parties	Company under same management	Key Management Personnel and Relatives
Remuneration	NIL (NIL)	4,93,37,672 (2,93,90,068)
Loan taken	77,42,370 (NIL)	(NIL) (NIL)
Loan given	77,54,741 (2,00,00,000)	25,76,659 (97,35,719)
Share Application Money paid	NIL (NIL)	NIL (12,50,05,950)

### 7. Deferred Tax:

Major components of deferred tax assets and liabilities arising on account of timing differences are as below:

Particulars	As at 31/03/2020		As at 31/03/2019	
	Deferred Tax Assets	Deferred Tax Liabilities	Deferred Tax Assets	Deferred Tax Liabilities
Depreciation	-	65,58,820	-	1,14,28,208
Expenses O/S under section 43B	35,536	-	145600	-
Expenses Disallowed for Non Deduction of TDS	-	-	9610	-
Provision for Non-performing Assets	16,38,715	-	2903508	-
<b>Total</b>	<b>16,74,251</b>	<b>65,58,820</b>	<b>30,58,717</b>	<b>1,14,28,208</b>
Deferred tax assets/(liabilities)(Net)	48,84,568		83,69,490	
Amount adjusted in P&L a/c	(34,84,922)		37,71,300	

### 8. Disclosure in respect of Micro and Small Enterprises:

The concern is in process of compiling relevant information from its supplier about their coverage under the Micro, Small & Medium Enterprises Development Act, 2006. As the concern has not received any information from its supplier as on date regarding their status under the above said Act and hence no disclosure has been made.

### 9. Earnings per share (EPS)

#### (i) Basic EPS

Particulars	Current Year	Previous Year
Net profit/(loss) for equity share holders before Extra ordinary items (Numerator used for calculation)	18,19,72,542	14,34,62,509
No of equity shares of Rs 10/- each	1,25,56,470	94,39,135
Weighted Average Number of equity shares * (Denominator used for calculation)	94,39,135	79,86,775
Earnings per share of Rs 10/- each	19.28	17.96

#### (ii) Diluted EPS

Particulars	Current Year	Previous Year
Adjusted Net profit/(loss) for equity share holders before Extra-ordinary items (Numerator used for calculation)	18,19,72,542	14,34,62,509
No. of Equity Shares to Issue to Convertible Debenture Holders	-	-
No of equity shares of Rs. 10/- each (After Conversion)	1,25,56,470	94,39,135
Weighted Average Number of equity shares * (Denominator used for calculation)	94,39,135	79,86,775
Earnings per share of Rs 10/- each	19.28	17.96



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

10. Additional information as per Schedule III of the Companies Act, 2013 to the extent applicable are as under:  
(As certified by the managing director and relied upon by the Auditors)

	Current Year	Previous Year
a) Value of Import on CIF Basis	Nil	Nil
b) Expenditure in the foreign Currency	23,71,742	17,92,126
c) Earning in Foreign Exchange	Nil	Nil

11 Previous Year figures have been rearranged and regrouped wherever necessary to make them comparable with the current year figures.

12. As required in terms of paragraph 13 of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions 2007), following is as disclosed.

13. The Company Has not granted Moratorium for any of its loans , so no disclosure as per RBI is applicable in respect of the same.

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Particulars	Amount Outstanding	Amount Due
<b>1. Liabilities Side:</b>		
Loans and advances availed by the Non- Banking Financial		
a. Debentures:		
Secured		6,00,00,000
Unsecured		16,00,00,000
b. Deferred Credits	-	68,59,16,525
c. Term Loans		2,91,57,37,869
d. Inter Corporate loans and borrowings		10,91,08,382
e. Commercial Paper	-	-
d. Other Loans	-	1,05,02,824
<b>Total</b>		<b>3,94,12,65,600</b>

Particulars	Amount Outstanding
<b>2. Asset Side:</b>	
Breakup of Loans & Advances including Bills Receivables (Other Than those included in (4) below)	
a) Secured	4,66,24,15,985
b) Unsecured	45,35,16,266
<b>3. Break Up of leased Assets and Stock on Hire and Other Assets counting towards AFC activity</b>	
(i) Lease Assets including lease rentals under Sundry Debtors:	
a. Finance Lease	-
b. Operating Lease	-
(ii) Stock on Hire including Hire Charges under Sundry Debtors:	
a. Assets on Hire	-
b. Repossessed Assets	-
(iii) Other Loans counting towards AFC activities:	
a. Loans where assets have been repossessed	-
b. Loans other than (a) above.	-

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

4. Break up of Investments		
Current Investments		
Long Term Investments:		
1. Quoted:		
i) Equity Shares		-
ii) Debentures and Bonds		-
2. Unquoted		
i) Equity Shares		5,00,000
ii) Preference Shares		-
iii) Debentures and Bonds		-

5. Borrower Group wise classification of Assets financed as in (2) and (3) above			
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	4,66,24,15,985		
<b>TOTAL</b>	<b>4,66,24,15,985</b>	<b>45,35,16,266</b>	<b>5,11,59,32,251</b>

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

Category	Market value/Breakup or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than Related Parties	-	5,00,000
<b>TOTAL</b>	<b>-</b>	<b>5,00,000</b>

7. Other Information		
Particulars		Amount
<b>(I) Gross Non-Performing assets</b>		<b>7,92,37,569</b>
(a) Related parties		-
(b) Other than related parties		7,92,37,569
<b>(ii) Net Non-Performing assets</b>		<b>6,79,19,844</b>
(a) Related parties		-
(b) Other than related parties		6,79,19,844
<b>(iii) Assets acquired in satisfaction of debt</b>		<b>-</b>

For M/s ATMS & Co LLP  
Chartered Accountants  
Firm Reg. No. W100164

DEEPAK MOJIDRA  
(Partner)  
Membership No.129704

Date: 5<sup>th</sup> August 2020  
Place: Thane

For Manba Finance Limited

KIRIT R. SHAH  
(Chairman)

JAY K. MOTA  
(Chief Financial Officer)

MANISH K. SHAH  
(Managing Director)

BHAVISHA A. JAIN  
(Company Secretary)